



Stock Code 6173

Prosperity Dielectrics Co., Ltd.

2024 Annual Report

(Translation)

(This English translation is prepared in accordance with the Chinese version and is for reference only. If there is any inconsistency between the Chinese version and this translation, the Chinese version shall prevail.)

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PDC annual report is available at <http://www.pdc.com.tw/tw>

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Job title : Director of finance
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Acting Spokesperson : Shu-Ying Huang
Job title : Accounting manager
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2. Corporate Headquarters & Plant

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4. Auditors

Auditors : Deloitte & Touche
Accountants : Yi-Min Huang and Chin-Chuan Shih
Address : 20F, 100, Songren Road, Xinyi Dist., Taipei 110, Taiwan, R.O.C.
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5. Name of Any Exchanges Where the Company's Securities Are Traded Offshore and Information : Not applicable.

6. Corporate Website : <http://www.pdc.com.tw/tw>

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1. Letter to Shareholders

Dear ladies and gentlemen shareholders,

First of all, I would like to thank all shareholders for the long-term support for PDC!

Looking back at 2024, although the global economy was impacted by geopolitical military conflicts and trade protectionism, the continuous expansion of artificial intelligence (AI) and emerging application opportunities has led to a gradual shift in global commodity trade from recession to expansion. Additionally, the U.S. Federal Reserve and central banks of several European Union countries have initiated interest rate cuts, helping to sustain moderate global economic growth.

In response to the rapid changes in the global international situation and industrial economy, the company adheres to the principle of steady growth and continues to improve its operations. In addition to the development of new products and new markets, it also strengthens resource integration, process improvement, output efficiency enhancement, new product development, management cost control, and optimization of product and customer portfolios, and continues to deploy niche products. Due to the expanding demand for emerging technology applications such as artificial intelligence, high-performance computing and cloud data services, the demand for electronic-related products has rebounded, resulting in an increase in the company's consolidated revenue and gross profit in 2024 compared to last year: the consolidated revenue in 2024 was NT\$3.72 billion, an increase of 1.9% over last year; in terms of net operating profit, the net operating profit in 2024 was NT\$490 million, an increase of 25.7% over last year; in terms of net profit after tax, the net profit in 2024 was NT\$498 million, an increase of 10.4% over last year.

The report on PDC's 2024 operating results is as follows:

I .Global layout and internal process transformation

- MLCC factory completed the establishment of MES manufacturing execution system.
- MLCC factory has integrated the development of the key material.
- MLCC factory has strengthen the vertical integration of internal resource and strictly selected suppliers.
- Strengthen the mode of production and sales integration and cooperation between group companies.
- Actively improve factory constitution, optimize product mix and, enhance efficiency and strengthen product quality.

II.New product development

- Better C/P of X1Y2 safety certified X7R MLCC.
- Low loss DF and low dc-bias MLCC.
- Hi-cap \geq 10uF X7R,X7S MLCC.
- Mid-voltage & Hi-cap NPO MLCC for vehicles.
- 0508 metal plate resistors.
- 0612/1225 BME low resistance with long electrodes resistors.
- 0612/1225 anti-sulfur with long electrodes resistors.
- BME-X7R252H porcelain powder project.
- MW (microwave) LA008 porcelain powder project.
- BME-X7T871 porcelain powder project.
- 5G communication LTCC Low-K porcelain powder project.
- Varistor porcelain powder project.

- The precious metal X7R high-temperature, high-capacitance and high-voltage capacitor porcelain powder project.
- Low temperature co-fired ceramic powder and glass powder for 5G application.
- Various medium-voltage and high-voltage dielectric ceramic powder for vehicles.

III. Financial result and profitability :

Comparison table of income statement for 2024 and 2023 is as follows:

Unit: NT\$ thousand

Item	2024	2023	Growth rate
Net Revenue	3,724,038	3,653,839	1.92%
Gross Profit	798,013	701,746	13.72%
Operating Profit	490,676	390,382	25.69%
Income Before Income Tax	631,552	564,814	11.82%
Net Income(Attributable to the owner of the company)	498,119	451,374	10.36%
Earnings Per Share	2.91	2.64	10.23%

- (1) Net Revenue and Gross Profit : The passive component industry, which has undergone over a year of inventory adjustments, is seeing a gradual recovery in end-user demand. As customers begin to replenish their inventories, the revenue for 2024 has slightly increased by 1.92% compared to the previous year.
- (2) Operation Profit : The operating profit for 2024 increased by NT\$100,294 thousand compared to 2023, primarily due to the increase in gross profit.
- (3) Income Before Income Tax : The pre-tax profit for 2024 increased by NT\$66,738 thousand compared to 2023, mainly due to the increase in operating profit.

Looking forward to the new year, if the growth foundation in 2024 is continued, AI will expand from servers to penetrate into terminal products such as PCs, Tablets, and mobile phones. Coupled with the heating of the robot and electric vehicle markets, it is expected to become the growth momentum of electronic components in 2025. However, with the end of global elections in 2024 and the change of political power, the tariff trade war initiated by the United States will reshape the trade, exchange rate, and tariff policies of various countries. In addition, the escalation of regional conflicts and intensified trade protectionism have increased the uncertainty of the global economic environment.

Amid the rapid changes in the global economic market and industry, the company not only continues to monitor key factors affecting the industry and economy, but also actively implements the following strategies and plans to respond to the unpredictable market conditions, enhance operational performance, and actively promote corporate governance, sustainable management, and improve shareholder returns:

- Continue to focus on the company's core products, invest in R&D, manufacturing and sales to enhance the company's competitiveness in order to get greater profits.
- Continue to promote smart factories to improve production efficiency.
- In response to the future market development direction, we will continue to invest in research, development and manufacturing of special products.
- Continue to develop customers and automotive electronics distributors in Europe, America and Southeast Asia, integrate component marketing channels and strengthen customer services, and

strengthen the production and sales integration and cooperation model among group companies.

- Make timely adjustments to the company's factory layout and supply chain in line with customer and market needs.
- Continue to improve product quality, provide high quality products to customers.
- Continue to provide customers with innovative technology to become the best partner to create added value.
- Provide green products, continue to carry out environmental protection work and to promote ESG (Enterprise Sustainable Development).

Thank all of advanced, shareholders, ladies and gentlemen, for being able to come to the shareholders meeting in person. I very much welcome you to come, and please continue to support and guide us to create a better future for PDC.

Finally, wish all shareholders and advanced from all walks of life good health and all the best!

Chairman
Chiao Yu-Heng

2. Corporate Governance Report

2.1 Information On Board Directors, President, Vice Presidents, Assistant Vice Presidents and the Heads of Various Divisions and Branches

2.1.1 Information On Board Directors

2.1.1.1 Information On Board Directors

2025.04.19

Title	Nationality or Registration Country	Name	Gender /Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Shares Currently Held by Spouse and Underage Children		Shares Held in Name of Others		Key Education/Work Experience	Other Current Positions Within the Company	Other Officer, Director or Supervisor Who Are Spouse or Relative within Second Degree			Note 3
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Position	Name	Relationship	
Chairman	R.O.C	Yu-Heng Chiao	Male 61-70 years old	2023.06.20	3	2005.10.27	1,065,861	0.62	1,065,861	0.62	0	0	0	0	Golden Gate University MBA	Note 1 Note 2	None	None	None	None
Director	R.O.C	Walsin Technology Corporation	N/A	2023.06.20	3	2005.10.27	74,186,468	43.13	74,186,468	43.13	0	0	0	0						
Representative	R.O.C	Walsin Technology Corporation : Yeu-Yuh Chu	Male 71-80 years old	2023.06.20	3	2005.10.27	72,000	0.04	72,000	0.04	0	0	0	0	PHD of Management, National Taipei University of Technology Overseas Manager, Domestic Manager of Walsin Lihwa Corporation President of Walsin Technology Corporation President of Global Brands Manufacture LTD.	Director of GHPW Enterprise Corporation (Hong Kong) Ltd. Rep of corporate director, GHPW Enterprise Corporation (CQ) Ltd. Chongqing Shuohong Investment Co., Ltd Chongqing Dunning Real Estate Co., Ltd.	None	None	None	None

Title	Nationality or Registration Country	Name	Gender /Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Shares Currently Held by Spouse and Underage Children		Shares Held in Name of Others		Key Education/Work Experience	Other Current Positions Within the Company	Other Officer, Director or Supervisor Who Are Spouse or Relative within Second Degree			Note 3
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Position	Name	Relationship	
Representative	R.O.C	Walsin Technology Corporation :Chih-Mou Hung	Male 61-70 years old	2023.06.20	3	2005.10.27	0	0	75,972	0.04	0	0	0	0	Master of chemical engineering, National Cheng Kung University Vice president of Walsin Technology Corporation	President of Inpaq Technology Co., Ltd. Rep of corporate director ,Falcon Automation Equipment Corporation	None	None	None	None
Director	R.O.C	Por-Yuan Wang	Male 81-90 years old	2023.06.20	3	2002.06.28	0	0	0	0	0	0	0	0	PHD of Carnegie Mellon University Chairman of Pacific Venture Partners	Rep of corporate director, Sercomm Corporation Rep of corporate director,Taiwan Cement Corporation Chairman of Pacific Venture Partners	None	None	None	None
Independent Director	R.O.C	Eric Chen	Male 61-70 years old	2023.06.20	3	2017.06.14	10,312	0.01	10,312	0.01	0	0	0	0	Master of chemistry, National Taiwan University Vice president of Walsin Technology Corporation	Director of Wei Chia International Development Company	None	None	None	None
Independent Director	R.O.C	Chin-Tain Chiu	Male 71-80 years old	2023.06.20	3	2023.06.20	0	0	0	0	0	0	0	0	PHD from Institute of Business Administration, National Chengchi University Master's degree from MIT Sloan Graduate School of Management Master of Business Administration, National Chengchi University Bachelor of Electronic Engineering, National Chiao Tung University Senior Vice President/Head of Corporate Finance Department/Head of Taipei Branch, HSBC Head of Corporate Finance	Independent Director of Medimaging Integrated Solution Inc. Independent Director of 3D Global Biotech Inc. Director of Qiu Shi-De Enterprise Co., Ltd.	None	None	None	None

Title	Nationality or Registration Country	Name	Gender /Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Shares Currently Held by Spouse and Underage Children		Shares Held in Name of Others		Key Education/Work Experience	Other Current Positions Within the Company	Other Officer, Director or Supervisor Who Are Spouse or Relative within Second Degree			Note 3
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Position	Name	Relationship	
															Department of Far East Bank Deputy General Manager/Executive Deputy General Manager of American Commercial Bank Manager of Citibank USA Marketing Planner, Taiwan International Standard Electronics Corporation (TAISEL)					
Independent Director	Singapore	Lau Boon Leng	Female 51-60 years old	2023.06.20	3	2023.06.20	0	0	0	0	0	0	0	0	Bechelor of Science, Business Administration, The California State University Vice President of Marsh Singapore Pte. Ltd. Director of Aon Singapore Pte. Ltd. Managing Director of Insurance Matters Pte. Ltd.	Head of Client Service of Willis Towers Watson Brokers (Singapore) Pte. Ltd.	None	None	None	None

Note 1: Chairman Yu-Heng Chiao concurrently served duties in PDC and other companies as shown in the table below.

Company Name	Title	Company Name	Title	Company Name	Title
Walsin Technology Corporation	Chairman	Walsin Lihwa Corporation	Director	Inpaq Technology Co., Ltd.	Rep of corporate director
Walton Advanced Engineering, Inc.	Chairman	Kamaya Electric Co., Ltd.	Director		
Global Brands Manufacture Ltd.	Chairman	Soshin Electric Co., Ltd.	Director		
Silitech Technology Corporation	Chairman	Career Technology (Mfg.) Co., Ltd.	Vice Chairman and President Chief Strategy Officer		
HannStar Board Corporation	Chairman				
Info-Tek Corporation	Chairman				

Note 2 : For details of other positions held by the director concurrently in a subsidiary of the Company, please refer to "6.1 Affiliates Information "of "6. Special Notes".

Note 3 : If the company's chairman and general manager or person of equivalent position (top manager) are the same person, spouse or first-degree relative, the reasons, rationality, necessity and corresponding measures (such as increasing the number of independent directors and ensuring that more than half of the directors do not concurrently serve as employees or managers) should be explained: No such situation.

Table 1 : Major shareholders of the institutional shareholders

Name of Institutional Shareholder	Major Shareholders of Institutional Shareholders	shareholding
Walsin Technology Corporation (as of 2025.4.19)	Walsin Lihwa Corporation	18.30%
	HannStar Board Corporation	8.71%
	Global Brands Manufacture Ltd.	4.36%
	Walton Advanced Engineering, Inc.	2.75%
	Chiao, Yu-Heng	2.65%
	Citigroup (Taiwan) Commercial Bank entrusted with the custody of Maybank Kim Eng Securities Sdn Bhd investment account	2.33%
	Giga Investment Co.	1.37%
	Chin-Xin Investment Co., Ltd	1.28%
	TSAI YI CORPORATION	1.11%
	Winbond Electronics Corporation	1.09%

Table 2 : Major shareholders of the Company's major institutional shareholders

Name of Institutional Shareholders	Major Shareholders of Institutional Shareholders	shareholding
Walsin Lihwa Corporation (as of 2025.3.18)	Chin Xin Investment Corp.	6.15%
	Winbond Electronics Corp.	6.14%
	TECO Electric and Machinery Co., Ltd.	5.22%
	Rong Chiang International Ltd.	4.95%
	The Business Department of Standard Chartered International Commercial Bank Custody of LGT Royal Bank (Singapore) Co., Ltd. Investment Account	4.54%
	Walli Investment Co., Ltd.	2.65%
	Chiao, Yu-Hui	1.74%
	Citibank (Taiwan) is entrusted with the custody of the Norwegian Central Bank's investment account	1.67%
	Chiao, Yu-Heng	1.62%
	Chunghwa Post Co., Ltd.	1.49%
HannStar Board Corporation (as of 2025.4.20)	Walsin technology Corporation	20.32%
	Walsin Lihwa Corporation	12.06%
	Career Technology (Mfg.) Co., Ltd.	5.44%
	Chin-Xin Investment Co. Ltd.	3.55%
	Chiao, Yu-Heng	2.19%
	Xing Xing Investment C. Ltd.	2.15%
	Hong, Pai-Yung	1.91%
	PROSPERITY DIELECTRICS CO., LTD.	1.07%
	TSAI YI CORPORATION	0.96%
	YUYUE CO., LTD.	0.89%

Name of Institutional Shareholders	Major Shareholders of Institutional Shareholders	shareholding
Global Brands Manufacture Ltd. (as of 2025.4.20)	HannStar Board Corp.	40.65%
	Fuh Hwa Taiwan Technology Dividend Highlight ETF Securities Investment Trust Fund Special Account under the custody of Taipei Fubon Commercial Bank Co., Ltd.	3.48%
	Chiao, Yu-Heng	1.18%
	JP Morgan Securities Ltd. Segregated Account under the custody of J.P. Morgan	1.01%
	Allianz Taiwan Daba Fund Segregated Account	0.80%
	Liao, Min-Hui	0.80%
	Uni-President Black Horse Fund Segregated Account	0.72%
	Ensign Peak Advisors Investment Segregated Account under the custody of HSBC Bank (Taiwan) Ltd.	0.71%
	Mitsubishi UFJ Morgan Stanley Securities Trading Account under the custody of HSBC Bank	0.69%
	Société Générale European Options Investment Segregated Account under the custody of HSBC Bank	0.65%
Walton Advanced Engineering, Inc. (as of 2025.4.13)	Walsin Lihwa Corp.	21.17%
	Winbond Electronics Corp.	9.67%
	Prosperity Dielectrics Co., Ltd.	6.16%
	Walsin Technology Corp.	6.16%
	HannStar Board Corp.	2.85%
	Chiao, Yu-Heng	1.97%
	Chiao, Yu-Lon	0.94%
	ACWI Fund Investment Account under the Custody of Standard Chartered International Commercial Bank Business Department	0.70%
	Lee, Chun-Fen	0.49%
	Liang, Erh-Yun	0.43%
Winbond Electronics Corporation (as of 2025.3.16)	Walsin Lihwa Corporation	22.11%
	Chin Xin Investment Corp.	6.31%
	LGT Bank (Singapore) Ltd. Investment Fund held by the Standard Chartered Bank (Taiwan), Main Branch	1.72%
	Arthur Yu-Cheng Chiao	1.53%
	New Labor Pension Fund	1.44%
	Cathay Life Insurance Co., Ltd.	1.37%
	Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds held by JPMorgan Chase Bank, N.A., Taipei Branch	1.00%

Name of Institutional Shareholders	Major Shareholders of Institutional Shareholders	shareholding
	Pai-Yung Hong	0.97%
	Vanguard Emerging Markets Stock Index Fund held by JP Morgan Chase Bank, N.A., Taipei Branch	0.96%
	Chiao, Yu-Heng	0.58%
Giga Investment Co.	Giga-Byte Technology Co., Ltd.	100.00%
Chin-Xin Investment Co., Ltd (as of 2025.3.31)	Winbond Electronics Corporation	37.69%
	Walsin Lihwa Corporation	36.99%
	Huali Investment Corp.	4.43%
	Chiao,Yu-Cheng	3.14%
	Chiao, Yu-Lon	3.14%
	Chiao, Yu-Heng	3.14%
	Chiao,Yu-Chi	3.14%
	Walsin Technology Corporation	1.86%
	HannStar Board Corporation	1.34%
	Prosperity Dielectrics Co., Ltd.	0.72%
Tsai Yi Corporation (as of 2025.3.31)	Walsin Lihwa Corporation	33.97%
	Walsin Technology Corporation	26.62%
	Chin-Xin Investment Co., Ltd	8.23%
	Global Brands Manufacture Ltd.	6.83%
	Ching An Investment Corporation	3.95%
	Jung Yang Investment Corporation	3.85%
	Prosperity Dielectrics Co., Ltd.	3.36%
	Walton Advanced Engineering, Inc.	3.35%
	HannStar Board Corporation	2.91%
	HannStar Display Corporation	2.00%

2.1.1.2 Disclosure of information as professional qualifications and independent status of directors and independent directors

Qualification Name	Professional qualifications and experience	Independent status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chairman Yu-Heng Chiao	Possesses five or more years of work experience required for the Company's business; the current position please refer to "2. Corporate Governance Report" in this annual report; and not been a person of any conditions defined in Article 30 of the Company Act.	(1)Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company. (2)Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.	0
Director Yeu-Yuh Chu	Possesses five or more years of work experience required for the Company's business; the current position please refer to "2. Corporate Governance Report" in this annual report; and not been a person of any conditions defined in Article 30 of the Company Act.	(1)Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. (2)Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.	0
Director Chih-Mou Hung	Possesses five or more years of work experience required for the Company's business; the current position please refer to "2. Corporate Governance Report" in this annual report; and not been a person of any conditions defined in Article 30 of the Company Act.	(1)Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. (2)Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.	0
Director Por-Yuan Wang	Possesses five or more years of work experience required for the Company's business; the current position please refer to "2. Corporate Governance Report" in this annual report; and not been a person of any conditions defined in Article 30 of the Company Act.	(1)Not an employee of the company or any of its affiliates. (2)Not a director or supervisor of the company or any of its affiliates. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent. (3)Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.	0

Independent Director Eric Chen	Possesses five or more years of work experience required for the Company's business; the current position please refer to "2. Corporate Governance Report" in this annual report; and not been a person of any conditions defined in Article 30 of the Company Act.	(4)Not a spouse, relative within the second Degree of kinship, or lineal relative within the Third degree of kinship, of a managerial officer Under subparagraph 1 or any of the persons in The preceding two subparagraphs. (5)Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27,paragraph 1 or 2 of the Company Act. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.	0
Independent Director Chin-Tain Chiu	Possesses five or more years of work experience required for the Company's business; the current position please refer to "2. Corporate Governance Report" in this annual report; and not been a person of any conditions defined in Article 30 of the Company Act.	(6)If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: not a director, supervisor, or employee of that other company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent. (7)If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: not a director (or governor), supervisor, or employee of that other company or institution. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent. (8)Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent, if the specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the company. (9)Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for	2

Independent Director Lau Boon Leng	Possesses five or more years of work experience required for the Company's business; the current position please refer to "2. Corporate Governance Report" in this annual report; and not been a person of any conditions defined in Article 30 of the Company Act.	merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations. (10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company. (11) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.	0
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2.1.1.3 Policy and implementation of diversity of board members

- (1) This policy is the policy adopted by the company's board of directors to achieve the diversity of members.
- (2) When formulating an appropriate diversity policy for board members, the company considers the industry type, international development needs, basic conditions (gender, nationality, education experience, etc.), and in accordance with Article 20 of Corporate Governance Best-Practice Principles, members of the board of directors must generally have the knowledge, skills and accomplishments necessary to perform their duties. When the company selects the members of the board of directors, it has been taken into consideration, and the overall members should have the following abilities:
- ① Operation judgment ability ② Accounting and financial analysis ability ③ Operation management ability ④ Crisis handling ability ⑤ Industry knowledge ⑥ International market outlook ⑦ Leadership ability ⑧ Decision-making ability.

The board of directors of the company is composed of shareholders, industry elites and experts in various fields in accordance with the spirit of diversity. The company has 7 directors, of which 0% are directors with employee status, 1 female director (14%) and 3 are independent directors (43%). None of the independent directors has served three consecutive terms. There are 4 directors over the age of 65, and 3 between the ages of 55 and 64.

Considering the list of directors of the company, among them, Chairman Yu-Heng Chiao has an international vision and is good at technology leadership, operational judgment and investment judgment; Director Yeu-Yuh Chu and Director Chih-Mou Hung are familiar with the manufacturing, sales and operation management of the passive component industry; Director Por-Yuan Wang has an international vision, and is familiar with electronics industry, and is good at operation management and investment judgment. The company's independent directors also have industry knowledge and international market views, and among them, Independent Director Eric Chen is familiar with the manufacturing and operation management of passive components industry, independent director Chin-Tain Chiu has accounting and financial analysis capabilities and operational management capabilities; independent director Lau Boon Leng has international vision and risk management capabilities.

The industry elite directors selected by the company participate in major investment projects related to the company's business, assist the company's finance, accounting and corporate governance and other related businesses according to their professions, and generate extensive and professional opinions through the different experiences of the members to assist the company to make favorable decisions in doing business. In response to the company's development strategy and changes in the internal and external environment in the future, the company will continue to invite suitable candidates to join the board of directors according to future development needs, so as to strengthen the balance of the board of directors. The company's directors' professional diversity structure is as follows:

Title	Name	Nationality	Gender	Employee Identity	Age	The term of the Independent director is less than 3 terms	Whether it meets the abilities of the above (1)~(8)	Background		Professional skills		
								Electronics	Business	Financial Accounting	Information Technology	Risk Management
Director	Yu-Heng Chiao	R.O.C	Male	-	61-70	-	YES	o	o	o		o
	Yeu-Yuh Chu		Male	-	71-80	-	YES	o	o		o	o
	Chih-Mou Hung		Male	-	61-70	-	YES	o	o		o	o
	Por-Yuan Wang		Male	-	81-90	-	YES		o		o	o
Independent Director	Eric Chen		Male	-	61-70	V	YES	o			o	o
	Chin-Tain Chiu		Male	-	71-80	V	YES		o		o	o
	Lau Boon Leng	Singapore	Female	-	51-60	V	YES		o		o	o

The current board of directors of the company consists of seven directors. The specific management objectives and achievement of the board diversity policy are as follows:

Management goals	Execution situation
■ The number of independent directors exceeds one third of the number of directors	Achieved
■ Directors who also serve as company managers should not exceed one-third of the number of directors	Achieved
■ The term of independent directors has not exceeded 3 terms	Achieved
■ The number of directors of either gender accounts for more than one-third of the board seats.	In the event that the target has not yet been met, the Company will make gradual adjustments during future board re-elections.

2.1.2 Information on President, Vice Presidents, Assistant Vice Presidents and the Heads of Various Divisions and Branches

2025.04.19

Title	Nationality	Name	Gender	Date Appointed	Shares Held		Shares Held by Spouse and Underage Children		Shares Held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remark
					Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relation-ship	
President	R.O.C.	Chun-Hsueh Chen	Male	2023.07.01	20,021	0.01	0	0	0	0	Institute of Mechanical Engineering, National Central University AVP of Walsin Technology Corporation President of Joyin Co., Ltd. President of Prosperity Frontier Electronics (Shenzhen) Co., Ltd.	Rep of corporate director of Joyin Co. Ltd. Note 1	None	None	None	None
Vice president	R.O.C.	Wen-Ko Lin	Male	2012.06.18	204,057	0.12	0	0	0	0	Department of Industrial and Systems Engineering, Chung Yuan Christian University AVP of Walsin Technology Corporation	Note 1	None	None	None	None
AVP	R.O.C.	Chien-Wen Chiang	Male	2007.12.26	47,841	0.03	89	0	0	0	Master of Mechanical and Materials engineering, Tatung University	Note 1	None	None	None	None
AVP	R.O.C.	Ching-Shu Wang	Male	2024.08.01	0	0	0	0	0	0	Master's Degree in Earth Sciences, National Cheng Kung University Manager of Yageo Corporation AVP of Walsin Technology Corporation	AVP of Walsin Technology Corporation	None	None	None	None
Director	R.O.C.	Hsia-Ying Lo	Female	2006.07.01	120,567	0.07	0	0	0	0	Assistant manager Of PwC Taiwan Assistant Accounting Manager of Walsin Technology Corporation	Note 1	None	None	None	None

Note 1 : For details of other duties of the managerial officer concurrently serving as a subsidiary of the company, please refer to "6.1 Affiliates information" of "6. Special Notes".

2.2 Remuneration of Directors & Managers in 2024

2.2.1 Remuneration of Directors and Independent Directors

As of December 31, 2024 Unit:NT\$ thousands;

Title	Name	Directors Remuneration								Amount and Ratio of Total Remuneration (A+B+C+D) and proportion of Net Income(%)		Compensation Earned by a Director Who is an Employee of the Company or of the Company's Consolidated Entities								Amount and Ratio of Total Compensation (A+B+C+D+E+F+G) and proportion of Net Income(%)		Remuneration from Ventures Other than Subsidiaries or from the Parent Company
		Base Compensation (A)		Severance Pay and Pensions (B) (Note 1)		Compensation to Directors (C)		Allowances (D) (Note 2)				Salary, Bonuses, and Allowances (E)		Severance Pay and Pensions (F) (Note 1)		Employees' Compensation(G)						
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
																Cash	Stocks	Cash	Stocks			
Director	Yu-Heng Chiao	3,600	8,600	0	0	4,414	4,414	300	300	8,314 1.67%	13,314 2.67%	0	0	0	0	0	0	0	0	8,314 1.67%	13,314 2.67%	78,457
	Walsin Technology Corporation (WTC)																					
	Rep of WTC: Chih-Mou Hung																					
	Rep of WTC: Yeu-Yuh Chu																					
	Por-Yuan Wang																					
Independent Director	Eric Chen	0	0	0	0	2,207	2,207	225	225	2,432 0.49%	2,432 0.49%	0	0	0	0	0	0	0	0	2,432 0.49%	2,432 0.49%	0
	Chin-Tain Chiu																					
	Lau Boon Leng																					

Table of Director's Remuneration Ranges

Range of Remuneration Paid to Directors	Names of Directors			
	Aggregate of First Four Remunerations (A+B+C+D)		Aggregate of First Seven Remunerations (A+B+C+D+E+F+G)	
	The Company	All consolidated entities (H)	The Company	From All Consolidated Entities and Non-consolidated Affiliates (I)
<NT\$1,000,000	6(Chih-Mou Hung 、Yeu-Yuh Chu 、 Por-Yuan Wang 、 Eric Chen 、 Chin-Tain Chiu 、 Lau Boon Leng)	6(Chih-Mou Hung 、Yeu-Yuh Chu 、 Por-Yuan Wang 、 Eric Chen 、 Chin-Tain Chiu 、 Lau Boon Leng)	6(Chih-Mou Hung 、Yeu-Yuh Chu 、 Por-Yuan Wang 、 Eric Chen 、 Chin-Tain Chiu 、 Lau Boon Leng)	6(Chih-Mou Hung 、Yeu-Yuh Chu 、 Por-Yuan Wang 、 Eric Chen 、 Chin-Tain Chiu 、 Lau Boon Leng)
NT\$1,000,000 (inclusive) ~ NT\$2,000,000	1(Walsin Technology Corporation)	1(Walsin Technology Corporation)	1(Walsin Technology Corporation)	0
NT\$2,000,000 (inclusive) ~ NT\$3,500,000	0	0	0	0
NT\$3,500,000 (inclusive) ~ NT\$5,000,000	0	0	0	0
NT\$5,000,000 (inclusive) ~ NT\$10,000,000	1(Yu-Heng Chiao)	0	1(Yu-Heng Chiao)	0
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)	0	1(Yu-Heng Chiao)	0	1(Walsin Technology Corporation)
NT\$15,000,000 (inclusive) ~ NT\$30,000,000	0	0	0	0
NT\$30,000,000 (inclusive) ~ NT\$50,000,000	0	0	0	0
NT\$50,000,000 (inclusive)~ NT\$100,000,000	0	0	0	1(Yu-Heng Chiao)
> NT\$100,000,000 (inclusive)	0	0	0	0
Total	8	8	8	8

Note 1 : The accrual or appropriation amount that belongs to the expensing of retirement pension.

Note 2 : The company had separately paid the driver a total remuneration of NT\$0.

Note 3 : Including the annual rent of NT\$0 for the car provided by the company.

2.2.2 Remuneration of President, Vice President

As of December 31, 2024 Unit: NT\$ thousands;

As of December 31, 2024 Unit: NT\$ thousands,														
Title	Name	Salary (A)		Severance Pay (B) (Note 1)		Bonuses and Allowances (C)(Note 2)		Employee Compensation (D)				Amount and Ratio of Total Compensation (A+B+C+D) and proportion of Net Income (%)		Remuneration from Ventures other than Subsidiaries or from the Parent Company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Cash	Stock	Cash	Stock			
President	Chun-Hsueh Chen	4,433	4,433	216	216	5,641	5,641	1,947	0	1,947	0	12,237 2.46%	12,237 2.46%	0
Vice President	Wen-Ko Lin													

Note 1 : Retirement pension expenses actually paid.

Note 2 : Including the annual rent of NT\$0 for the car provided by the company.

Remuneration Range Table

Range of Compensation to President, Vice President	President, Vice Presidents	
	The Company	From All Consolidated Entities and Non-consolidated Affiliates
<NT\$1,000,000	0	0
NT\$1,000,000 (inclusive) ~ NT\$2,000,000	0	0
NT\$2,000,000 (inclusive) ~ NT\$3,500,000	0	0
NT\$3,500,000 (inclusive) ~ NT\$5,000,000	1(Wen-Ko Lin)	1(Wen-Ko Lin)
NT\$5,000,000 (inclusive) ~ NT\$10,000,000	1(Chun-Hsueh Chen)	1(Chun-Hsueh Chen)
NT\$10,000,000 (inclusive) ~ NT\$15,000,000	0	0
NT\$15,000,000 (inclusive) ~ NT\$30,000,000	0	0
NT\$30,000,000 (inclusive) ~ NT\$50,000,000	0	0
NT\$50,000,000 (inclusive) ~NT\$100,000,000	0	0
> NT\$100,000,000	0	0
Total	2	2

Distribution of Employees' Compensation to Managers

2025.4.30 Unit:NT\$ thousands;

	Title	Name	Stock	Cash	Total	Percentage of the Total to Net Income (%)
Managers	President	Chun- Hsueh Chen	0	2,693	2,693	0.54%
	Vice President	Wen-Ko Lin				
	AVP	Chien-Wen Chiang				
	AVP	Ching-Shu Wang				
	Director of Division	Hsia-Ying Lo				

2.2.3 Analysis of the ratio of total remunerations for directors, president and vice presidents to Net Income (Loss) in the last two years and description of the policy, standards and packages of remunerations, procedure for making such decision, relation to business performance and future risk:

(1) Information of total remunerations to Directors, President and vice presidents in the last two years:

Item	2024		2023	
	The Company	All consolidated entities	The Company	All consolidated entities
Net Profit Attributable To Owners of the Company (NT\$ thousands)	498,119	498,119	451,374	451,374
Directors(%)	2.16%	3.16%	2.61%	2.61%
President & Vice Presidents(%)	2.46%	2.46%	2.08%	2.08%

(2) The policy, standards and packages of remunerations, procedure for making such decision and relation to business performance:

(a). Remuneration distribution policy for directors:

The company's remuneration for directors includes transportation subsidy and profit distribution for directors. In terms of transportation subsidy, it refers to the industry standard and pays on a monthly basis; the remuneration of earnings distribution is handled in accordance with the company's articles of incorporation. The company allocates no more than 2% of the current year's profit as director's remuneration, which is resolved by the board of directors and submitted to the shareholders' meeting report.

In order to facilitate the compliance of the company's directors and functional committee members' remuneration payment management, the company has formulated "Remuneration Measures for Directors" and "Rules for Performance Evaluation of Board of Directors", which clearly regulate the payment standards of directors' remuneration and refer to the directors' performance evaluation results (Includes six aspects: mastery of company goals and tasks, awareness of directors' responsibilities, degree of participation in company operations, internal relationship management and communication, directors' professional and continuing education, internal control) and their individual participation in

operations and contributions Value, while taking into account the company's operating performance and future risks associated with payment remuneration.

(b). Remuneration distribution policy for managers:

Manager's remuneration includes salary, bonus and employee remuneration, etc. The salary is determined according to the position held and the responsibilities assumed, referring to the level of peers for similar positions; the bonus is issued according to the achievement of the budget or project goals; the provision of employee remuneration is handled in accordance with the company's articles of incorporation, and 2% to 10% of the company's annual profit is allocated as employee remuneration. and the distribution is based on the results of performance evaluation. Managers' remuneration must be submitted to the Remuneration Committee for consideration and approval by the Board of Directors.

2.3 Implementation of Corporate Governance

2.3.1 Operation of Board of Directors

The Board of Directors totally held 6(A) meetings in the most recent year (2024), the attendance records for directors were as follows:

Title	Name	Attended in Person (B)	Attended by Proxy	Attendance Percentage (%) 【B/A】	Remarks
Chairman	Yu-Heng Chiao	4	2	67	
Director	Yeu-Yuh Chu (Walsin Technology Corporation Representative)	6	0	100	
Director	Chih-Mou Hung (Walsin Technology Corporation Representative)	6	0	100	
Director	Por-Yuan Wang	6	0	100	
Independent Director	Eric Chen	6	0	100	
Independent Director	Chin-Tain Chiu	6	0	100	
Independent Director	Lau Boon Leng	6	0	100	

Other information required to be disclosed:

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

(1) Any matter under Article 14-3 of the Securities and Exchange Act: The Company has established Audit Committee, and the Article 14-3 of the Securities and Exchange Act do not apply. Relevant information, please refer to "Operations of the Audit Committee" in this annual report.

(2) In addition to the matters referred to above, any dissenting or qualified opinion of an independent directory that is on record or stated in writing with respect to any board resolution:

None.

2. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director's name, the content of the motion, the cause for recusal, and whether and how the director voted: For details, please refer to Table 1 below.

3. Frequency, period, scope, method, and items of self-evaluation of the Board of Directors:

(1) In order to implement corporate governance and enhance the functions of the company's

board of directors, and to set forth performance objectives to improve the operation efficiency of the Board of Directors,” Rules for Performance Evaluation of Board of Directors” (the "Rules") was established pursuant to Article 37 of “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, and approved by the Company’s Board of Directors on Jan. 20, 2020 and amended by the board of directors on 2022.08.30. The Rules applies to the entire board of directors, individual directors and functional committee members. The performance evaluation results of the company's board of directors may be used as a reference when selecting or nominating directors; the performance evaluation results of individual directors may be used as a reference for determining their individual salaries.

- (2) Internal evaluation : Each deliberative unit shall provide questionnaires for directors/ functional committee members to fill out in December each year, and provide the completed attachments and information related to performance evaluation for reference by directors/functional committee members. After the board members & functional committee members complete the questionnaires, deliberative unit will collect the questionnaires, compile and score the data, and then submit the evaluation results to the Remuneration Committee & Functional committee and reported to the Board of Directors' meeting. ” Rules for Performance Evaluation of Board of Directors” and the evaluation results are disclosed on the Company's website after the Board of Directors' meeting.
- (3) External evaluation: According to the company's " Rules for Performance Evaluation of Board of Directors", the company's board of directors should conduct performance evaluation at least once a year. In addition, the implementation of the performance evaluation of the board of directors shall be conducted by an external professional independent organization or a team of external experts and scholars at least once every three years. In 2022, the company first appointed the Taiwan Investor Relations Association, which is independent and has no business relationship with the company, to evaluate the effectiveness of the board of directors. The evaluation dimension includes five aspects including board composition and professional development, board decision-making quality, board operation effectiveness, internal control and risk management, and board participation in corporate social responsibility. Evaluation methods include document review, questionnaires and on-site interviews. Through the review of professional organizations and the guidance and communication of the evaluation committee, the company has obtained professional and objective evaluation results and recommendations, and reported to the board of directors on January 17, 2023.
- (4) Execution of the evaluation of the Board of Directors/ Functional committees in 2024 were as follows :

Evaluation cycle	Evaluation period	Scope of Evaluation	Method of Evaluation	Evaluation content
Once	2024.01.01	Individual	Self evaluation	A.Familiarity with the goals and

	every year	~ 2024.12.31	directors	by individual board members	missions of the Company. B.Awareness of the duties of a director. C. Participation in the operation of the Company. D. Management of internal relationship and communication. E. The director's professionalism and continuing education. F. Internal control.
	Once every year	2024.01.01 ~ 2024.12.31	The Board of Directors	Internal evaluation of the Board of Directors	A.Participation in the operation of the Company. B. Improvement of the quality of the Board of Directors' decision making. C. Composition and structure of the Board of Directors. D. Election and continuing education of the directors. E.Internal control.
	Once every year	2024.01.01 ~ 2024.12.31	Functional committees (including audit committee and remuneration committee).	Internal self-evaluation of functional committee members	A. Participation in the operation of the Company. B. Awareness of the duties of functional committee. C. Improvement of the quality of functional committees' decision making D. Functional Committee Composition and Member Appointment E. Internal control
	every three years	2021.10.01 ~ 2022.09.30	The Board of Directors	Evaluation by external agencies	Board composition and professional development, board decision-making quality, board operational effectiveness, internal control and risk management, and board participation in corporate social responsibility.

(5) The results of internal performance evaluation of the board of directors/functional committees in 2024 were reported to the Compensation Committee on January 17, 2025 and disclosed on the company's website after reporting to the board of directors on January 17, 2025.

4. Give an evaluation of the targets that were adopted for strengthening of the functions of the board during the current and immediately preceding fiscal years (e.g., establishing an audit committee, increasing information transparency, etc.) and the measures taken toward

achievement thereof:

- (1) The Company set up the Audit Committee on June 17, 2020, and appointed three independent directors as members of the first Audit Committee.
- (2) After each meeting of the Board of Directors, the content of proposal that laws and regulations required public announcements disclosed immediately to improve information transparency.
- (3) The company pays attention to shareholders' rights and makes operations more transparent, so it formulates and revises relevant code procedures in accordance with regulations and these rules have been resolved by the board of directors., including "Regulations Governing Procedure for Board of Directors Meetings" 、 "Internal Material Information and Insider Trading Prevention Management Procedures" 、 "Corporate Governance Best-Practice Principles" 、 "Procedures for Ethical Management and Guidelines for Conduct" 、 "Codes of Ethical Conduct for Directors and Managers" 、 "Codes of Ethical Conduct for the employees " 、 "Sustainable Development Practice Principles" 、 "Rules for Performance Evaluation of Board of Directors" etc., and these procedures were approved by the Board of Directors. In order to improve the transparency of information, in 2022, the company revised the " Internal Material Information and Insider Trading Prevention Management Procedures " in accordance with the latest regulations.
- (4) Performance evaluation of the board of directors: In order to implement corporate governance and enhance the functions of the board of directors of the company, and establish performance goals to enhance the operational efficiency of the board of directors, the company's " Rules for Performance Evaluation of Board of Directors" is formulated in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, which is applicable to the entire board of directors and each functional committees and individual directors. For the specific implementation in 2024, please refer to the preceding paragraph.

Table 1 : Director recusals due to conflicts of interests :

Name(s) of Directors	Proposal	Reason for Recusal	Participated in Vote or Not	Remarks
Yu-Heng Chiao	The Company's chairman bonus distribution.	Personally Interested.	Recused as provided by law, not participating in discussions and voting.	12th Term 5th Meeting Jan 31, 2024
Yu-Heng Chiao	The Company's charitable donations.			12th Term 5th Meeting Jan 31, 2024
Yu-Heng Chiao Yeu-Yuh Chu Chih-Mou Hung Por-Yuan Wang Eric Chen Chin-Tain Chiu Lau Boon Leng	The distribution of compensation of directors of the Company for 2023.			12th Term 7th Meeting Mar 26, 2024
Yu-Heng Chiao	The distribution of compensation of employees of the Company for 2023.			12th Term 7th Meeting Mar 26, 2024
Yu-Heng Chiao	The Company's chairman bonus distribution.			12th Term 11th Meeting Jan 17, 2025
Yu-Heng Chiao Chih-Mou Hung	The Company's charitable donations.			12th Term 12th Meeting Feb 19, 2025
Yu-Heng Chiao Yeu-Yuh Chu Chih-Mou Hung Por-Yuan Wang Eric Chen Chin-Tain Chiu Lau Boon Leng	The distribution of compensation of directors of the Company for 2024.			12th Term 13th Meeting Mar 28, 2025

2.3.2 Operation of the Audit Committee

The Audit Committee totally held 6 (A) meetings in the most recent year. The attendance records for Independent Director were as follows:

Title	Name	Attended in Person (B)	Attended by Proxy	Attendance Percentage (%) 【B/A】	Remarks
Convener	Eric Chen	6	0	100	
Independent Director	Chin-Tain Chiu	6	0	100	
Independent Director	Lau Boon Leng	6	0	100	

2.3.2.1 The Company established the “Audit Committee” in accordance with Article 14-4 of Securities and Exchange Act on June 17, 2020, and formulated “Audit Committee Charter” of the Company in accordance with Article 3 of “Regulations Governing the Exercise of Powers by Audit Committees of Public Companies”. The committee is composed of all independent directors, and the number of which shall not be less than three.

2.3.2.2 The Audit Committee’s duties and annual work summary were as follows:

(1) The major matters reviewed by the Audit Committee include:

- A. The adoption or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- B. Assessment of the effectiveness of the internal control system.
- C. The adoption or amendment of the procedures for handling significant financial or business activities, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others, pursuant to Article 36-1 of the Securities and Exchange Act.
- D. Matters in which a director is an interested party.
- E. Significant asset transactions or derivatives trading.
- F. Significant loans of funds, endorsements, or provision of guarantees.
- G. The offering, issuance, or private placement of equity type securities.
- H. The hiring or dismissal of a certified public accountant, or their compensation.
- I. The appointment or discharge of a financial, accounting, or internal audit officer.
- J. Annual financial report and semi-annual financial report.
- K. Other material matters may be required by the Company or the competent authority.

(2) The Audit Committee’s annual Work Summary in 2024:

- A. Matters related to the operation of the Audit Committee.
- B. Review of presentation fairly of the financial statements of the Company.
- C. Communicate regularly with the visa accountant.

D. The effectiveness of the Company's internal control.(Including whether all employees, managers and directors have transactions with related parties and possible conflicts of interest)

E. The Company follows relevant laws and regulations.

F. Management and control of the company's existing or potential risks.

2.3.2.3 Other information required to be disclosed:

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

A. Any matter under Article 14-5 of the Securities and Exchange Act

Audit Committee Meeting Number and Date	Board of Directors Meeting Number and Date	Proposals and Resolutions (Including the content of opinions and suggestions of independent directors)	The Company's Handling of Audit Committee Member's Opinions
2th Term 4th Meeting Jan 31, 2024	12th Term 5th Meeting Jan 31, 2024	Proposal : The Company's charitable donations. Resolution : Proposal passed. Suggestion : None.	Except that the relevant directors shall not be counted in the voting pursuant to Article 15 of Regulations Governing Procedure for Board of Directors Meetings, other independent directors and directors present approved the proposal unanimously.
2th Term 5th Meeting Feb 22, 2024	12th Term 6th Meeting Feb 22, 2024	Proposal : Proposal for the Company's 2023 business report, balance sheets, statements of comprehensive income, changes in equity, cash flows, consolidated financial statements, affiliates' consolidated business report and consolidated financial statements. Resolution : Proposal passed. Suggestion : None.	All of the independent directors and the directors present approved the proposal unanimously.
		Proposal : Matters concerning the repatriation of surplus of Dongguan Frontier Electronics Co., Ltd. Resolution : Proposal passed. Suggestion : None.	All of the independent directors and the directors present approved the proposal unanimously.
		Proposal : Proposal for the 2023 statement on internal control system. Resolution : Proposal passed. Suggestion : None.	All of the independent directors and the directors present approved the proposal unanimously.
2th Term 6th Meeting Mar 26, 2024	12th Term 7th Meeting Mar 26, 2024	Proposal : Ratification of the Company's 2023 Earnings Distribution Proposal. Resolution : Proposal passed. Suggestion : None.	All of the independent directors and the directors present approved the proposal unanimously.
		Proposal : Proposal for the evaluation of independence of the CPAs, the appointment and compensation of the CPAs for the year 2024. Resolution : Proposal passed. Suggestion : None.	All of the independent directors and the directors present approved the proposal unanimously.
2th Term 7th Meeting	12th Term 8th Meeting	Proposal : Proposal for the Company's consolidated financial statements for the first quarters	All of the independent directors and the directors present

Audit Committee Meeting Number and Date	Board of Directors Meeting Number and Date	Proposals and Resolutions (Including the content of opinions and suggestions of independent directors)	The Company's Handling of Audit Committee Member's Opinions
Apr 29, 2024	Apr 29, 2024	of 2024. Resolution : Proposal passed. Suggestion : None.	approved the proposal unanimously.
		Proposal : Frontec International Corporation plans to go through liquidation. Resolution : Proposal passed. Suggestion : None.	All of the independent directors and the directors present approved the proposal unanimously.
		Proposal : Discussion of the amendments to "Internal control system" and "Internal Audit system". Resolution : Proposal passed. Suggestion : None.	All of the independent directors and the directors present approved the proposal unanimously.
2th Term 8th Meeting Aug 1, 2024	12th Term 9th Meeting Aug 1, 2024	Proposal : Proposal for the Company's consolidated financial statements for the first two quarters of 2024. Resolution : Proposal passed. Suggestion : None.	All of the independent directors and the directors present approved the proposal unanimously.
		Proposal : Proposal for the Company's 2023 Sustainability Report. Resolution : Proposal passed. Suggestion : None.	All of the independent directors and the directors present approved the proposal unanimously.
2th Term 9th Meeting Oct 30, 2024	12th Term 10th Meeting Oct 30, 2024	Proposal : Proposal for the Company's consolidated financial statements for the first three quarters of 2024. Resolution : Proposal passed. Suggestion : None.	All of the independent directors and the directors present approved the proposal unanimously.
		Proposal : Proposal for the Company's list of assurance and non-assurance services provided and to be provided by the accountant along with the associated fees from March 27, 2024 to October 30, 2024. Resolution : Proposal passed. Suggestion : None.	All of the independent directors and the directors present approved the proposal unanimously.
		Proposal : Discussion of the amendments to "Internal control system" and "Detailed implementation rules for internal audit operations". Resolution : Proposal passed. Suggestion : None.	All of the independent directors and the directors present approved the proposal unanimously.
		Proposal : The 2025 annual audit plan. Resolution : Proposal passed. Suggestion : None.	All of the independent directors and the directors present approved the proposal unanimously.
2th Term 11th Meeting Feb 19, 2025	12th Term 12th Meeting Feb 19, 2025	Proposal : Proposal for the Company's 2024 business report, balance sheets, statements of comprehensive income, changes in equity, cash flows, consolidated financial statements, affiliates' consolidated business report and consolidated financial statements. Resolution : Proposal passed. Suggestion : None.	All of the independent directors and the directors present approved the proposal unanimously.
		Proposal : Proposal for the 2024 statement on internal control system. Resolution : Proposal passed. Suggestion : None.	All of the independent directors and the directors present approved the proposal unanimously.
		Proposal : The Company's charitable donations. Resolution : Proposal passed.	Except that the relevant directors shall not be counted in the voting

Audit Committee Meeting Number and Date	Board of Directors Meeting Number and Date	Proposals and Resolutions (Including the content of opinions and suggestions of independent directors)	The Company's Handling of Audit Committee Member's Opinions
		Suggestion : None.	pursuant to Article 15 of Regulations Governing Procedure for Board of Directors Meetings, other independent directors and directors present approved the proposal unanimously.
2th Term 12th Meeting Mar 28, 2025	12th Term 13th Meeting Mar 28, 2025	Proposal : Ratification of the Company's 2024 Earnings Distribution Proposal. Resolution : Proposal passed. Suggestion : None.	All of the independent directors and the directors present approved the proposal unanimously.
		Proposal : Proposal for the evaluation of independence of the CPAs, the appointment and compensation of the CPAs for the year 2025. Resolution : Proposal passed. Suggestion : None.	All of the independent directors and the directors present approved the proposal unanimously.
		Proposal : Discussion of the amendments to "Procedures for Acquisition and Disposal of Assets". Resolution : Proposal passed. Suggestion : None.	All of the independent directors and the directors present approved the proposal unanimously.

B. In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the board of directors : None.

(2) Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the content of the motion, the cause for recusal, and whether and how the independent director voted : None.

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

A. Communication between independent directors and the chief internal auditor.

(a) The chief internal audit officer shall attend the board of directors/audit committee at least once a quarter, and report to the independent directors the status of the company's internal audit implementation and internal control operations. Meetings may be called at any time in case of major abnormalities

(b) In addition to the aforementioned regular meetings, the convener of the audit committee may discuss the operation of internal control with the chief internal audit officer by phone or email at any time.

(c) Summary of communications between independent directors, Audit Committee and the chief internal auditor.

Audit Committee Meeting Number and Date	Board of Directors Meeting Number and Date	Communication Highlights	Suggestions of Directors	Handling and Execution results
2th Term 4th Meeting Jan 31, 2024	12th Term 5th Meeting Jan 31, 2024	(1)Report to the independent directors on the implementation status of the audit business and audit deficiencies to improve and follow up.	None	Passed without objection
2th Term 5th Meeting Feb 22, 2024	12th Term 6th Meeting Feb 22, 2024	(1)Report to the independent directors on the implementation status of the audit business and audit deficiencies to improve and follow up. (2)Proposal for the 2023 statement on internal control system.	None	Passed without objection
2th Term 6th Meeting Mar 26, 2024	12th Term 7th Meeting Mar 26, 2024	(1)Report to the independent directors on the implementation status of the audit business and audit deficiencies to improve and follow up.	None	Passed without objection
2th Term 7th Meeting Apr 29, 2024	12th Term 8th Meeting Apr 29, 2024	(1)Report to the independent directors on the implementation status of the audit business and audit deficiencies to improve and follow up. (2)Proposal for the amendments to internal control system and Internal audit system.	None	Passed without objection
2th Term 8th Meeting Aug 1, 2024	12th Term 9th Meeting Aug 1, 2024	(1)Report to the independent directors on the implementation status of the audit business and audit deficiencies to improve and follow up.	None	Passed without objection
2th Term 9th Meeting Oct 30, 2024	12th Term 10th Meeting Oct 30, 2024	(1)Report to the independent directors on the implementation status of the audit business and audit deficiencies to improve and follow up. (2)Proposal for the amendments to internal control system and Internal audit system. (3)Proposal for the 2025 annual audit plan.	None	Passed without objection
2th Term 10th Meeting Jan 17, 2025	12th Term 11th Meeting Jan 17, 2025	(1)Report to the independent directors on the implementation status of the audit business and audit deficiencies to improve and follow up.	None	Passed without objection
2th Term 11th Meeting Feb 19, 2025	12th Term 12th Meeting Feb 19, 2025	(1)Report to the independent directors on the implementation status of the audit business and audit deficiencies to improve and follow up. (2)Proposal for the 2024 statement on	None	Passed without objection

Audit Committee Meeting Number and Date	Board of Directors Meeting Number and Date	Communication Highlights	Suggestions of Directors	Handling and Execution results
		internal control system.		
2th Term 12th Meeting Mar 28, 2025	12th Term 13th Meeting Mar 28, 2025	(1)Report to the independent directors on the implementation status of the audit business and audit deficiencies to improve and follow up.	None	Passed without objection

B. Communication between independent directors, the chief internal auditor and CPAs.

- (a) The CPAs are invited to attend the Board of Directors meetings and the Audit Committee meetings at least twice a year and to report to the Board of Directors and the Audit Committee on the review or audit results of the Company's and its affiliates' financial statements and the internal control audit status. The CPA shall fully communicate any material adjustments to entries or any amendments to laws and regulations.
- (b) Hold communication meetings with the CPAs whenever necessary.
- (c) Summary of communications between independent directors,the chief internal auditor and the CPAs.

Audit Committee Meeting Number and Date	Communication Highlights	Suggestions of Directors	Handling and Execution results
2th Term 5th Meeting Feb 22, 2024	Discuss the issues of financial statement review and the amendments to laws and regulations.	None	2023 Financial Report Approved by the Board of Directors.
2th Term 8th Meeting Aug 1, 2024	Discuss the issues of financial statement review and the amendments to laws and regulations.	None	The financial report for the first two quarters of 2024 was approved by the board of directors.
2th Term 11th Meeting Feb 19, 2025	Discuss the issues of financial statement review and the amendments to laws and regulations.	None	2024 Financial Report Approved by the Board of Directors.

2.3.3 Corporate Governance Implementation Status and Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
1.Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The company has approved the formulation of the "Corporate Governance Best-Practice Principles " by the board of directors on March 17, 2014 and revised it on May 4, 2020, and reported it to the 2020 shareholders' meeting to promote the operation of corporate governance and disclose the code on the company's website (https://www.pdc.com.tw/tw) and Public Information Observatory.	No difference.
2.Shareholding Structure and Shareholders' Rights				
(1)Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	V		(1)The company has formulated the "Corporate Governance Code of Practice" norms, established a spokesperson system and set up an investor service mailbox. Special personnel are responsible for handling shareholders' suggestions, doubts, and disputes, and implement them according to procedures.	No difference.
(2)Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	V		(2)The stock affairs department of the company has a real grasp of the list of major shareholders and the ultimate controllers of major shareholders, and updates them in real time.	No difference.
(3)Has the Company built and implemented a risk management system and a firewall between	V		(3)The company and affiliated companies operate independently, and have established "Rules Governing	No difference.

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
<p>the Company and its affiliates?</p> <p>(4)Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?</p>	V		<p>Financial and Business Matters Between this Corporation and its Affiliated Enterprises". In addition, the company has established the " Regulations Governing Supervision and Management of Subsidiaries" monitoring regulations for subsidiaries.</p> <p>(4)The company has formulated the " Internal Material Information and Insider Trading Prevention Management Procedures "(The amended provisions include that the company's directors and employees who have known the financial report are not allowed to trade the company's stocks during the closed period of 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report). The specific implementation measures are as follows:</p> <p>① Announce the above-mentioned measures on the company's website, prohibiting company insiders from using unpublished information on the market to buy and sell securities.</p> <p>② Before taking office, insiders should be notified of relevant laws and regulations and given insider equity transaction brochure.</p> <p>③ Internal announcement to all employees to remind them that insider trading is prohibited.</p>	No difference.

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			④ Conduct insider trading prevention education and training for employees and insiders. ⑤ 30/15 days before the announcement of the financial report, the head of corporate governance will notify insiders and employees who know the relevant information that they are not allowed to trade company stocks during the closed period.	
3.Composition and responsibilities of the board of directors (1)Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	V		(1)The company plans the members of the board of directors according to its own operation, operation pattern and development needs. The members generally have the knowledge, skills and accomplishments required to perform their duties, including industrial practical experience, business, finance, accounting and work required by the company's business experience etc. The educational experience and concurrent job diversity of the company's current seven directors (including three independent directors) are also disclosed in the directors' information in this annual report.	No difference.
(2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit	V		(2)The company has set up "Remuneration Committee", and will set up other functional committees in due course in the future according to the company's	In the future, other functional committees will be set up in due course

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
<p>committee?</p> <p>(3)Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?</p>	V		<p>corporate governance needs.</p> <p>(3)The company has passed the " Rules for Performance Evaluation of Board of Directors " and related evaluation questionnaires through the board of directors on January 20, 2020. According to the regulations, the company's board of directors should conduct performance evaluation at least once a year. In addition, the implementation of the performance evaluation of the board of directors shall be conducted by an external professional independent organization or a team of external experts and scholars at least once every three years, and the results of the performance evaluation shall be reported to the board of directors and used as a reference for individual directors' remuneration and nomination for renewal.In 2022, the company first appointed the Taiwan Investor Relations Association, which is independent and has no business relationship with the company, to evaluate the effectiveness of the board of directors. The evaluation dimension includes five aspects including board composition and professional development, board decision-making quality, board operation effectiveness,</p>	<p>according to the company's corporate governance needs.</p> <p>No difference.</p>

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
(4)Does the Company regularly evaluate its external auditors' independence?	V		<p>internal control and risk management, and board participation in corporate social responsibility. Evaluation methods include document review, questionnaires and on-site interviews. Through the review of professional organizations and the guidance and communication of the evaluation committee, the company has obtained professional and objective evaluation results and recommendations, and reported to the board of directors on January 17, 2023. In addition, the internal performance evaluations of the board of directors for 2023 and 2024 were completed in January 2024 and January 2025 respectively, and reported to the board of directors on January 31, 2024 and January 17, 2025 respectively. The 2024 assessment method and results are also disclosed in this annual report " 2. Corporate Governance Report / 2.3 Implementation of Corporate Governance / 2.3.1 Operation of Board of Directors" and the company's website.</p> <p>(4)The audit committee of the company evaluates the independence and suitability of accountants every year. In 2024, in addition to requiring certified accountants to provide independent statements and "Audit Quality Indicators (AQI)", the assessment will be conducted in</p>	No difference.

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			<p>accordance with the standards in Note 1 and 13 AQI indicators. It is confirmed that the accountant has no other financial interests or business relationship with the company except for visa and financial and tax case fees, and the accountant's family members do not violate the independence requirements, and after referring to the AQI index information, it is confirmed that the audit experience and training hours of accountants and firms are on par with the average level of the industry, and they have also continued to introduce digital audit tools in recent years to improve audit quality. The 2024 assessment results/the independence and competency assessment of accountants have been submitted to the Audit Committee and the Board of Directors for review on Mar 26, 2024.</p>	

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
4.Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	V		<p>The company passed the resolution of the board of directors on 2020.11.02, designating the current financial supervisor as the supervisor of corporate governance to strengthen the functions of the board of directors and matters related to corporate governance. The supervisor has been in charge of the financial, stock affairs or corporate governance related affairs of the public offering company for three years,and the above and continuing appointments meet the requirement of 12 hours of annual training hours for corporate governance supervisors.</p> <p>The main responsibilities of the corporate governance supervisor are as follows: handle matters related to the meetings of the board of directors and shareholders' meeting according to law, prepare the minutes of the</p>	No difference.

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			<p>board of directors and shareholders' meeting, assist directors to take office and continue their education, provide directors with information needed to perform business, and assist directors to follow laws and regulations, legal review of the qualifications of independent directors, assistance in handling matters related to the resignation of directors or the reassignment of representatives, etc.</p> <p>The company has formulated the " Standard Operational Protocol for Responding to Requests from Directors ". Through the establishment of the operating procedures, the information required by the directors to perform business has also been properly processed.</p> <p>The business execution status of the corporate governance supervisor in 2024 is described as follows. :</p> <p>①Handle the pre-registration of the date of the shareholder meeting according to the law, make the meeting notice, the procedure manual, and the minutes of the meeting within the statutory time limit, and handle the change registration affairs in the revision of the articles of incorporation or the reelection of directors.</p> <p>②Prepare the agenda of the board of directors and notify the directors seven days before the meeting, convene</p>	

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			<p>the meeting and provide meeting materials, and complete the minutes of the board meeting within 20 days after the meeting.</p> <p>③Provide information on advanced training courses for independent directors and general directors and assist in the completion of the training program for directors. All directors in 2024 have completed the statutory training and the status of the training has been disclosed on the Public Information Observatory.</p> <p>④Assist the board of directors and shareholders' meeting procedures and resolutions on legal compliance matters, assist independent directors and general directors to perform their duties and provide required information.</p> <p>⑤Review the legality of independent director qualifications and assist in handling matters related to director changes.</p>	
5.Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company the company's website website? Does the Company appropriately respond to stakeholders'	V		The company has set up a special area for interested parties on the company's website to disclose the contact information for responding to problems, and has a full-time responsible person who can receive, respond and reply to the questions of various stakeholders at any time. From 2020 onwards, the company will regularly report the communications with stakeholders to the board of	No difference.

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
questions and concerns on important corporate social responsibility issues?			directors. The communication situation in 2023 and 2024 has been reported to the board of directors on 2024.01.31 and 2025.01.17 respectively, and the details has be disclosed on the company's website: https://www.pdc.com.tw/tw .	
6.Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?		V	The company has a stock affairs office to handle the affairs of the shareholders meeting.	The company runs its own stock business.
7. Information Disclosure				
(1)Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?	V		(1)The company's website (https://www.pdc.com.tw/tw .) discloses financial business and corporate governance information and regularly updates it.	No difference.
(2)Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	V		(2)The company's website is set up in Chinese and English versions, and a special person is designated to be responsible for the collection and disclosure of company information and a spokesperson is responsible for speaking to the outsides.	No difference.
(3)Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for	V		(3)The company shall announce its annual financial report on the Public Information Observatory within two months after the end of the fiscal year, and announce the first, second, and third quarter financial reports and the operating conditions of each month before the	No difference.

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
each month before the specified deadlines?			prescribed deadline.	
8.Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	V		<p>(1)Employee rights and employee care: Please refer to the description of "4. Operational Highlights" - "4.5 Labor Relations".</p> <p>(2)Investor Relations: The spokesperson of the company will receive and respond to investors' questions at any time.</p> <p>(3)Supplier relationship and rights of interested parties: The company has full-time responsible personnel who can receive feedback at any time and answer questions from stakeholders.</p> <p>(4)Directors' advanced training: the company irregularly provides relevant laws and regulations update information for directors to refer to, and provides relevant training course information, and arranges directors to participate in relevant training courses. In 2024, all directors have completed the statutory training hours, and their advanced studies are disclosed in the "Open Information Observation Station" according to the law. The website : http://mops.twse.com.tw.</p> <p>(5)Implementation of risk management policies and risk measurement standards: The company has formulated internal control systems and "risk management policies</p>	No difference.

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			<p>and procedures" in accordance with regulations, and implemented them effectively, regularly reviewing and revising them, and has ERM department to regularly identify and evaluate various operational risks, please refer to the description of "5.Financial Status, Operating Results and Risk Management".</p> <p>(6)Implementation of customer policy: The company has full-time responsible personnel to deal with customer-related issues in order to improve customer satisfaction.</p> <p>(7)Liability insurance for directors : The company has purchased liability insurance for directors and supervisors, and the insurance period lasts for one year.</p>	
9.Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (If the Company was not included among the companies evaluated for the given recent year, this item does not need to be completed.)	V		<p>The results of the eleventh (2024) corporate governance evaluation of the company are listed as 6%~20%, which is the same level as the tenth. The improved items in 2024 include : (1) The sustainability report has entrusted a third party to issue a assurance report; (2) The English version of the sustainability report has been issued, and we will gradually improve the unimproved items in the future.</p>	In the future, we will gradually improve the unimproved items.

Note1 :

(1)Evaluation Criteria of CPA's independence

Appraisal Items	Results	Compliant with Independence ?
1. The CPA and/or any of his/her family members has/have no direct or indirect significant financial interest in the Company.	True	Yes
2. The CPA and/or any of his/her family members has/have no commercial relations with the Company, or any of its directors or managers.	True	Yes
3. At the time of the audit, no family member of the CPA held any position as a director or manager of the Company or that which had any direct and material influence on the audit.	True	Yes
4. There is no relationship between the members of the audit team and the company's directors and managers as spouses, direct blood relatives, direct marriage relatives, or second-degree blood relatives..	True	Yes
5. The CPA did not receive from the Company or its directors, managers, or major shareholders any offer or gift, the value of which exceeds the usual social etiquette standards.	True	Yes
6. The CPA's audit team has implemented the necessary procedures regarding independence/conflicts of interests without any violation of the independence or any unsettled conflict of interests.	True	Yes

(2)Items Evaluated under Audit Quality Indicators (AQIs)

Five major facets	AQIs	Focus of measurement	Whether CPAs meet the suitability or independence requirement
Professionalism	Audit Experience	Whether CPAs and senior auditors have sufficient audit experience to carry out the audit work	Yes
	Training hours	Whether CPAs and senior auditors have received sufficient education and training every year to continuously acquire professional knowledge and skills	Yes
	Attrition rate	Whether the CPA firm maintains sufficient senior human resources	Yes
	Professional support	Whether the CPA firm has sufficient professionals to support the audit team.	Yes
Quality control	CPA workloads	Whether the workloads of CPA are too heavy	Yes
	Audit input	Whether audit team members have made inputs appropriately at each stage of the audit	Yes
	Engagement Quality	Engagement Quality Control Review (EQCR) is a review of	Yes

Five major facets	AQIs	Focus of measurement	Whether CPAs meet the suitability or independence requirement
	Control Review	whether CPAs have devoted sufficient hours to the audit case	
	Quality control support capabilities	Whether the CPA firm has sufficient quality control manpower to support the audit team	Yes
Independence	Non-audit services	The impact of the proportion of annual fees for non-audit services on the independence of the CPA firm and its affiliates	Yes
	Familiarity with customer	The impact of the cumulative number of years of audit of the customer's annual financial reports on the independence of the CPA firm	Yes
Supervision	External inspection deficiencies and sanctions	Whether the CPA firm carries out its quality control and audit of the customer in accordance with relevant laws and regulations	Yes
	The competent authority issues a letter demanding improvement		Yes
Innovation capabilities	Innovative planning or initiatives	The CPA firm commits to improving audit quality, including the firm's innovation capability and planning	Yes

2.3.4 Duties, Composition and Operation of the Remuneration Committee

2.3.4.1. The company's board meeting on December 29, 2011 passed the company's "Remuneration Committee Charter" and established the Remuneration Committee. The Remuneration Committee should faithfully perform the following functions and powers with the attention of a good manager, and submit the proposed suggestions to the Board of Directors for discussion :

- (1) Regularly review "Remuneration Committee Charter" and propose amendments.
- (2) Formulate and regularly review policies, systems, standards and structures for performance evaluation and remuneration of directors and managers.
- (3) Regularly assess and determine the remuneration of directors and managers.

2.3.4.2 Information on Remuneration Committee Members

Identify	Condition Name	Professional qualifications and experience	Independence Criteria	Number of Other Public Companies in Which the Member Concurrently Serving as a Remuneration Committee Member
Independent Director (Convener)	Eric Chen	Please refer to relevant content of 2. Corporate Governance Report.	<ol style="list-style-type: none"> 1. Not an employee of the company or any of its affiliates; 2. Not a director or supervisor of the company or any of its affiliates; 3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders; 4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the officer in the preceding 1 subparagraph, or of any of the above persons in the preceding subparagraphs 2 and 3; 	0
Independent Director	Chin-Tain Chiu			1

Identify	Condition	Professional qualifications and experience	Independence Criteria	Number of Other Public Companies in Which the Member Concurrently Serving as a Remuneration Committee Member
	Name			
Independent Director	Lau Boon Leng		<p>5. Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company, ranks as of its top five shareholders, or has representative director(s) serving on the company's board based on Article 27 of the Company Law;</p> <p>6. Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the company;</p> <p>7. Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the company's chairman or CEO (or equivalent);</p> <p>8. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the company;</p> <p>9. Other than serving as a Remuneration committee member of the company, not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the company or to any affiliate of the company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service" which total compensation within the recent two years.</p> <p>10. Not been a person of any conditions defined in Article 30 of the Company Law.</p>	0

2.3.4.3 Operation of the Remuneration Committee

- (1) The Company's Remuneration Committee is comprised of three members.
- (2) Term for the 5th committee members: From June 20, 2023 to June 19, 2026. The Remuneration Committee met three (A) times in 2024 and the attendance records of the committee members are as follows:

Title	Name	Attended in Person (B)	Attended by Proxy	Attendance Percentage (%) (B/A)	Remarks
Convener	Eric Chen	3	0	100%	
Member	Chin-Tain Chiu	3	0	100%	
Member	Lau Boon Leng	3	0	100%	
<p>Other information required to be disclosed:</p> <p>1. If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons):None,please refer to the Attachment.</p> <p>2. With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion: None,please refer to the Attachment.</p>					

Attachment: Resolutions of the Remuneration Committee in 2024

Meeting Number and Date	Proposals	Resolution of Remuneration Committee	Company's Handling of Remuneration Committee Member's Opinion
5 th Term 2024.01.31	<p>(1)The company's 2023 year-end bonuses for managers (above the division level) and audit supervisors.</p> <p>(2)The distribution of bonuses to managers for reaching the target in the second half of 2024.</p> <p>(3)The company's 2023 employee and director remuneration appropriation ratio proposal.</p> <p>(4)The 2023 annual performance evaluation report of the members of the company's board of directors.</p>	Passed by all members of the committee	Directors approved the proposal unanimously.

Meeting Number and Date	Proposals	Resolution of Remuneration Committee	Company's Handling of Remuneration Committee Member's Opinion
5 th Term 2024.03.27	(1)Remuneration distribution project for directors for 2023. (2)Managers (above the division level), Accounting Manager and audit supervisors' annual employee remuneration distribution plan for 2023. (3)The company's performance bonus distribution case for managers (above the division level), Accounting Manager and audit supervisors in the second half of 2023.	Passed by all members of the committee	Directors approved the proposal unanimously.
5 th Term 2024.08.01	(1)The company's bonus distribution case for managers (above the division level), Accounting Manager and audit supervisors in the first half of 2024.	Passed by all members of the committee	Directors approved the proposal unanimously.

2.3.5 Setting up of the nomination committee:

The company has not yet established a nomination committee.

2.3.6 Fulfillment of Sustainable Development Implementations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		<p>(1).In 2020, the board of directors of the company approved the establishment of the company's " The Corporate Social Responsibility Practice Principles " and the establishment of full-time (part-time) units to promote corporate social responsibility. In January 2022, the board of directors approved the renaming and revision to " Sustainable Development Practice Principles " and "Sustainable Development Committee".</p> <p>(2).The committee is composed of a number of department heads in different fields. It is the highest management organization to promote sustainable development and is responsible for the proposal and implementation of sustainable development policies, systems or related management guidelines and specific promotion plans.</p> <p>(3).The committee holds meetings every year. In addition to identifying sustainability issues related to the company's operations and stakeholders' concerns through meetings, it also reports to the board of directors on stakeholder communication and sustainable development implementation</p>	No difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			status every year. The above implementation status for 2023 and 2024 was reported to the Board of Directors in February 2024 and February 2025, respectively.	
2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	√		<p>In order to practice corporate social responsibility and achieve the goal of sustainable development, the company has established overall risk management system in accordance with the "Sustainable Development Practice Principles" and "Risk Management Policies and Procedures". The previous Procedures and Principles have been disclosed on the company's website (https://www.pdc.com.tw/tw).</p> <p>Based on the principle of materiality, the company will conduct risk assessments on environmental, social and corporate governance issues related to the company's operations for each factory in Taiwan and subsidiaries in Dongguan/Suzhou in 2024, and formulate relevant risk management policies or strategies.</p> <p>The relevant risk assessment results were reported to the board of directors in October 2024 and disclosed in the company's sustainability report.</p> <p>After integrating internal and external stakeholder communication data, laws and regulations promulgated at home and abroad, and assessment data from various departments, the company evaluates material ESG</p>	No difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons						
	Yes	No	Summary description							
			<p>issues (The sustainability issues of concern to the stakeholders identified in the preceding paragraph have been reported to the board of directors in January 2025.) and formulates risk management policies and measures for effective identification, evaluation, supervision, and control specific action plans to reduce the impact of related risks.</p> <p>The major risk management strategies are as follows:</p> <table><tr><th>Major issues</th><th>Risk Assessment Items</th><th>Description</th></tr><tr><td>Environment</td><td>Environmental impact and management</td><td><p>①Through various pollution prevention equipment and institutionalized management cycles, the company effectively reduces pollution emissions and impacts on the environment.</p><p>②The company passed the ISO 14001 certification in 2004, and has continued to maintain and optimize environmental management.</p><p>③The company formulates environmental risk assessment, evaluates risk points, and includes risk points above 60 into significant environmental considerations, and establishes management plans for improvement (Please refer to the description of "4. Operational Highlights" - "4.4 Disbursements for Environmental Protection").</p><p>④The company implements internal and external regulatory inspections on a quarterly basis. If there are new or</p></td></tr></table>	Major issues	Risk Assessment Items	Description	Environment	Environmental impact and management	<p>①Through various pollution prevention equipment and institutionalized management cycles, the company effectively reduces pollution emissions and impacts on the environment.</p> <p>②The company passed the ISO 14001 certification in 2004, and has continued to maintain and optimize environmental management.</p> <p>③The company formulates environmental risk assessment, evaluates risk points, and includes risk points above 60 into significant environmental considerations, and establishes management plans for improvement (Please refer to the description of "4. Operational Highlights" - "4.4 Disbursements for Environmental Protection").</p> <p>④The company implements internal and external regulatory inspections on a quarterly basis. If there are new or</p>	
Major issues	Risk Assessment Items	Description								
Environment	Environmental impact and management	<p>①Through various pollution prevention equipment and institutionalized management cycles, the company effectively reduces pollution emissions and impacts on the environment.</p> <p>②The company passed the ISO 14001 certification in 2004, and has continued to maintain and optimize environmental management.</p> <p>③The company formulates environmental risk assessment, evaluates risk points, and includes risk points above 60 into significant environmental considerations, and establishes management plans for improvement (Please refer to the description of "4. Operational Highlights" - "4.4 Disbursements for Environmental Protection").</p> <p>④The company implements internal and external regulatory inspections on a quarterly basis. If there are new or</p>								

Item	Implementation status				Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description		
					<p>stricter regulations, they will be adjusted in time to achieve the goal of sustainable environmental development.</p> <p>⑤According to ISO 14064-1, the company regularly checks the quantity of greenhouse gas emissions and examines the impacts faced by the company's operations. According to the greenhouse gas inventory results, continue to implement carbon reduction measures to effectively reduce the risk of scope 1 emissions and the indirect emissions of scope 2 greenhouse gases caused by electricity use.</p> <p>⑥In addition to the internal audit and management review of the ISO system, the internal audit department conducts audits on the company's compliance with relevant environmental laws and regulations in the annual audit plan.</p> <p>⑦Actively reduce the amount of industrial waste and recycle waste.</p> <p>⑧For other measures and strategies that have been adopted, please refer to the description of "4. Operational Highlights" - "4.4 Disbursements for Environmental Protection".</p>
			Society	Occupational safety and health	<p>①The company obtained OHSAS 18001 certification in 2004 and updated to ISO 45001 occupational safety and health management system in 2020.</p> <p>②The company continues to maintain the operation of the system, continues to implement 7S activities, maintains the</p>

Item	Implementation status					Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description			
					<p>cleanliness of the workplace and the effective function of safety protection measures, regularly implements employee safety education, training and publicity, and regularly organizes employee health checks. Please refer to the description of "4. Operational Highlights" - "4.8 Work environment and employee personal safety protection measures".</p> <p>③Check occupational safety laws and regulations on a quarterly basis and update the company's management in a timely manner to provide employees with a safe and hygienic working environment.</p> <p>④The Occupational Safety and Health Committee consults and communicates with various departments and employee representatives on safety and health issues on a quarterly basis to effectively enhance the safety and health awareness of all employees and reduce safety and health risks in the factory.</p>	
			Corporate Governance	Social, Economic and Legal Compliance	<p>①Through the establishment of a governance organization structure with clear powers and responsibilities, timely revision of various laws and regulations, and implementation of internal control mechanisms, we ensure that all personnel and operations of the company truly abide by relevant laws and regulations.</p> <p>②The products developed by the company are patented to protect the company's rights and interests.</p>	

Item	Implementation status				Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description		
				<div>Strengthen the functions of directors</div> <div>①The company has planned relevant training courses and provides the latest regulations for directors every year. The training hours for all directors in 2024 have reached the statutory number of hours. ②Since December 2012, the company has continued to insure directors' liability insurance for directors to protect them from lawsuits or claims.</div>	
				<div>stakeholder communication</div> <div>①In order to prevent stakeholders from differing from the company's position, causing misunderstandings and causing business or litigation risks, the company analyzes important stakeholders and important issues they care about through external laws and regulations, official documents, letters and emails, interviews or meeting minutes, questionnaires, etc. ②Establish various communication channels, communicate actively, and reduce confrontation and misunderstanding. Set up an investor mailbox, which will be handled and responded to by the spokesperson. ③Starting from 2020, the Company will regularly report the communication status with stakeholders to the Board of Directors and disclose it on the Company's website (www.pdc.com.tw)</div>	
3. Environmental Issues (1)Has the Company set an environmental management system designed to industry characteristics?	V		The company established the ISO14001 environmental management system in 2004 and passed the SGS		No difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>certification. It is committed to pollution prevention and regards it as one of the primary responsibilities and continues to this day.</p> <p>In addition to the ISO14001 environmental management system certification (effective until October 13, 2025), the company has also obtained ISO45001 occupational safety and health management system certification (effective until October 3, 2025), IECQ QC080000 hazardous substance process management system certification (Valid until June 7, 2026), IATF 16949 automotive industry quality management system certification (valid until December 16, 2026). Product identification: UL/TUV product safety certification, SGS product testing for harmful substances.</p> <p>The company has conducted greenhouse gas inventory according to ISO14064-1 and disclosed the results of the inventory in the sustainability report and the company's website.</p>	
(2)Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	V		The company actively promotes various energy reduction measures, selects equipment with high energy efficiency and energy-saving design, reduces energy consumption of enterprises and products, and expands the use of renewable energy to optimize energy use efficiency.	No difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>Specific measures are as follows:</p> <p>①Installing a frequency converter on the air-conditioning blower motor can save 126,493 kwh of electricity per year.</p> <p>②By adjusting the configuration and use of air compressors according to demand, electricity can be saved by 17% each year, which is approximately 83,147 kwh/year in 2024.</p> <p>③Replacement of old lamps with LED lamps will save approximately 20,089 kwh of electricity in 2024.</p> <p>④The exhaust motor pipeline of the PDR plant was changed to reduce the number of motors turned on, saving approximately 9,344 kwh of electricity in 2024.</p>	
(3)Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	V		<p>The company has incorporated climate change and environmental risks into management in accordance with the "Sustainable Development Practice Principles" and "Risk Management Policies and Procedures", according to the company's business and operating characteristics, and has formulated corresponding risk management units and control mechanisms,and disclose the assessment results and response measures in the company's sustainability report. The risk assessment results have been submitted to the Audit Committee and Board of Directors in October 2024, and the ESG implementation status has been submitted to</p>	No difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons															
	Yes	No	Summary description																
			the board of directors in January 2025.																
(4)Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	V		<p>①Greenhouse gas emissions in the last two years.</p> <p>Since 2019, all factories in Taiwan (Taiwan YM factory and Luzhu factory) have successively completed the ISO 14064-1 Scope 1, 2 and 3 inspections and third-party verification, Greenhouse gas emissions in the last two years are as follows:</p> <p style="text-align: right;">Unit: metric tons CO2e</p> <table border="1"> <thead> <tr> <th>Year</th><th>Scope 1</th><th>Scope 2</th><th>Emissions per unit of product (kgCO2e/KNTD) (Note)</th><th>Scope 3</th></tr> </thead> <tbody> <tr> <td>2023</td><td>1,586</td><td>30,441</td><td>12.018</td><td>6,539</td></tr> <tr> <td>2024</td><td>1,693</td><td>29,995</td><td>11.419</td><td>6,529</td></tr> </tbody> </table> <p>Note: The denominator for calculating unit emissions is calculated on the basis of output value.</p> <p>In 2024, the greenhouse gas emissions of Scope 1 and Scope 2 will total 31,688 tons of CO2e, and the total carbon emissions will be 38,217 tons of CO2e. The main emission source comes from the outsourced electricity emissions of Scope 2, accounting for 78.5% of the total emissions. In 2024, the output value increased, but the overall carbon emissions and unit product emissions decreased compared with the previous year. In addition to product mix factors, it was mainly due to the continuous improvement of relevant energy conservation.</p> <p>In 2024, we have continued to improve equipment</p>	Year	Scope 1	Scope 2	Emissions per unit of product (kgCO2e/KNTD) (Note)	Scope 3	2023	1,586	30,441	12.018	6,539	2024	1,693	29,995	11.419	6,529	No difference.
Year	Scope 1	Scope 2	Emissions per unit of product (kgCO2e/KNTD) (Note)	Scope 3															
2023	1,586	30,441	12.018	6,539															
2024	1,693	29,995	11.419	6,529															

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons																					
	Yes	No	Summary description																						
			<p>and processes, continue to implement the air compressor heat recovery management plan, replace old lamps in the factory with LED lamps, implement the power saving measures described in paragraph (2) and implement various energy-saving and carbon reduction plans on a daily basis (please refer to the company's announced sustainability report), etc. In response to climate change and promoting the company's sustainable operation in the future, the company will continue to develop and implement various carbon reduction plans in order to continuously reduce emissions.</p> <p>The subsidiary (Wujiang Factory) has completed the internal inventory of greenhouse gas emission categories 1, 2 and 3 in accordance with ISO 14064-1. The results of the inventory are as follows:</p> <div><div>Unit: metric tons CO2e</div><table><tr><th>Year</th><th>Scope 1</th><th>Scope 2</th><th>Scope 3</th></tr><tr><td>2023</td><td>334</td><td>933</td><td>934</td></tr><tr><td>2024</td><td>285</td><td>958</td><td>974</td></tr></table></div> <p>② <u>Water consumption of all factories in Taiwan in the last 2 years:</u></p> <table><tr><th>Year</th><th>Total water consumption (metric tons)</th><th>Unit water consumption (litres/KNTD) (Note)</th></tr><tr><td>2023</td><td>248,815</td><td>93.4</td></tr><tr><td>2024</td><td>255,549</td><td>92.1</td></tr></table> <p>Note: The denominator of the calculation unit water consumption is calculated based on the output value.</p>	Year	Scope 1	Scope 2	Scope 3	2023	334	933	934	2024	285	958	974	Year	Total water consumption (metric tons)	Unit water consumption (litres/KNTD) (Note)	2023	248,815	93.4	2024	255,549	92.1	
Year	Scope 1	Scope 2	Scope 3																						
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Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>In 2024, the overall water consumption increased due to the increase in output value and new construction projects, but the unit water consumption decreased slightly due to the product mix. In 2024, we continued to improve equipment and process, implement various energy-saving plans on a daily basis (Including continuous recycling and reuse of RO concentrated water to save domestic water consumption and other water-saving measures) (please refer to the company's announced sustainability report). In response to climate change and to promote the sustainable operation of the company in the future, the company will continue to develop and implement various conservation plans in order to continuously reduce water consumption.</p> <p>③ <u>Waste output in the last two years</u> The company has established an ISO14001 environmental management system to properly handle environmental issues arising from activities, services and products ; In order to achieve sustainable resource reuse, the company's waste treatment principle is to prioritize reuse in the factory to reduce the use of raw materials; secondly, reuse and recycle, and finally adopt incineration or landfill.</p> <p>The quantity of waste produced by Taiwan's factories</p>	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons												
	Yes	No	Summary description													
			<p>in the past two years is as follows :</p> <div><div>Unit: metric ton</div><table><tr><th>Year</th><th>Hazardous waste</th><th>Non-hazardous waste</th><th>unit product output (kg/KKntd)</th></tr><tr><td>2023</td><td>983</td><td>689</td><td>0.627</td></tr><tr><td>2024</td><td>1,109</td><td>560</td><td>0.601</td></tr></table></div> <p>Note: The denominator for calculating unit output is calculated on the basis of output value.</p> <p>In 2024, Taiwan's overall output value increased, but the overall waste output decreased slightly. This was mainly due to the active implementation of waste recycling and reuse programs to reduce waste incineration, including the separate disposal of electroplating sludge and chamfering sludge, and the reuse of chamfering sludge to reduce carbon emissions and the impact on the environment. In 2024, the sludge reuse rate was 12%; in addition, the reuse rate of waste plastics such as tapes and raw material packaging bags that were originally disposed of as general business waste was increased by 13%.</p> <p>For complete information on the above water consumption and waste generation that has been verified by a third party, please refer to the sustainability report prepared by our company.</p>	Year	Hazardous waste	Non-hazardous waste	unit product output (kg/KKntd)	2023	983	689	0.627	2024	1,109	560	0.601	
Year	Hazardous waste	Non-hazardous waste	unit product output (kg/KKntd)													
2023	983	689	0.627													
2024	1,109	560	0.601													
4. Social Issues (1)Has the company formulated relevant management	V		①The company complies with the Responsible Business	No difference.												

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
policies and procedures in accordance with relevant laws and regulations and international human rights conventions?			<p>Alliance Code of Conduct (RBA Code of Conduct), international human rights conventions, and labor and gender equality-related laws and regulations of the place where it operates, and formulate relevant human rights protection and labor policies (Including "Employee Recruitment Management Measures", "Work Rules", "Sexual Harassment Prevention and Handling Implementation Management Measures", "RBA Management Manual", "Abnormal Workload Triggered Disease Prevention Guide", "Unlawful Harm Prevention and Handling Measures", "Maternal Health Protection Implementation Plan Operation Guide", etc.) to protect the legitimate rights and interests of employees and equal rights and interests at work without discrimination in employment policies. The company does abide by the labor laws and regulations, and sets strict operating standards for the appointment and removal of relevant employees, attendance, leave, salary and safety maintenance, etc., to protect the rights and interests of employees and work safety.</p> <p>The company passed the RBA third-party audit in June 2023 and received the silver medal.</p> <p>②The company reviews its own operations, value chain, business activities and other related activities to</p>	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>identify and evaluate the potential human rights risks it faces by focusing on major social issues, questionnaire surveys, "Friendly Workplace EAP Employee Assistance Program", labor-management meetings, employee suggestion boxes, etc. Formulate human rights issues control plans based on potential risks, and continuously monitor and improve the results of plan implementation.</p> <p>The company's implemented human rights management policies and specific plans have been disclosed in "4. Operational Highlights" - "4.5 Labor Relations" and the company's website.</p> <p>In addition, in 2024, human rights protection-related education and training had be implemented for new recruits, with a total of 421 hours and 131 person-times completing the training. In the future, we will continue to pay attention to issues of human rights protection and promote relevant education and training to increase awareness of human rights protection and reduce the possibility of related risks.</p>	
(2)Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	V		<p>① <u>Employee Compensation</u></p> <p>The company sets a reasonable and competitive salary level based on the talent market conditions in domestic and foreign bases. The bonus system is divided into business bonuses/production</p>	No difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>bonuses/standard bonuses/year-end bonuses, etc., which are calculated according to relevant methods and given after considering seniority and performance achievement assessments.</p> <p>② <u>Employee benefits</u> Although our company has established a corporate labor union, it has not yet signed a group agreement because the labor union has not asked the company to negotiate a group agreement. However, the company is still committed to promoting various employee welfare measures. Please refer to "4. Operational Highlights" - "4.5 Labor Relations", the company's website and the explanation of the sustainability report.</p> <p>③ <u>Business performance is reflected in employee compensation</u> According to the company's articles of incorporation, if the company makes a profit in the fiscal year, 2% to 10% should be appropriated as employee remuneration, and the operating results will be reflected in the salary of colleagues. The payment standard will consider the seniority and performance appraisal results.</p> <p>In addition, the company adjusts salary every year by considering the market salary level, economic trends</p>	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>and personal performance to maintain the overall salary competitiveness. In 2024, the Company's average employee benefit expenses and average salary expenses in Taiwan increased by 5.3% and 4.4% respectively compared with the previous year.</p> <p>④ <u>Workplace Diversity and Equality</u> In order to achieve gender equality and a friendly workplace, in 2024, Taiwan and its subsidiaries will account for 49% of men and 51% of women ; Among the executive positions, men accounted for 65% and women accounted for 35%, among which female supervisors increased by 2% compared with last year.</p>	
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	V		<p>① The company has established ISO45001 occupational safety and health management system (effective until October 3, 2025) and QC080000 hazardous substance management system (effective until June 7, 2026), and continues to maintain system operation, continue to implement 7S activities, and maintain the cleanliness of the site and the effective function of safety protection measures, regular implementation of employee safety education, training and publicity, and regular employee health checks. For the specific implementation of occupational safety and health, please refer to the description of "4. Operational Highlights" - "4.8 Work environment and employee personal safety</p>	No difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons									
	Yes	No	Summary description										
			<p>protection measures".</p> <p>②In 2024, the frequency of disability injuries was 4.04, and there was 5 occupational accidents in the year, with 5 persons (accounting for 0.75% of the total number of employees at the end of 2024), and the goal of 0 cases had not been reached. After a thorough review of the improvement measures, The company immediately made relevant improvements and re-examined the assessment of hazard identification to ensure the safety of colleagues during work.</p> <p>③The industrial safety training and publicity implemented by the company in the Taiwan factory area in the past two years are as follows:</p> <table><tr><th>Year</th><th>Person</th><th>Hours</th></tr><tr><td>2023</td><td>815</td><td>1,199.5</td></tr><tr><td>2024</td><td>991</td><td>1,423.0</td></tr></table> <p>④Describe the number of fires in the year, the number of casualties and the ratio of the number of casualties to the total number of employees, and related improvement measures in response to fires: No fire incidents in 2024.</p>	Year	Person	Hours	2023	815	1,199.5	2024	991	1,423.0	
Year	Person	Hours											
2023	815	1,199.5											
2024	991	1,423.0											
(4)Has the Company established effective career development training programs for employees?	V		The company plans complete functional training for managers and colleagues at all levels, including newcomer training, professional advanced training,	No difference.									

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			supervisor training, etc., to help colleagues continue to learn and grow through multiple learning methods. The courses include training courses related to business philosophy and laws and regulations (such as ESG) to cultivate the key capabilities of colleagues. The company formulates and implements annual training plans based on the development of employees' career capabilities. Please refer to "4. Operational Highlights" - "4.5 Labor Relations" for explanations.	
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	V		The company has established and obtained ISO14001, ISO45001, QC080000 and other system certifications, and formulated and implemented information security policies. The company's operations follow the above-mentioned international norms, and the company's products and services can comply with relevant regulations and international standards. In addition, the company has established "Personal Data Protection Management Measures", and has a personal data protection team to manage and protect customer privacy. Through the internal audit of personal information, external verification, crisis prevention and education and training, we will guard the customer's data.	No difference.
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental	V		For new suppliers, in addition to the basic evaluation items, 100% of the "Responsible Business Alliance Code of Conduct" must be communicated, the company will	No difference.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
protection, occupational safety and health, or labor rights, and what is the status of their implementation?			fill in the "Supplier Environmental Survey Form" and "Raw Material Environmental Guarantee" based on the supplier's production environment and raw material usage status. In addition, the company's "Supplier Selection Management Measures" and safety and health management method clearly stipulate that suppliers and contractors must abide by the relevant human rights regulations of the Labor Standards Act, including the prohibition of child labor and forced labor.If you do not meet the minimum requirements of the company, you cannot become a qualified supplier. The company conducts audits, assessments and requirements for the social responsibilities of relevant suppliers, and stipulates in the relevant supplier contracts that when there is a significant impact on the environment and society, the contract may be terminated at any time.	
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above? ?	V		The Company has prepared the 2023 Sustainability Report with reference to GRI General Standards, industry standards, etc. and obtained a limited assurance report from Deloitte Touche Tohmatsu CPA Ltd. The report has been published on the Company's website and public information observatory after being reviewed and approved by the Company's Audit Committee and Board of Directors in August 2024.	No difference.
6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for				

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations: The company regularly reviews the implementation situation in accordance with the " Sustainable Development Practice Principles" and improves accordingly. So far, there has been no deviation from the principles in the Company's operations.				
7. Other important information to facilitate better understanding of the company's promotion of sustainable development :				
(1) Please refer to the "Sustainability Report" uploaded on the company's website or public information observatory.				
(2) Please refer to "4. Operational Highlights - 4.4 Disbursements for Environmental Protection/ 4.5 Labor Relations/ 4.8 Work environment and employee personal safety protection measures" in this annual report.				
(3) Green investment				
①PDC participated in the investment and establishment of Hannstar Board New Energy Co., Ltd. in 2023, with an investment amount of NT\$2.5 million. The company takes sustainable development, net-zero carbon emissions and green renewable energy as its core values, and targets low carbon and energy transition. The company has planned investment, development, construction, operation and maintenance of renewable energy, also conducts evaluation procurement through the green trading platform,and then plan for the construction of energy storage equipment to enhance the resilience, efficiency and safety of the grid. Eventually, the green transformation train will be launched in all aspects to achieve the goal of 100% use of renewable energy by enterprises.				
②The company purchased an energy management system worth NT\$1.5 million in 2024 to monitor the operation of chillers and air compressors and provide management and improvement for future energy consumption.				
(4) Information about community service, promotion of public welfare and good neighborliness				
①In order to care for the society and promote public welfare, the company carries out related activities in three aspects:				
A. Cihui Club :The company established the Cihui Club in 2005, and colleagues spontaneously donated money and participated in public welfare activities. The purpose of the club is to care for the company's colleagues, promote harmony, and then carry forward the spirit of great love, and expand to the local community and society. The mission of the Club is divided into two parts: emergency relief and social services.				
B.PSA Charitable Foundation : PSA is committed to charity and public welfare. In 2007, it integrated the strength of various companies within the group to establish the " PSA Charitable Foundation ", and has successively promoted a number of care projects.Since its establishment, the Foundation has been adhering to the belief of giving back to the community, integrating social resources and maximizing resources, and has worked hard to promote services to rescue vulnerable children and care for the elderly, providing five major services including hearing care, volunteer participation, newspaper reading education, caregiver respite and employee assistance.Giving back to the public has become part of PSA's corporate culture. For more information about the				

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
public welfare services provided by the foundation over the years, please refer to the foundation’s official website: https://www.psa.org.tw/ .				
Our company's main plant is located in Taoyuan City, Taiwan, and our domestic employees come from various counties and cities in Taiwan. In order to care for the society, help the disadvantaged and enhance the company's image, our company has continuously donated to the "PSA Charitable Foundation" since 2007 (donated NT\$700,000 in 2024). From 2024 to date, the hearing care, caregiver respite and employee assistance activities carried out by the Foundation in the Taoyuan area where the company is located are as follows:				
No	Date	Activity	Activity Location	
1	2025.02.15	Caregiver respite: Harmony Pastels Activity	Taoyuan Angel Heart (Special Education School)	
2	2025.02.12	Hearing Care: Taoyuan City Hearing Aid Bank Implementation Seminar	Taoyuan Disabled Center	
3	2024.12.19	Campus Hearing Escort Project: Sanhe Elementary School Final Learning Results Released	Sanhe Elementary School, Longtan District, Taoyuan City	
4	2024.12.05	Hearing care: hearing protection promotion in community locations	Taoyuan City Yangmei District Jinlong Community Development Association	
5	2024.12.03	Hearing care: hearing protection promotion in community locations	Taoyuan Dahuixi Community Development Association	
6	2024.11.06	Campus Hearing Escort Program: Little Audiologist Camp	Sanhe Elementary School, Longtan District, Taoyuan City	
7	2024.08.13	Hearing care: hearing protection promotion in community locations	Tianxin Community, Dayuan District, Taoyuan City	
8	2024.07.09	Friendly Workplace EAP: Me too is on the way, talking about the prevention and companionship of sexual harassment in the workplace	PDC	
9	2024.06.17	Hearing care: hearing protection promotion in community locations	Taipei Veterans General Hospital Taoyuan Branch and Alley Long-term Care Station-Changleju	
10	2024.05.30	Hearing care: hearing protection promotion in community locations	Taoyuan City Zhongli District Renxiang Village Office	
11	2024.05.16	Hearing care: PSA 2024 hearing protection promoter training	Taoyuan City Welfare Center for the Disabled	
C.The company donates to the "PSA VVG Foundation for Culture and Arts" every year. Through the group's manpower and resources, it promotes the green life aesthetics of "local", "humanistic conservation" and "ecological sustainability" as the core, to enhance people's connection and appreciation of the growing land, to achieve the corporate social responsibility of cultural heritage, biodiversity protection and ecological sustainability.				
D.The public welfare activities conducted by the company				

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons															
	Yes	No	Summary description																
<p>(a) One Acre of Field - Since 2009, PDC’s Cihui Club has cooperated with Yilan rice farmers to increase the income of local professional rice farmers through rice field adoption, and to achieve sustainable development of Taiwan's rice fields, ecological environment, and soil and water conservation.</p> <p>(b) 2024.09 Our company’s Welfare Committee cooperated with the Little happiness link Social Welfare Foundation to purchase Mid-Autumn Festival gift boxes to ensure the sustainable operation of local social welfare organizations and work together to help create employment opportunities for people with mental disabilities.</p> <p>② In order to support local education, increase employees' practical experience and promote vocational education, our Yangmei Plant actively cooperates with Shu Jen High School of Home Economics & Commerce and Leeming Institute of Technology to arrange internship training for students.</p>																			
<table><tr><th colspan="3">Industry-Academic Cooperation in 2024</th></tr><tr><th>School Name</th><th>Period</th><th>Number of people</th></tr><tr><td>Shu Jen High School of Home Economics & Commerce</td><td>2024.09.01-2024.12.31</td><td>11</td></tr><tr><td>Leeming Institute of Technology</td><td>2024.09.01-2024.12.31</td><td>3</td></tr><tr><td colspan="2">Total</td><td>14</td></tr></table>					Industry-Academic Cooperation in 2024			School Name	Period	Number of people	Shu Jen High School of Home Economics & Commerce	2024.09.01-2024.12.31	11	Leeming Institute of Technology	2024.09.01-2024.12.31	3	Total		14
Industry-Academic Cooperation in 2024																			
School Name	Period	Number of people																	
Shu Jen High School of Home Economics & Commerce	2024.09.01-2024.12.31	11																	
Leeming Institute of Technology	2024.09.01-2024.12.31	3																	
Total		14																	

2.3.7 Climate-Related Information of TWSE/TPEX Listed Companies

Item	Implementation status
1.Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	<p>1.In 2020,company established the "Sustainability Development Committee" (formerly the Corporate Social Responsibility Committee).This committee is composed of department heads from various fields and serves as the highest management organization for promoting sustainable development. It is responsible for proposing and implementing sustainability development policies, systems, related management guidelines, and specific promotion plans.</p> <p>2.The company discloses climate-related information in accordance with the regulatory timeline set by the competent authorities and reports the progress of the greenhouse gas inventory to the board of directors according to the prescribed schedule. All related risk management or climate-related information is reported to the board by the relevant departments based on the significance of the issues.</p>
2.Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	<p>Climate Risks</p> <p>Short-term:</p> <p>Extreme climate changes affect upstream and downstream supply chains and transportation (short to medium-term risk), increasing transportation costs or causing delays in product delivery or supply chain disruptions, leading to reduced revenue.</p> <p>Medium to long-term:</p> <p>In order to develop and produce green products that meet customer needs, we need to invest in R&D, which will increase operating expenses. Policy and regulations may increase greenhouse gas emission costs (medium-term risk).</p> <p>Climate Opportunities</p> <p>Short-term:</p>

Item	Implementation status
	<p>Use more efficient production and distribution processes (short to medium-term opportunity); build smart factories and install automated equipment to reduce operating costs; evaluate alternative materials to avoid dependence on limited suppliers, reduce supply chain risks, and ensure continuity of product production.</p> <p>Medium to long-term: Promote energy-saving and carbon-reduction production plans, reduce energy consumption and carbon emissions through technological innovation and equipment upgrades; enter new markets (short to long-term opportunity) – for example, entering the electric vehicle charging station market to increase revenue.</p>
<p>3. Describe the financial impact of extreme weather events and transformative actions.</p>	<p>(1) Extreme Climate Events' Financial Impact</p> <p>Risks:</p> <ul style="list-style-type: none"> a. Water/Drought Disasters (Operations, Supply Chain) : Production/ transportation is affected, leading to increased operational costs and decreased revenue. b. Rising Temperatures : Increased electricity usage, costs, and carbon emissions. <p>Opportunities:</p> <ul style="list-style-type: none"> a. Improving energy efficiency in factories : Reducing operational water and electricity costs. b. Enhancing disaster defense capabilities : Strengthening climate resilience to reduce operational disruptions and potential losses. <p>(2) Transformation Actions' Financial Impact:</p> <p>Risks:</p>

Item	Implementation status
	<p>a. Total greenhouse gas emissions exceeding 25,000 tons will be subject to control and carbon fees will be levied: Increased operational costs.</p> <p>b. Uncertainty in the Development of New Energy-Saving and Carbon-Reducing Technologies : The increase in electricity consumption of new process technology production lines will lead to increased operating costs.</p>
4.Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Our company, in accordance with the "Risk Management Policies and Procedures, "controls the risks arising from climate change within acceptable limits. To effectively identify, measure, supervise, and control various risks, we establish risk assessment topics each year based on the company's goals and the prevailing domestic and international situation. These topics are provided to the relevant risk responsibility departments for evaluation. The results of the risk assessments and their execution are then reported to the Audit Committee and the Board of Directors for approval.
5.If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Our company has not yet used scenario analysis to assess resilience against climate change risks. We plan to gradually establish the relevant assessment mechanisms in the future.
6.If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	In planning.
7.If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Currently, our company has not yet planned a carbon pricing program. In the future, we will align with international trends and national carbon fee mechanisms to develop scenario assumptions accordingly.
8.If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the	Our company understands that greenhouse gas emissions can harm the environment. Therefore, starting in 2019, our Taiwan plant has gradually completed

Item	Implementation status
<p>planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</p>	<p>a systematic greenhouse gas emissions inventory and registry. Additionally, in recent years, we have implemented measures such as heat recovery from air compressors, updating old lighting fixtures, improving exhaust fan and chiller main pipe systems, adding pressure filter machines (to separately treat electroplating sludge and chamfering sludge), and reusing chamfering sludge to reduce carbon emissions. These actions aim to achieve energy savings, industrial waste reduction, resource recycling, and reuse goals.</p> <p>To effectively manage our energy usage and prevent waste, while also striving to improve energy efficiency, our company has built an energy monitoring management system. We aim to meet the government's energy-saving regulations by setting a target of reducing electricity usage by more than 1% annually. We also conduct annual greenhouse gas inventories. The Taiwan plant undergoes third-party verification every year, and the China plant is actively planning for similar measures.</p>
<p>9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).</p>	<p>Please see the detailed explanation below.</p>

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

(1) Greenhouse Gas Inventory Information

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

① The greenhouse gas emissions of all our plants in Taiwan (Yangmei Plant and Luzhu Plant) in the past two years are as follows:

Year	Scope 1	Scope 2	Emissions per unit of product (metric tons CO ₂ e /Million) (Note)	Scope 3
2023	1,586	30,441	12.018	6,539
2024	1,693	29,995	11.419	6,529

② The subsidiary (Wujiang Factory), Greenhouse gas emission in the last two years are as follows:

Year	Scope 1	Scope 2	Emissions per unit of product (metric tons CO ₂ e /Million) (Note)	Scope 3
2023	334	933	36.200	934
2024	285	958	32.827	974

Note: The denominator for calculating unit output is calculated on the basis of output value.

(2) Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

The greenhouse gas verification for all of our Taiwan plants (Taiwan YM factory and Luzhu factory) for the 2023 and 2024 was conducted by SGS Taiwan Ltd. in accordance with ISO 14064 standards, with reasonable assurance provided for categories 1 and 2 ,and limited assurance level provided for categories 3-6.

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

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

In 2024, all of our plants continued to implement energy-saving programs and improve energy efficiency. The related implementation results can be found in the Annual Shareholders' Meeting Report, under the sections "2 Corporate Governance Report / 2.3 Implementation of Corporate Governance / 2.3.6 Fulfillment of Sustainable Development Implementations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and "4 Operational Highlights / 4.4 Disbursements for Environmental Protection". In the future, our company will continue to plan energy-saving and carbon-reducing measures to promote sustainable development.

2.3.8 Fulfillment of Ethical Corporate Management and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
1. Establishment of ethical corporate management policies and programs (1)Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	V		The company's board of directors approved the formulation of the "Procedures for Ethical Management and Guidelines for Conduct " and the " Codes of Ethical Conduct for Directors and Managers", which were disclosed on the company's website and public information observation stations, and actively implemented corporate governance and the implementation of the integrity management policy.	No difference.
(2)Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?	V		For business activities with a high risk of dishonesty, the company has established "Layered Responsibility Approach", "Procedures for Acquisition and Disposal of Assets", "Procedures for Endorsement and Guarantee ", "Procedures for Lending Funds to Other Parties", " Risk Management Policies and Operating Procedures", "Procedures for Ethical Management and Guidelines for Conduct"... etc. and regularly assess risks to prevent dishonesty.	No difference.
(3)Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program,	V		In order to implement the integrity management policy and actively prevent dishonesty behaviors, in addition to formulating the "Procedures for Ethical	No difference.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
implement it, and regularly review and revise the plan?			<p>Management and Guidelines for Conduct", the company specifically regulates the operations that the company's personnel should pay attention to when performing business in the rules and regulations of the preceding paragraph. Procedures, behavior guidelines, disciplinary and appeal systems for violations, and implement them, and regularly review and amend them to make the procedures effective and in line with the current situation.</p> <p>All employees sign an employee service agreement and suppliers must sign a letter of integrity commitment. Employees are strictly prohibited from accepting/giving bribes, and the qualifications and conditions of cooperative suppliers and customers are strictly reviewed by Materials management department(MMD) and Enterprise Risk management department(ERM); for political donations, the company handles it in full accordance with the laws and regulations.</p> <p>In 2024, all new suppliers have signed a letter of integrity commitment, and all new employees have signed an employee service agreement that includes terms related to honest management.</p>	

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
2. Ethical Management Practice (1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	V		The contract signed between the company and the counterparty of the transaction clearly stipulates the terms of good faith behavior. MMD and ERM strictly examine the qualifications and conditions of cooperative suppliers and customers, and require suppliers to sign integrity clauses; only those who meet the requirements can be added to the supplier list or given a credit line. Evaluate the rationality of customer credit limit every year.	No difference.
(2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	V		The Human Resources and General Affairs Department is the company's dedicated unit for the promotion of the integrity management policy, and is coordinated by various departments. The full-time unit should also check and evaluate whether the preventive measures established by the management level are effective in implementing the integrity management, and conduct relevant business processes to assess the compliance situation. The unit reported the annual implementation situation to the board of directors on 2024.01.31/ 2025.01.17 respectively.	No difference.
(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	V		In accordance with the company's "Corporate Governance Best-Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", "Internal Material Information and Insider Trading	No difference.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			Prevention Management Procedures", strictly prohibit the transfer of interests between the company and related parties and shareholders, and formulate prevent conflicts of interest policies, provide appropriate channels for presentation and implement them.	
(4)Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	V		The company formulates accounting systems and internal control systems in accordance with relevant laws and regulations. Accountants review the final accounts on a quarterly basis to ensure the fairness of each statement. There is also an independent dedicated audit unit, and the auditors regularly conduct various internal audits according to the annual plan and report the audit results to the board of directors.	No difference.
(5)Does the company provide internal and external ethical corporate management training programs on a regular basis?	V		①The company's website and public information observation station have placed the " Procedures for Ethical Management and Guidelines for Conduct " to strengthen information disclosure. ②During 2024, announcement to all employees regarding the prevention of illegal activities and the company's integrity management policy. ③In 2024, education and training for new employees (including issues related to integrity) have been provided, with a total of 59 hours (118 people * 0.5	No difference.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			hours). ④In 2024, the company executives attended the "Corporate Integrity Risk" and internal stakeholder equity awareness seminar courses. The total number of participants was 2, with a total of 6 hours.	
3. Implementation of Complaint Procedures (1)Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers?	V		In order to ensure the sustainable and stable development of the enterprise, each company has an independent auditing unit, and the group headquarters has also set up a general auditing office to receive corrections and fraud incidents from employees of each company in the group, and provide high whistle-blowing bonuses to encourage colleagues to expose in case of malpractice, report the reported matter to the audit unit with the content, evidence clues and contact information to appeal or report, and the group audit supervisor will investigate and deal with it impartially, and assume the responsibility of absolute confidentiality. After the verification is true, a high bonus will be issued in secret.	No difference.
(2)Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a	V		The company's "Procedures for Ethical Management and Guidelines for Conduct" has established investigation standard operating procedures and confidentiality mechanisms. Whistleblowers can make	No difference.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
confidential manner?			complaints and reports through the company's complaint channels (email, general manager mailbox, etc.) anonymously or with real names. The company receives complaints or conduct a registration investigation after reporting, and inform the results or investigation status at the same time.	
(3)Has the company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?	V		The company's relevant personnel handling the report should keep the whistleblower's identity and report content confidential, and the company promises to protect the whistleblower from being improperly dealt with due to the report,and it will be handled by the company's dedicated unit.	No difference.
4. Strengthening Information Disclosure Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	V		The company has placed the content and implementation of the "Procedures for Ethical Management and Guidelines for Conduct" on the public information observation station (http://mops.twse.com.tw) and the company's website (http://www.pdc.com.tw/tw).	No difference.
5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation: The company has formulated relevant codes, and its operation is no different from the codes stipulated.				
6. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles): In 2020, the company's board of directors approved the revision of the " Procedures for Ethical Management and Guidelines for Conduct" and submitted a report to				

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
the shareholders' meeting.				

2.3.9 Other important information: Procedures for Lending Funds to Other Parties and the Procedures for Endorsement and Guarantee of the Company

- (1). In order to manage the company's internal material information, the company revised the " Internal Material Information and Insider Trading Prevention Management Procedures" in November 2022 and announced it on the company's website. The revised provisions include that the company's directors and employees who have been informed of the financial report are not allowed to trade the company's stocks during the closed period of 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report.
- (2). The company's newly appointed directors, managers and other insiders will be distributed the latest version of the "Related Laws and Precautions for Insider equity in OTC companies" compiled by the Securities over-the-counter trading center when they take office, for the insiders to follow it.
- (3). The company has always attached great importance to compliance with laws and regulations, and upholds the principles of integrity and fairness to participate in industrial competition. In order to comply with the requirements of competition laws and regulations in various countries, and to maintain the company's trustworthy and respectable reputation, the "Antitrust compliance code of conduct" is specially formulated. All employees should strictly abide by this code. Once violated, they will be punished immediately according to the code to show the company's determination to abide by the competition laws and regulations of various countries.

2.3.10 Implementation Status of Internal Control System:

2.3.10.1 Statement of Internal Control System

Prosperity Dielectrics Co., Ltd.
Statement on Internal Control System

Date: Feb. 19, 2025

Based on the findings of a self assessment, the Company states the following with regard to the internal control system during the year 2024.

1. The Company is aware that it is the Board of Directors' and managers' responsibility to establish, implement and maintain an internal control system, and the Company has set up such a system. The purpose of the system is to ensure the effectiveness and efficiency (including profitability, performance and safeguarding of assets) of the Company's operations, compliance with relevant laws and regulations and that its financial statements are reliable, timely and transparent.
2. Internal control systems have their inherent limitations. No matter how perfectly they are designed, an effective internal control system can only reasonably ensure achievement of the three above objectives. In addition, the effectiveness of an internal control system may change as the environment and circumstances change. The internal control system of the Company features a self monitoring mechanism. The Company will take actions to rectify any deficiency once identified.
3. The Company evaluates whether the design and implementation of its internal control system is effective by referring to the criteria stated in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter the "Regulations"). The Regulations provides measures for judging the effectiveness of the internal control system. There are five components of an internal control system, as specified in the Regulations, which are broken down based on the management control process, namely: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication and (5) monitoring activities. Each of the components in turn contains certain audit items. Refer to the Regulations for details.
4. The Company uses the above criteria to evaluate whether the design and implementation of its internal control system is effective.
5. After an evaluation of the Company's internal control system based on the above criteria, the Company is of the opinion that, as of December 31, 2024, its internal control system (including supervision and management of subsidiaries) is effective and therefore can reasonably ensure achievement of the above objectives, which include awareness of the degree to which operating results and goals are achieved, compliance with the law and that its financial reporting is reliable, timely and transparent.
6. This statement shall become a principal part of the Company's annual report and prospectus and be made available to the public. Any illegal misrepresentation or omission relating to the public statement above is subject to the legal consequences under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
7. This statement has been approved by the Board of Directors in their meeting held on Feb. 19, 2025, with none of the seven attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Prosperity Dielectrics Co., Ltd.
Chairman : Yu-Heng Chiao
President : Chun-Hsueh Chen

2.3.10.2 If CPAs are engaged to review the internal control system, their report shall be disclosed:

None.

2.3.11 Material resolutions of the shareholders' meeting or the Board of Directors meeting in the most recent year and up to the date of publication of the annual report:

(1) Resolutions of the Board of Directors meeting :

Meeting Number	Meeting Date	Proposal		Resolution
12th Term 5th Meeting	Jan. 31, 2024	(1)	Proposal for the distribution ratio of compensation of employees and directors for the year 2023.	Proposal passed.
		(2)	Proposal for the Company's 2024 annual business plan and budget.	Proposal passed.
		(3)	Proposal for the resolutions of the first meeting of the Remuneration Committee in 2024.	Except that the relevant directors recused pursuant to Article 15 of the Board of Directors' Rules of Procedure, other independent directors and directors present approved the proposal unanimously.
		(4)	Proposal for the Company's charitable donations.	Except that the relevant directors recused pursuant to Article 15 of the Board of Directors' Rules of Procedure, other independent directors and directors present approved the proposal unanimously.
12th Term 6th Meeting	Feb. 22, 2024	(1)	Proposal for the distribution of compensation of employees and directors for the year 2023.	Proposal passed.
		(2)	Proposal for the Company's 2023 business report, balance sheets, statements of comprehensive income, changes in equity and cash flows, consolidated financial statements, the affiliates' consolidated business report and consolidated financial statements, etc.	Proposal passed.
		(3)	Discussion of the amendments to the company's "Regulations Governing Procedure for Board of Directors Meetings".	Proposal passed.
		(4)	Discussion of the amendments to the company's "Audit Committee Charter".	Proposal passed.
		(5)	Discussion of the earnings distribution proposal of Dongguan Frontier Electronics Co., Ltd.	Proposal passed.
		(6)	Proposal for the 2023 statement on internal control system.	Proposal passed.
		(7)	Proposal for convening the Company's regular shareholders' meeting in 2024.	Proposal passed.
12th Term 7th Meeting	Mar. 26, 2024	(1)	Ratification of the Company's 2023 Earnings Distribution Proposal.	Proposal passed.
		(2)	Proposal for the evaluation of independence of the CPAs, the appointment and compensation of the CPAs for the year 2024.	Proposal passed.
		(3)	Proposal for the resolutions of the second meeting of the Remuneration Committee in 2024.	Except that the relevant directors recused pursuant to Article 15 of the Board of Directors' Rules of Procedure, other independent directors and directors present approved the proposal unanimously.
12th Term 8th Meeting	Apr. 29, 2024	(1)	Proposal for the Company's consolidated financial statements for the first quarter of 2024.	Proposal passed.
		(2)	Frontec International Corporation plans to go through liquidation.	Proposal passed.
		(3)	Discussion of the amendments to "Internal control system" and "Internal Audit system".	Proposal passed.
12th Term 9th Meeting	Aug. 1, 2024	(1)	Proposal for the Company's consolidated financial statements for the first two quarters of 2024.	Proposal passed.

Meeting Number	Meeting Date	Proposal		Resolution
		(2)	Discussion of the Company's 2023 Sustainability Report.	Proposal passed.
		(3)	Proposal for the resolutions of the third meeting of the Remuneration Committee in 2024.	Proposal passed.
12th Term 10th Meeting	Oct. 30, 2024	(1)	Proposal for the Company's consolidated financial statements for the first three quarters of 2024.	Proposal passed.
		(2)	Discussion of the amendments to the company's internal control system and internal audit implementation regulations.	Proposal passed.
		(3)	Proposal for the 2025 annual audit plan.	Proposal passed.
12th Term 11th Meeting	Jan. 17, 2025	(1)	Proposal for the distribution ratio of compensation of employees and directors for the year 2024.	Proposal passed.
		(2)	Proposal for the Company's 2025 annual business plan and budget.	Proposal passed.
		(3)	Proposal for the resolutions of the first meeting of the Remuneration Committee in 2025.	Except that the relevant directors recused pursuant to Article 15 of the Board of Directors' Rules of Procedure, other independent directors and directors present approved the proposal unanimously.
12th Term 12th Meeting	Feb. 19, 2025	(1)	Proposal for the distribution of compensation of employees and directors for the year 2024.	Proposal passed.
		(2)	Proposal for the Company's 2024 business report, balance sheets, statements of comprehensive income, changes in equity and cash flows, consolidated financial statements, the affiliates' consolidated business report and consolidated financial statements, etc.	Proposal passed.
		(3)	Proposal for the 2024 statement on internal control system.	Proposal passed.
		(4)	Proposal for convening the Company's regular shareholders' meeting in 2025.	Proposal passed.
		(5)	Proposal for the resolutions of the 2nd meeting of the Remuneration Committee in 2025.	Proposal passed.
		(6)	Proposal for the Company's charitable donations.	Except that the relevant directors recused pursuant to Article 15 of the Board of Directors' Rules of Procedure, other independent directors and directors present approved the proposal unanimously.
12th Term 13th Meeting	Mar. 28, 2025	(1)	Ratification of the Company's 2024 Earnings Distribution Proposal.	Proposal passed.
		(2)	Proposal for the evaluation of independence of the CPAs, the appointment and compensation of the CPAs for the year 2025.	Proposal passed.
		(3)	Discussion of the amendments to "Procedures for Acquisition and Disposal of Assets".	Proposal passed.
		(4)	Discussion of the amendments to the company's "Articles of Incorporation".	Proposal passed.
		(5)	Discussion of the formulation to define the scope of the company's entry-level employees.	Proposal passed.
		(6)	Discussion regarding the proposed inclusion of additional agenda items for the Company's 2025 Annual Shareholders' Meeting..	Proposal passed.
		(7)	Proposal for the resolutions of the 3rd meeting of the Remuneration Committee in 2025.	Except that the relevant directors recused pursuant to Article 15 of the Board of Directors' Rules of Procedure, other independent directors and directors present approved the proposal unanimously.

(2). Resolutions of the shareholders' meeting :

Meeting Date	Summary of significant proposals	Resolution	Execution
Jun. 14, 2024	1.Ratification of the 2023 business report and final account statements.	Proposal passed.	Completed.
	2.Ratification of the Company's 2023 earnings distribution proposal.	Proposal passed.	The proposal was approved by the shareholders' meeting, and cash dividends were distributed NT\$1.2 per share. Jul. 16, 2024 was the ex-dividend base date and the dividends were paid out on Jul. 31, 2024.
	3.Discussion of the proposal for the release of directors' non-competition obligations.	Proposal passed.	Completed.

2.3.12 In the most recent year and up to the date of publication of the annual report, directors held different opinions (on record or with written statement) about important resolutions passed at Board meetings and the major contents are:
None.

2.4 Information on CPAs' Fees

2.4.1 The amount of audit fees and non-audit fees and the content of non-audit services:

Unit: NT\$ thousands

Name of CPA firm	CPA name	CPA audit period	Audit fees	Non-audit fees	Total	Remarks
Deloitte Touche Tohmatsu Limited	Yi-Min Huang Chin-Chuan Shih	2024.01.01~ 2024.12.31	3,090	1,615 (Note 1)	4,705	

Note 1: "Non-auditing fees" items include tax visa fees, service fee for issuing transfer pricing report.

2.4.2 Change of CPA firm and the audit fees paid in the year of the change are less than those paid in the previous year:

None.

2.4.3 Audit fees paid in the current year are at least 10% less than those paid in the previous year:

None.

2.5 Information on Replacement of CPAs:

None.

2.6 Where the Company's Chairman, President, Financial or Accounting Head Has Worked for Its Certified Public Accountant Firm or Its Affiliate Business in the Past Year:

None.

2.7 Any transfer and pledge of shares of the directors, managers and shareholders holding more than 10% of the company's shares.

2.7.1 Shareholding changes of directors, managers and major shareholders

Unit: shares

Unit: shares

Title	Name		2024		As of Closure Date April 19, 2025	
			Increase (decrease) of shares held	Increase (decrease) of shares pledged	Increase (decrease) of shares held	Increase (decrease) of shares pledged
Chairman	Yu-Heng Chiao		0	0	0	0
Director	Yeu-Yuh Chu	Walsin Technology Corporation	0	0	0	0
Director	Chih-Mou Hung					
Director	Por-Yuan Wang		0	0	0	0
Independent director	Eric Chen		0	0	0	0
Independent director	Chin-Tain Chiu		0	0	0	0
Independent director	Lau Boon Leng–		0	0	0	0
Major shareholder over 10%	Walsin Technology Corporation		0	0	0	0
President	Chun- Hsueh Chen		0	0	0	0
Vice President	Wen-Ko Lin		9,415	0	6,603	0
AVP	Hung-Chun Wu (Note 1)		0	0	Not applicable	Not applicable
AVP	Chien-Wen Chiang		14,962	0	16,210	0
AVP	Ching-Shu Wang (Note 2)		0	0	0	0
Head of Financial Director	Hsia-Ying Lo		0	0	13,465	0

Note 1: He was dismissed on May 14, 2024, and the equity changes in 2024 was settled until that date.

Note 2: He was newly appointed on August 1, 2024.

2.7.2 Equity transfer information:

Not applicable.

2.7.3 Equity pledge Information:

Not applicable.

2.8 Information on Relationships amongst the Top Ten Shareholders and Their Relationships with Spouses or Relatives within the Second Degree of Kinship

Unit: shares

Name	Shareholding by Self		Shareholding by Spouse and Underage Children		Shareholding under the Title of a Third Party		Name and Relationships of Related Parties to Top ten Shareholders (Spouse and Relatives within the Second Degree)		Remarks
	Quantity of Shares	Proportion of Shareholding	Quantity of Shares	Proportion of Shareholding	Quantity of Shares	Proportion of Shareholding	Title or name	Relation	
Walsin Technology Corporation (WTC)	74,186,468	43.13%	0	0%	0	0%	Walton advanced engineering, Inc. (Walton)	The same chairman as Walton	
Representative: Yu-Hen Chiao	1,065,861	0.62%	0	0%	0	0%	Walton advanced engineering, Inc.	Chairman of Walton	
Walton advanced engineering, inc. (Walton)	1,295,673	0.75%	0	0%	0	0%	Walsin Technology Corporation (WTC)	The same chairman as WTC	
Representative: Yu-Hen Chiao	1,065,861	0.62%	0	0%	0	0%	Walsin Technology Corporation	Chairman of WTC	
Yu-Hen Chiao	1,065,861	0.62%	0	0%	0	0%	WTC & Walton	Chairman of WTC & Walton	
Chun-Chi Huang	993,000	0.58%	0	0%	0	0%	N/A	N/A	
Ta-Ho Maritime Corporation	951,200	0.55%	0	0%	0	0%	N/A	N/A	
Representative: Li-Wen Tsai	0	0%	0	0%	0	0%	N/A	N/A	
Sheng-Chi Liao	859,000	0.50%	0	0%	0	0%	N/A	N/A	
ABC Taiwan Electronics Corp	803,880	0.47%	0	0%	0	0%	N/A	N/A	
Representative: Ming-En Hsu	0	0%	0	0%	0	0%	N/A	N/A	
Barclays Capital SBL/PB investment account under the custody of Citi Bank	776,000	0.45%	0	0%	0	0%	N/A	N/A	
UBS European SE Investment Fund under the custody of Citibank Taiwan	628,000	0.37%	0	0%	0	0%	N/A	N/A	
Tsung-Yuan Huang	516,000	0.30%	0	0%	0	0%	N/A	N/A	

2.9 The Total Number of Shares of the Same Investee Held by the Company, its Directors, Managers and Which the Company Controls Directly or Indirectly, with the Aggregate Shareholding Percentages

As of March 31, 2025

Units: Shares

Re-Investment Companies (Note)	Investment by the Company		Investment of Directors, Managers or Enterprises under Their Direct or Indirect Control		Combined Investment	
	Quantity of Shares	Proportion of Shareholding	Quantity of Shares	Proportion of Shareholding	Quantity of Shares	Proportion of Shareholding
PDC Prime Holdings Limited	23,464,538	100%	0	0%	23,464,538	100%
Frontec International Corporation	8,221,615	100%	0	0%	8,221,615	100%
Tsai Yi Corporation	4,934,995	3.36%	39,052,694	26.62%	43,987,689	29.99%
Joyin Co. Ltd	23,715,360	30.4%	185,000	0.24%	23,900,360	30.63%
Hannstar Board New Energy Co., Ltd.	250,000	5%	1,250,000	25%	1,500,000	30%

Note: Long-term Investments accounted for using the equity method.

3. Fundraising Overview

3.1 Capital and Shares

3.1.1 Sources of Share Capital

Sources of Share Capital

Unit: NT\$ thousand/thousand shares

Year/ Month	Issue price	Authorized capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of capital	Paid with property other than cash	Other
1990/05	10	15,000	150,000	15,000	150,000	Registered capital	None	Jing (1990) Shang No. 109759, dated 1990.05.21
1990/10	10	19,000	190,000	19,000	190,000	Capital increase by cash NT\$40,000 thousand	None	Jing (1990) Shang No. 121139, dated 1990.10.23
1995/09	10	150,000	1,500,000	67,000	670,000	Capital increase by cash NT\$480,000 thousand	None	(1995) Tai-Cai-Zheng (1) No. 39130, dated 1995.07.06
2000/07	10	150,000	1,500,000	82,000	820,000	Capital increase by cash NT\$150,000 thousand	None	(2000) Tai-Cai-Zheng (1) No. 50794, dated 2000.06.14
2001/07	10	150,000	1,500,000	91,093	910,928	Capitalization of retained earnings by NT\$90,928 thousand	None	(2001) Tai-Cai-Zheng (1) No. 144065, dated 2001.07.10
2002/07	10	150,000	1,500,000	95,340	953,395	Capitalization of retained earnings, employees bonus and capital surplus by NT\$42,467 thousand	None	(2002) Tai-Cai-Zheng (1) No. 0910140867, dated 2002.07.22
2003/07	10	150,000	1,500,000	100,648	1,006,482	Capitalization of retained earnings, employees bonus and capital surplus by NT 53,087 thousand	None	(2003) Tai-Cai-Zheng (1) No. 0920132046, dated 2003.07.16
2003/10	10	150,000	1,500,000	101,584	1,015,839	Convertible bonds converted NT\$9,357 thousand	None	Jing-Shou-Shang No. 09201297470, dated 2003.10.27
2004/01	10	150,000	1,500,000	103,920	1,039,196	Convertible bonds converted NT\$23,357 thousand	None	Jing-Shou-Shang No. 09301008600, dated 2004.01.16
2004/04	10	150,000	1,500,000	103,927	1,039,268	Convertible bonds converted NT\$72 thousand	None	Jing-Shou-Shang No. 09301066380, dated 2004.04.23
2004/07	10	150,000	1,500,000	103,948	1,039,482	Convertible bonds converted NT\$214 thousand	None	Jing-Shou-Shang No. 09301132700, dated 2004.07.29
2005/10	10	150,000	1,500,000	119,609	1,196,088	Convertible bonds converted NT\$156,606 thousand	None	Jing-Shou-Shang No. 09401208220, dated 2005.10.21
2006/02	10	150,000	1,500,000	120,680	1,206,802	Convertible bonds converted NT\$10,714 thousand	None	Jing-Shou-Shang No. 09501019630, dated 2006.02.03

Year/ Month	Issue price	Authorized capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of capital	Paid with property other than cash	Other
2006/05	10	150,000	1,500,000	123,216	1,232,159	Convertible bonds converted NT\$25,357 thousand	None	Jing-Shou-Shang No. 09501083670, dated 2006.05.08
2007/01	10	150,000	1,500,000	123,243	1,232,427	Convertible bonds converted NT\$268 thousand	None	Jing-Shou-Shang No. 09601013930, dated 2007.01.19
2007/04	10	150,000	1,500,000	125,769	1,257,694	Convertible bonds converted NT\$25,268 thousand	None	Jing-Shou-Shang No. 09601080180, dated 2007.04.19
2007/08	10	150,000	1,500,000	126,091	1,260,909	Convertible bonds converted NT\$3,214 thousand	None	Jing-Shou-Shang No. 09601190330, dated 2007.08.08
2007/09	10	150,000	1,500,000	127,761	1,277,605	Convertible bonds converted NT\$16,696 thousand	None	Jing-Shou-Shang No. 09601227430, dated 2007.09.14
2008/05	10	220,000	2,200,000	158,563	1,585,629	Merge lead to an increase in equity by NT\$308,024 thousand	None	Jing-Shou-Shang No. 09701111690, dated 2008.05.13
2008/08	10	220,000	2,200,000	162,210	1,622,098	Capitalization of retained earnings by NT\$36,469 thousand	None	Jing-Shou-Shang No. 09701217080, dated 2008.08.28
2009/09	10	220,000	2,200,000	163,412	1,634,127	1. Capitalization of retained earnings by NT\$32,028 thousand 2. De-capitalization due to cancellation of treasury stocks by NT\$20,000 thousand	None	Jing-Shou-Shang No. 09801215090, dated 2009.09.22
2010/04	10	220,000	2,200,000	163,891	1,638,917	The conversion of stock options certificate converted NT\$4,790 thousand	None	Jing-Shou-Shang No. 09901078510, dated 2010.04.20
2010/09	10	220,000	2,200,000	167,218	1,672,180	1. Capitalization of retained earnings by NT\$32,778 thousand 2The conversion of stock options certificate converted NT\$485 thousand	None	Jing-Shou-Shang No. 09901210520, dated 2010.09.15
2011/01	10	220,000	2,200,000	167,349	1,673,490	The conversion of stock options certificate converted NT\$1,310 thousand	None	Jing-Shou-Shang No. 10001009370, dated 2011.01.17
2011/04	10	220,000	2,200,000	167,754	1,677,545	The conversion of stock options certificate converted NT\$4,055 thousand	None	Jing-Shou-Shang No. 10001073130, dated 2011.04.14
2011/07	10	220,000	2,200,000	167,773	1,677,733	The conversion of stock options certificate converted NT\$188 thousand	None	Jing-Shou-Shang No. 10001156780, dated 2011.07.22

Year/ Month	Issue price	Authorized capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of capital	Paid with property other than cash	Other
2011/09	10	220,000	2,200,000	186,116	1,861,163	Capitalization of retained earnings by NT\$183,430 thousand	No	Jing-Shou-Shang No. 10001215880, dated 2011.09.15
2013/06	10	220,000	2,200,000	185,116	1,851,163	Treasury stock capital decreased by NT\$10,000 thousand	None	Jing-Shou-Shang No. 10201112260, dated 2013.06.18
2017/08	10	220,000	2,200,000	172,000	1,720,000	Capital reduction by cash NT\$131,163 thousand	None	Jing-Shou-Shang No. 10601111170, dated 2017.08.07

2025.4.19 Unit: share

Types of Shares	Authorized Capital			Remarks
	Circulating shares Issued and Outstanding (Publicly-traded Shares)	Unissued Shares	Total	
Common Stock	172,000,000	48,000,000	220,000,000	—

3.1.2 List of Major Shareholders

Unit: share

Major Shareholders	Shares	Number of Shares Held	Ratio of shareholding (%)
Walsin Technology Corporation		74,186,468	43.13%
Walton Advanced Engineering, Inc.		1,295,673	0.75%
Yu-Heng Chiao		1,065,861	0.62%
Chun-Chi Huan		993,000	0.58%
TA-HO Maritime Corporation		951,200	0.55%
Sheng-Chi Liao		859,000	0.50%
ABC Taiwan Electronics Corp.		803,880	0.47%
Barclays Capital SBL/PB investment account under the custody of Citi Bank		776,000	0.45%
UBS European SE Investment Fund under the custody of Citibank Taiwan		628,000	0.37%
Tsung-Yuan Huang		516,000	0.30%

3.1.3 Dividend Policy and Implementation Status

3.1.3.1 Dividend Policy :

If the Company has pre tax profits at the end of the fiscal year, in addition to making up previous years' losses, shall first set aside ten percent of said profits as legal reserve. Where such legal reserve amounts to the total paid in capital, this provision shall not apply. After setting aside or reversing special reserve pursuant to applicable laws and regulations the special surplus reserve may be set aside according to the business needs of the Company. If there is a balance and the accumulated unappropriated earnings, the Board of Directors shall draft a earnings distribution proposal. The shareholders' meeting shall be submitted to a resolution to distribute shareholder dividends.

In addition to the distribution of the Company's earnings in accordance with the provisions of the Company's articles, the principle that the proportion of cash dividends shall not exceed 50% of the shareholders' dividends distributed in the current year, and the rest shall be paid in stock dividends ; However, when the Company obtains sufficient funds to meet the annual funding needs, the above-mentioned cash distribution ratio may be increased to 100% at discretion. As listed in the preceding paragraph, the Company may decide the most appropriate dividend policy and payment method based on the actual operating conditions of the current year and the capital budget plan for the next year.

3.1.3.2 Proposed dividend allocation for approval at annual shareholders' meeting :

Proposed cash dividend of NT\$1.4 per share.

3.1.4 Impact of issuance of stock dividends proposed in this shareholders' meeting upon the Company's business performance and earning per share (EPS) :

Not applicable.

3.1.5 Compensation for Employees and Directors :

3.1.5.1 The percentages or ranges with respect to employees and directors compensation, as set forth in the Articles of Incorporation of the Company:

The Company carried out the distribution of employees and directors compensation in accordance with the Article 28 of the Articles of Incorporation of the Company, "If the Company makes a profit during the fiscal year, it shall distribute 2% to 10% as employee compensation (The 2025 shareholders' meeting intends to approve an amendment: no less than 50% of the employee remuneration amount under this item should be allocated to grassroots employees). Employees include employees of affiliated companies who meet certain conditions. The Board of Directors resolves to distribute no more than 2% of the aforementioned profit amount as directors' remuneration.

However, if the Company has accumulated losses, the Company shall first set aside an amount for making up losses."

3.1.5.2 The basis for estimating the amount of employees and directors compensation, for calculating the number of shares to be distributed as employees compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.

- (a) According with the Articles of Incorporation of the Company, the Company shall allocate 2% to 10% of the said profit as employees compensation and no more than 2% of the said profit as directors remuneration of the pre-tax income before deducted employees compensation and directors remuneration of the year. In 2024, the estimated employee remuneration was NT\$16,553 thousand and the director's remuneration was NT\$6,621 thousand, which were estimated at 2.5% and 1% of the aforementioned pre-tax benefits respectively.
- (b) After the end of the fiscal year, if there is any discrepancy between the actual distributed amount and the estimated figure according to the adoption by the meeting of board of the directors, the company should enter adjusted entries based on the treatment of the change in accounting estimates. If the shareholders' meeting passes a resolution to distribute employees compensation in stocks, the number of shares for stock dividends is determined by dividing the amount of the resolution dividend by the fair value of the stock, the fair value of the stock is based on the closing price on the day before the resolution of the shareholders' meeting and considering the impact of ex-rights and ex-dividends as the basis for calculation.

3.1.5.3 Information on any approval by the board of directors of distribution of compensation

- (a) The amount of any employees compensation distributed in cash or stocks and compensation for directors.

Unit: NT\$ thousand

Item	Estimated figure in 2024	Adoption of the resolution by the board of directors	Discrepancy	Accounting treatment
Directors compensation	6,621	6,621	0	None
Employees compensation distributed in cash	16,553	16,553	0	None

- (b) The amount of employees compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income for the current period and total employees compensation: 0%.

3.1.5.4 The actual distribution of employees and directors compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employees or directors compensation, additionally the discrepancy, cause, and how it is treated.

Unit: NT\$ thousand

Item	Actual distribution	Adoption of the resolution by the board of directors	Estimated figure	Discrepancy	Accounting treatment
Directors compensation	5,835	5,835	5,835	0	None
Employees bonus distributed in cash	14,546	14,586	14,586	40	Adjusted for 2024 P&L.

3.1.6 The Execution Status of Shares Buyback :

The Execution Status of Shares Buyback

As of 2025.04.19

Treasury stocks: Batch Order	9th Batch
Purpose of buy-back	Transfer shares to employees
Timeframe of buy-back	2021.03.26~2021.03.31
Price range	NT\$ 65.7~68.7
Class, quantity of shares repurchased	Common stock, 800,000 shares
Value of shares repurchased	NT\$ 54,370,321
Ratio of the number of shares already repurchased to the number of shares intended to be repurchased (%)	100%
Shares sold/transferred	0
Accumulated number of company shares held	800,000 shares
Percentage of total company shares held (%)	0.47%

3.2 Issuance of Corporate Bonds :

None.

3.3 Issuance of Preferred Shares :

None.

3.4 Issuance of Global Depositary Receipts :

None.

3.5 Status of Employee Stock Option :

None.

3.6 Status of Employee Restricted Stock :

None.

3.7 Status of New Share Issuance in Connection with Mergers and Acquisitions :

None.

3.8 Financing Plans and Implementation :

None.

4. Operational Highlights

4.1 Business Activities

4.1.1 Scope of Business

(1) Core Business

The company is engaged in the manufacturing, processing and sales of Multi-Layer Ceramic Capacitors(MLCC), Chip-Resistors(Chip-R) and Ceramic Dielectric Powders(Powder).

(2) Revenue Ratio

Product	Revenue Ratio (%)
MLCC	62
Powder	19
Chip-R	16
Others	3
Total	100

(3) Manly product and service

- Multi-layer ceramic capacitors (MLCC)
- Chip-resistors (Chip-R)
- Ceramic dielectric powders (Powder)

(4) R&D plan of new product and service

- Expanded development of automotive-grade NPO chip capacitors
- Automotive-grade medium-voltage high-capacity X7R chip capacitors
- Automotive-grade low-loss and low DC bias chip capacitors
- Automotive-grade high-capacity $\geq 10\mu\text{F}$ X7R, X7S chip capacitors
- Expanded development of X1Y2 and X2 safety chip capacitors
- Vertical Stacked-Cap High-Reliability Capacitor Development
- 0612/1225 High Power Surge-Resistant Resistor Development
- Development of 2512 High Power 0.3m Ω Ultra-Low Resistance Metal Plate Resistor
- Functional resistors without RoHS exclusion clauses
- Plan to develop BME-X7R MLCC advanced thin-layer (< 4 μm) and special application powders
- Plan to develop BME-NPO MLCC advanced thin-layer (< 4 μm) and special application powders
- Plan to develop 150 nm BaTiO₃ powder
- 5G Communication LTCC High-K Filter Application Powder
- Cu-electrode Mid-K RF powder
- Plan to develop special powder for Positive Temperature Coefficient (PTC) resistance effect

Estimated investment in research and development: estimated NT\$78,704 thousand.

4.1.2 Industry Overview

(1). Industry status and development

Passive component industry mainly includes capacitor, resistor, inductor, Varistor and Thermistor, etc., which are one of the basic components of electronic circuits and key component of electronic related products. In response to the miniaturization and high-speed computing requirements of electronic products, chip-type passive components have the advantages of small size, good frequency characteristics, and low cost for automated mass production; so that are widely used in the industry of automotive, industrial, aerospace, medical, information, communication , consumer electronics and 3C industry.

Chip-type resistors, capacitors and inductive components are still dominated by Japanese manufacturers. Among them, MLCC is the most representative one that Japanese manufacturers having advanced technology in materials and processes; and they also have the key technologies such as ceramic powder, and the design of paste and conductive colloid with other materials, besides, having a large number of R&D personnel and development costs invested, focusing on high-value-added products with high capacity and miniaturization of chip size. On the other hand, domestic manufacturers are gradually expanding its economy scale, which cooperated with the supply chain of the domestic electronic assembly industry, gaining a place in the information electronic application market via standard products released from Japanese companies.

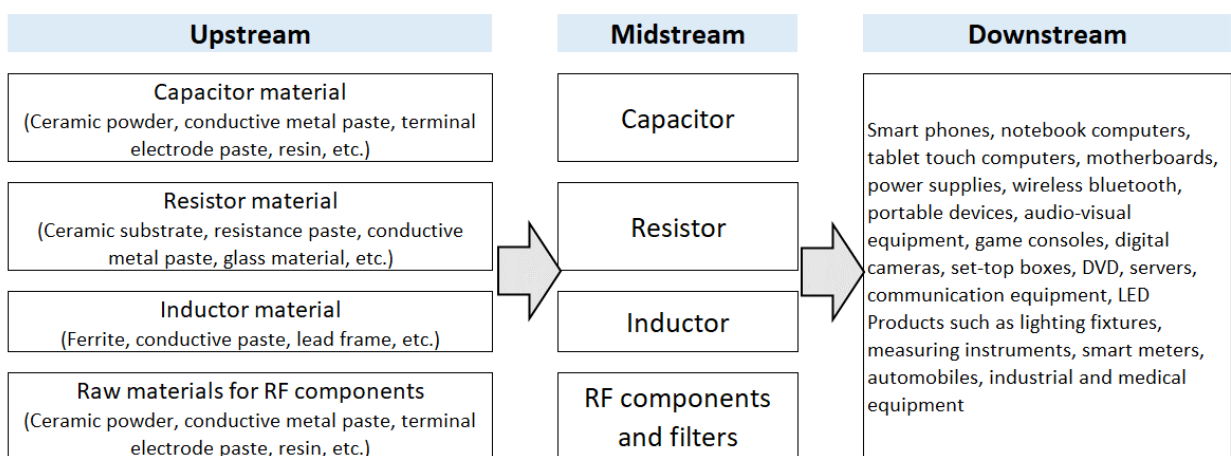
After years of hard work and development, domestic manufacturers have gradually increased their autonomy in ceramic materials and process technologies required for ceramic capacitors, resistors and inductors. Strengthened the product sales advantages through technological upgrades and horizontal integration and strategic alliances in the industry. In the global passive component market, the gap with the leading group is gradually narrowed, and domestic manufacturers are actively entering the high-margin application markets such as network communications, automotive electronics, New Energy and Aerospace Industry, and medical applications, which are continuously growing in market size.

(2). Industry relevance (upstream, middle, downstream)

The upstream of the passivecomponent industry is the material supplier of dielectric ceramic powder, ceramic substrate, alumina substrate, quartz substrate, conductive adhesive, cathode foil, etc. The raw materials required for the upstream of the company's main product MLCC are mainly ceramic powder and internal and external electrode materials, which relied on foreign imports in the early stage. However, after years of research and development efforts, the proportion of self-made products has gradually increased. In addition to controlling the purchase risk, it can also reduce production costs.

The midstream of the passive component industry is the manufacturer of resistors, capacitors, inductors, Varistors and Thermistors. Passive components are indispensable

components of electronic products. They are divided into three categories according to their functions: capacitors, resistors and inductors. Capacitors regulate and filter radio waves, resistors regulate current and voltage, and inductors filter noise and prevent electromagnetic interference. Via the mutual cooperation of the three, achieving the purpose of controlling the electronic circuit and protecting the active components that perform operations. Since passive components are widely used in various electronic products, downstream applications include; smart phones, notebook computers, tablet touch computers, motherboards, power supplies, wireless Bluetooth, portable equipment, audio-visual equipment, game consoles, digital cameras, set-top boxes, DVDs, servers, communication equipment, LED lighting, measuring instruments, smart meters, automotive, industrial and medical equipment and other products.



(3). Development trend of passive components industry

With the rapid and vigorous development of AI, electric vehicles, new energy, 5G and mobile apps, wireless communication devices and digital multimedia products continue to be miniaturized and highly mobile. The usage of passive components such as capacitors, resistors, and high-frequency components also increase in response to high-end products. Because of this, communication application equipment such as mobile phones, switches, Robots, AI servers, data centers, servers, routers and 5G base stations have gradually become the main application of passive components, followed by PCs and peripheral equipment and consumer electronic products. And then the trend of environmental protection and green energy has become mainstream, the development of energy storage and electric vehicles, coupled with the increase of active and passive safety equipment in automobiles, the use of high-end passive components has increased significantly.

(4). Product development trends and competition

a. Miniaturization and thinning:

As the demand for smart phones, touch panel PCs, Ultrabook PCs and Phablets continues to grow, passive components will maintain the trend of miniaturization. Chip resistors of 01005 size are widely used, chip capacitors with a size of 01005 are quickly introduced into PA modules, and series products such as low-height and high-current resistance of pressure mode inductors are developed one by one.

b. High frequency:

The development from 3G communication to 3.5G, LTE 4G, 5G, and usage frequency even up to 60GHz applications is becoming more and more mature. In addition to Wi-Fi6, the demand for bluetooth has become universal, and the demand of passive components used in the high frequency applications is also increasing day by day, and the requirements for the performance of passive components are also getting higher and higher. Most of the high-frequency MLCCs are 0402 and 0201. The role of ceramic antennas and filters is gradually increasing.

c. High power and High reliability design:

For example, automotive electronics must meet the quality requirements of AEC-Q200, life circle is more than ten years, Chip-R anti-sulfur, improving MLCC bending strength, high temperature resistance requirements for lighting applications, AI applications, etc. At present, Japanese and American passive parts manufacturers are the main suppliers, but recently Japanese manufacturers have gradually introduced Taiwanese products to seek cost improvement.

(5). Strategies for responding to the development trend of passive components industry

PDC is the domestic enterprise that invests the most in the research and development of dielectric ceramic powder materials. PDC has accumulated about 30 years of research and development and production experience as a powder manufacturer and manufactures and sell special chip capacitors and resistors. In response to the future development trends and business opportunities of AI/ Robots/ 5G base stations/ vehicles/ third-generation semiconductors (GaN, SiC), PDC will continue to focus on special passive components (capacitors/resistors) with safety/ high-power/ high-temperature-resistant, and intermediary products of electric ceramic powder. These products are the main and core products of the company.

4.1.3 Technology and R&D Overview

(1). The technical level and R&D status of PDC

In terms of the production technology level of chip capacitors and chip resistors, PDC has developed customized requirements X5R/X7R/X7E/X8R/X7T high reliability 3035, 3940, 4252, 6560, 13060 and other sizes of medium and high voltage Chip capacitors and military-spec special capacitors.

In terms of new product development, metal plate type ultra-low-resistance products and related process technologies have matured and entered the market, and have been recognized and praised by several major listed companies. We continue to develop 0805/1206 low-resistance products in various sizes according to market demand to meet the needs of the market, which for customer miniaturization and high current application. In terms of product functions, the safety-certified chip capacitors manufactured by our company include a full range of 1808~2220 / X1Y2 & X2 safety-certified and automotive safety products, and we can begin to supply safety-regulated MLCCs required by the new telecom laws in Europe and China. In addition, we have successively developed a series of

high-reliability products for automotive specifications, providing automotive-related products in various sizes ranging from 0603 to 2225. In line with the global vision of environmental protection and greening vision, the company's full series of chip capacitors and resistors are in compliance with RoHS regulations. Among them, the chip capacitors are all lead-free and cadmium-free, and lead the industry. The whole factory has introduced green management certification QC080000.

In terms of key technologies, the key material used in the base metal process, the dielectric ceramic powder for multilayer capacitors, has also been developed and mass-produced in a full series. Furthermore, with the product capabilities of mid-to-high-level BT and formula powders with different characteristics, the construction of BME process technology and year-by-year optimization can further reduce production costs and improve product electrical performance and reliability. For example, medium and high voltage capacitors for base metal electrodes replaced the existing X7R materials of Ag-Pd series. Since the products are deeply trusted by customers, they have gradually entered the Japanese market since 2009, and also successfully entered the special application market in the United States in 2010.

The widespread use of GPS in recent years has led to a multiplicative growth in bike-sharing, motorcycles and electric vehicles. The dielectric material specifications for miniaturized design of key components of microwave ceramic antennas will develop in the direction of high dielectric constant, and products with low K and high QF characteristics required for high-precision positioning are simultaneously developed. We have also started the development of ceramic materials for 5G milli-micron band and higher frequency applications. As powder products have entered the international market, in addition to the Greater China and Asian markets, we also continue to design and manufacture special specifications of dielectric powders that meet the needs of customers in Europe and the United States.

(2). R&D expenses and the technologies or products successfully developed

a. R&D expenses in the current year and up to the publication date of the annual report

Unit: NT\$ thousand

Item	2024	As of March 31, 2025
R&D expenses	70,490	14,553
Revenues	3,724,038	944,168
R&D expenses as a percentage of revenue	1.89%	1.54%

b. The technologies or products successfully developed in the current year and up to the date of publication of the annual report

Product	R&D content
Powder	<ul style="list-style-type: none"> ■ Microwave ceramic powder NPO ■ Capacitor ceramic powder X7R high-end formula powder ■ Capacitor ceramic powder NPO high-end formula powder
Capacitor	<ul style="list-style-type: none"> ■ Special AC safety regulations capacitors ■ Medium voltage and high capacity 5G application capacitors

Product	R&D content
	<ul style="list-style-type: none"> ■ Automotive application capacitor
Resistor	<ul style="list-style-type: none"> ■ 2725 metal plate high power chip resistor ■ EIA-977 anti-sulfur high voltage chip resistor and obtained UL safety certification ■ EIA-977 anti-sulfur high power chip resistor

4.1.4 Long-term and short-term business development plans

Looking ahead to the new year, although the application of future technologies such as AI, 5G, new energy, Internet of Things, automotive electronics, and high-speed transmission is expected to drive the growth of demand for passive components, the ongoing wars between Russia and Ukraine and Israel and Kazakhstan, inflation uncertainty, the tariff trade war launched by the United States, the concerns about economic growth slowdown faced by major economies, and geopolitical risks have caused the market to worry about the strength of future economic growth.

In the face of rapid changes in global economic market and industry, in response to the volatile market situation, the company actively adopts the following countermeasures and plans, improve operational performance, and actively implement corporate governance, sustainable operation and increase shareholder remuneration :

Short-term

- Continue to focus on the company's core products, invest in R&D, manufacturing and sales of new specification products to enhance the company's competitiveness in order to get greater profits.
- Continue to promote smart factories to improve production efficiency.
- In response to the new demands derived from AI, Robots, 5G, automotive electronics, New Energy, and third-generation semiconductor-related applications, and in response to the government's investment policy in Taiwan, the company will continue to expand its factories to enhance the company's competitiveness.
- Continue to strengthen the production and sales integration and cooperation model among group companies.

Medium and long term

- Continuously improve product quality, provide zero-defect products to customers, and serve customers with an innovative global distribution pattern to achieve perfection.
- Continue to provide customers with innovative technology to become the best partner to create added value.
- Provide green products, continue to implement environmental protection work (Continue to promote energy conservation and carbon reduction work to reduce electricity costs and carbon emissions) and to promote ESG (Corporate sustainability development).
- Actively expand and develop overseas markets.

4.2 Market, production and sales overview

4.2.1 Market analysis

(1). Sales region(s) of main products

Unit: NT\$ thousand

Year		2022		2023		2024	
Region		Amount	%	Amount	%	Amount	%
Export Sales	Asia	1,480,500	36	1,556,402	43	1,714,602	46
	America	445,528	11	229,834	6	201,764	6
	EU	220,938	5	129,824	3	164,419	4
	Others	370	—	—	—	—	—
Subtotal		2,147,336	52	1,916,060	52	2,080,785	56
Domestic sales		1,995,050	48	1,737,779	48	1,643,253	44
Total		4,142,386	100	3,653,839	100	3,724,038	100

(2). Market Share

In terms of chip capacitors, which account for more than 60% of PDC's business, based on the estimated output for the year 2024, it accounts for less than 1% of the global capacitor market value. However, PDC is the only domestic chip capacitor manufacturer with self-made dielectric ceramic powder. As providing customer sized and environmental protection and greening products - especially high-voltage chip capacitors, PDC is considered as one of the leading manufacturers in the world.

(3). The future supply and demand situation and growth of the market

Based on the future supply and demand situation and growth of the terminal application product market, the analysis is as follows:

A. Market demand analysis

PDC mainly produces high-power and high-reliability chip capacitors and resistors. It is predicted that high-power products will grow on a considerable scale in the future with the rapid development of Robots, 5G, AI, New Energy, automotive, IOT, fast charging power sources and other related industries. Others, such as High-end laptops (Ultramobile), digital set-top boxes, and handheld game consoles are all growing as well. To be said, the above applications will bring great business opportunities for PDC's big-size and high-power products.

B. Market supply analysis

For chip passive components, the biggest competitors are still Japanese manufacturers. Japanese manufacturers are limited by heavy personnel costs and are relatively conservative and cautious in capacity expansion.

Therefore, if the domestic electronic material industry can grasp the technological development trend and improve process capabilities, and also reduce production costs, and through the complete system of the domestic information and communication industry, it should be able to gradually replace Japanese products.

Moreover, due to the high-level impact of information and consumer electronic products, such as personal computers, game consoles, and digital set-top boxes, etc. the demand for components with special specifications such as high-capacity and high-voltage are growing. So, the domestic manufacturers hope to reduce costs to increase economy scale and improve their competitiveness to against Japanese products.

(4). Competitive niche

a. Key technologies

The key technologies of ceramic capacitors including two projects: electrode materials and dielectric ceramic powder. PDC has invested the most in the research and development of dielectric ceramic powder materials in Taiwan. PDC has accumulated about 30 years of R&D and production experience since its establishment, and this is the company's most important core competencies. Starting from this core capability, we will continue to develop higher-level multilayer capacitor ceramic powder and develop other products in multiple directions. Among them, the dielectric ceramic powder used in chip capacitors (multilayer ceramic capacitors); beside PDC, most of other peers in the domestic industry currently rely on the dielectric ceramic powder imported from abroad. However, PDC actively increases the ratio of domestic raw material independent supply, and supplies medium and high-grade dielectric ceramic powder and microwave application ceramic powder for chip capacitor production to other peers. In result, PDC has been successfully sold to domestic and foreign manufacturers, and it is expected to continue to promote to the domestic market in the future to improve PDC's profit. In addition, the company will continue to develop higher-order special application laminated capacitor ceramic powder, LTCC materials, high-frequency microwave materials for 5G applications and high frequency inductive materials to meet future market demand at home and abroad.

b. Good vertical integration

PDC's dielectric ceramic powder is of high quality and excellent stability. In addition to being used by PDC to produce MLCC itself, after joining Walsin Technology (PSA Group) in 2005, whether it is used in single-layer or multi-layer ceramic capacitors, the dielectric ceramic powder for the research and development of LTCC materials and 5G application high-frequency microwave materials, the trial time is significantly shortened.

c. Product diversification and overall good performance

The company's products range from raw materials (dielectric ceramic powder, LTCC materials, high-frequency microwave materials for 5G applications), semi-finished products (semiconductor ceramic capacitor tiles) to finished products (chip capacitors, chip resistors), and its products are diversified. The breadth and depth can not only meet the needs of different customers, but also avoid the impact of a single product on operational performance due to supply-demand imbalance and price competition.

(5). Advantages, Disadvantages and Countermeasures of the Development Prospect

a. Advantages

① Experienced management team

The company's managers have more than 10 years of working experience and are all professional people with high stability and maturity. They are sensitive to the market and have a quick decision-making process ability, which is an important cornerstone for PDC's subsequent development.

② Leading material and process technology integration

Since pdc has the core competence of ceramic materials, it is the highest degree of upstream and downstream integration of similar domestic companies of the same type. Among them, PDC's R&D and mass production capabilities of dielectric ceramic powder have the most competitive advantages. The company has accumulated many years of R&D and production experience. Therefore, other products can be developed in many ways.

③ Design, manufacture and marketing integration services of customized products

In addition to having a technical team integrating upstream material technology and product process technology, PDC can also provide customers with the integration of product design, manufacturing and marketing on the application side, and provide the best technical services for market and customer needs.

④ Strong marketing capabilities

In terms of marketing business, PDC has the ability and experience to cooperate with major customers and enter the international market due to PDC's strong lineup of domestic and foreign sales.

⑤ Complete product portfolio

PSA Group's products include capacitors, resistors, inductors, RF equipment, antennas and protection components, with complete product specifications and options, and can provide customers with one-stop convenient services. In addition, complete sales and distribution channels have been established around the world to ensure timely and localized customer service.

b. Unfavorable factors and countermeasures

① Rising labor costs and manpower shortages increase production and operating costs.

Countermeasures: In addition to the legal introduction of foreign workers, PDC also strengthens on-the-job training for employees to improve the quality and productivity of personnel, and introduces automated production equipment to upgrade process technology to enhance PDC's competitiveness. PDC also pays attention to employee welfare, such as the adoption of the employee trust shareholding system, which can unite the centripetal force of employees and attract more talents.

② Main raw materials rely on imports and prices continue to rise.

Countermeasures: Actively look for overseas material technical cooperation, and continue to establish long-term cooperative relations with suppliers, so that the source of raw materials is not easy to be in short supply.

- ③ Affected by US-China trade frictions, Asian currencies fluctuate sharply against the US dollar.

Countermeasures: Revise the transaction contract, and reflect the cost in a timely manner, and reduce the impact caused by the exchange rate trend. In addition, the transaction conditions are changed to a currency with a relatively stable exchange rate. Moreover, conduct hedging transactions in a timely manner to reduce the risk of exchange rate fluctuations.

- ④ Affected by the US-China trade friction/ Geopolitical risks such as the Russia-Ukraine war / rising interest rates and inflation on costs and expenses, the global economic is in an uncertain state.

Countermeasures: Adjust the company's factory layout and supply chain in a timely manner in line with customer and market needs, continue to develop niche products and enhance the company's R&D capabilities, and differentiate its business model from other peers.

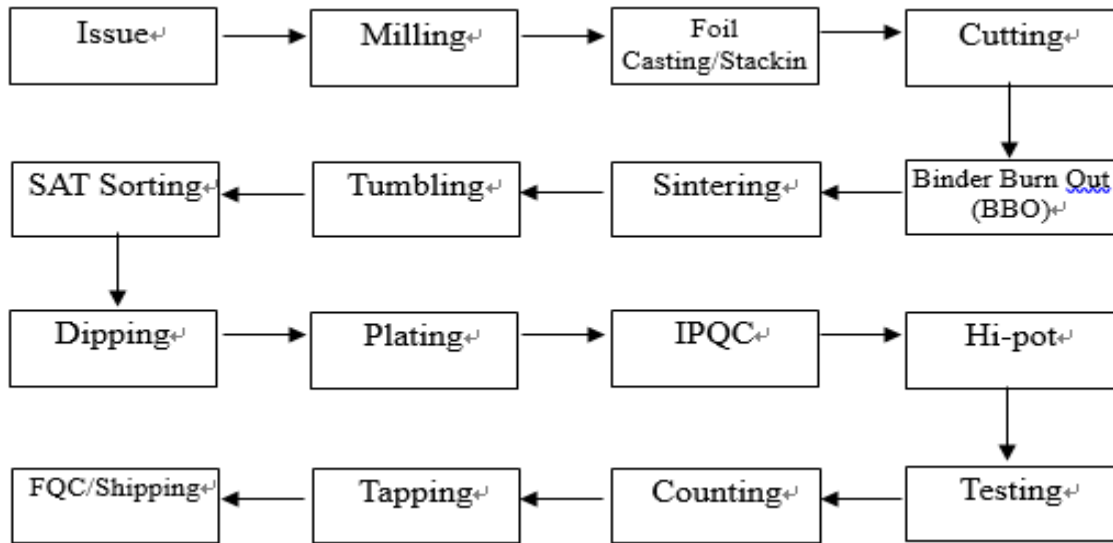
4.2.2 Usage and Manufacturing Processes for the Main Products

(1). Usage of Main Products

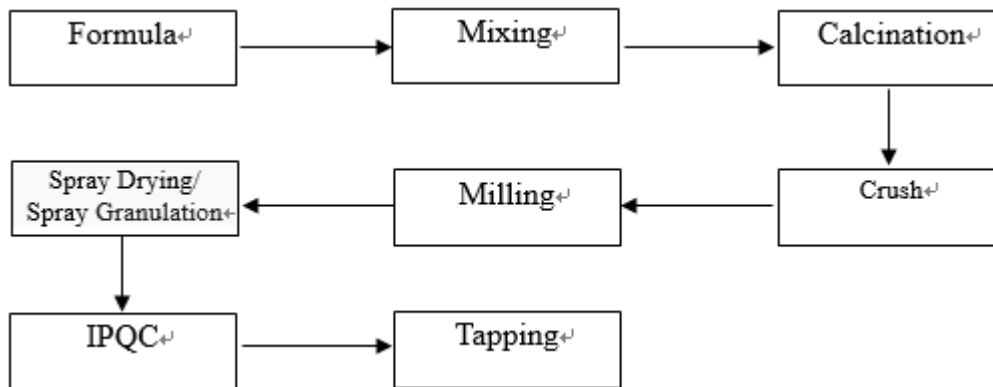
Main Products	Usage
MLCC	Used for the energy storage, bypass, smoothing, coupling, filtering, resonance, impedance-matching circuits, and applied to computer peripherals, communications products and consumer electronics, industrial/automotive electronics, New Energy, household/Medical electronics, etc.
Chip-R	Used for DC step-down converter, DC voltage divider, and applied to consumer electronic products such as computer peripherals and information appliances.
Powders	Supply of raw materials to manufacture disc-type capacitor elements, multilayer ceramic capacitor, microwave components, ceramic antennas, etc.

(2). Manufacturing Process

a. Multi-layer ceramic capacitors



b. Ceramic dielectric powders



4.2.3 Main raw materials supply

Material	Sources of supply	States of supply
Electrode	Japan and Affiliates	Stable
Ceramic dielectric powders	Japan, In-house production	Stable
Substrate	Taiwan and China	Stable
Barium Carbonate(BaCo3)	Europe and China	Stable
Titanium dioxide(TiO2)	Japan and China	Stable
Zirconium dioxide(ZrO2)	China	Stable
rare earth metal	China	Stable

4.2.4 List of Main Suppliers and Customers

(1).List of customers who accounted for more than 10% of the net sales in any of the last two years

Unit: NT\$ thousand

Year	2023				2024				Up to March 31,2025			
Item	Name	Amount	Ratio of Net Sales	Relationship with PDC	Name	Amount	Ratio of Net Sales	Relationship with PDC	Name	Amount	Ratio of Net Sales	Relationship with PDC
1	Walsin Technology Corporation	841,538	23	Affiliates	Walsin Technology Corporation	837,867	23	Affiliates	Walsin Technology Corporation	194,699	21	Affiliates
2	A company	388,520	11	Non-affiliates	A company	359,668	10	Non-affiliates	A company	107,480	11	Non-affiliates
3	Others	2,423,781	66		Others	2,526,503	67		Others	641,989	68	
	Net Sales	3,653,839	100		Net Sales	3,724,038	100		Net Sales	944,168	100	

Note: The proportion of sales from other customers did not reach 10% of the annual net sales.

(2).List of purchasers who have accounted for more than 10% of the net purchases in any of the most recent two years:

Unit: NT\$ thousand

Year	2023				2024				Up to March 31,2025			
Item	Name	Amount	Ratio of Net Purchase	Relationship with PDC	Name	Amount	Ratio of Net Purchase	Relationship with PDC	Name	Amount	Ratio of Net Purchase	Relationship with PDC
1	Dongguan Walsin Technology Electronics Co., Ltd.	298,065	19	Affiliates	Dongguan Walsin Technology Electronics Co., Ltd.	350,343	21	Affiliates	Dongguan Walsin Technology Electronics Co., Ltd.	89,985	21	Affiliates
2	Walsin Technology Corporation	268,352	17	Affiliates	Walsin Technology Corporation	301,874	18	Affiliates	Walsin Technology Corporation	70,055	16	Affiliates
3	A company	172,063	11	Non-affiliates	A company	149,146	9	Non-affiliates	A company	48,736	11	Non-affiliates
4	Others	808,844	53		Others	876,169	52		Others	225,181	52	
	Net Purchases	1,547,324	100		Net Purchases	1,677,532	100		Net Purchases	433,957	100	

(3). Reason for Changes

The Company established a long-term strategic alliance with Walsin Technology Co., Ltd. in September 2005. Due to the vertical integration and complementarity effect of the Company's product lines with Walsin Technology Co., Ltd., through strategic alliance, the two parties began to specialize in production lines in the middle of 2005, so the situation of cross-selling increased.

Walsin Technology Co., Ltd. and its subsidiaries mainly supply capacitors, resistors and other products, while other manufacturers mainly supply raw materials for electrodes and dielectric ceramic powder, and the proportion of purchases are less than 20%.

Overall, the Company's procurement of various major raw materials is not relatively concentrated in specific manufacturers, and the transaction objects are mainly determined based on the principles of the supplier's delivery date, material quality and unit price. There is no major abnormality in the change of suppliers.

4.3 Workforce Structure

Workforce Structure from the Last two years and up to the date of publication of the annual report:

Fiscal Year		2023	2024	2025 up to March 31
Number of employees	indirect Employee	266	264	264
	Direct Employee	455	444	460
	Total	721	708	724
Average age		28.76	29.53	29.54
Average years of service		5.66	5.76	5.80
Education background (%)	Ph.D.	0.42	0.56	0.55
	Master's	5.13	5.23	4.70
	University/College	57.28	59.32	60.50
	Senior High School	24.55	27.54	24.17
	Below senior high School	12.62	7.34	10.08

4.4 Disbursements for Environmental Protection

4.4.1 The total amount of losses (including compensation and environmental protection audit results) and punishment due to environmental pollution in the most recent year and up to the date of publication of the annual report:

Unit : NT\$

Pollution Types	2024	Up to March 31,2025
Fail to follow Air Pollution Control Act	-	-
Fail to follow Water Pollution Control Act	126,000	24,500
Fail to follow Waste Disposal Act	-	-
Others	-	-

4.4.2 Preventive measures for improvement of penalties

- (1)The company received a letter from the Taoyuan City Government in October 2024 (Document No. 1130293405) regarding the suspension of solids exceeding the discharge water standards at the outfall. This violation of Article 7, Paragraph 1 of the Water Pollution Control Act resulted in a fine of NT\$126,000 and a requirement for environmental training. The company has paid the fine and sent personnel to attend the training. After improving the treatment process with wastewater treatment chemicals, we have met the discharge water standards and have submitted the results to the Environmental Protection Bureau for record.
- (2)The company received a letter from the Taoyuan City Government in February 2025 (Document No. 1140035080) regarding a failure of the pneumatic pump equipment, which caused sludge overflow onto the factory floor. This violation of Article 28, Paragraph 1 of the Water Pollution Control Act resulted in a fine of NT\$24,500 and a requirement for environmental training. The company has paid the fine and sent personnel to attend the

training. After repairing the equipment, we have complied with the Water Pollution Control Act and submitted the improvement results to the Environmental Protection Bureau for record.

4.4.3 The following plans for pollution prevention measures :

(1) The company's environmental policy

Environmental Policy

Prosperity Dielectrics Co., was established on May 21, 1990, as a manufacturer of high-end electronic ceramic products. Based on the principle of ensuring quality, try to select low-pollution process equipment and raw materials to pursue pollution prevention in the process of design, manufacture, sales and disposal of products, and the goal is to prevent or reduce the risks caused by processes, facilities and activities to employees, suppliers, contractors, surrounding people and stakeholders. We promise to abide by the following principles to implement the operation of the environmental and safety and health management system:

- ①.Compliance with laws and regulations: Comply with relevant environmental protection, safety and health regulations, international environmental safety conventions, requirements of customers and other relevant groups.
- ②.Continuous improvement: Establish and implement improvement plans to reduce environmental impact, reduce safety and health risks, and continuously improve environmental safety performance.
- ③.Risk reduction: Through appropriate management measures to prevent pollution and recycle, grasp and control various sources of hazards, and to prevent all personnel from injury, disease or other disasters.
- ④.Implement education: educate and publicize the concept of environmental protection, safety and hygiene for all employees, so that they can recognize their personal responsibilities and implement it in daily business operations.
- ⑤.Good communication: Establish a good communication and consultation channel, strengthen the interaction with employees, suppliers, contractors, surrounding people and stakeholders, so as to convey the company's environmental safety policy and related requirements.

(2) Set up various management systems

The company established the ISO14001 environmental management system in 2004 and passed the SGS certification. It is committed to pollution prevention and regards it as one of the primary responsibilities and continues to this day.

In addition to the ISO14001 environmental management system certification (effective until October 13, 2025), the company has also obtained ISO45001 occupational safety and health management system certification (effective until October 3, 2025), IECQ QC080000 hazardous substance process management system certification (effective until June 7, 2026), IATF 16949 automotive industry quality management system certification (valid until December 16, 2026). Product identification: UL/TUV product safety certification, SGS

product testing for harmful substances. In order to achieve greenhouse gas reduction, the company has conducted greenhouse gas inventory according to ISO14064-1 and entrusted a third party to conduct verification.

(3) Major Hazard Identification/Risk Assessment and Management Plan

In addition to actively identifying abnormal risks in hazard identification and risk assessment in ISO14001 & ISO45001, the company promotes various environmental and safety management systems and implements an abnormal notification system. In order to comply with environmental laws and regulations, pollution prevention and continuous improvement requirements, the company strictly implements various monitoring systems to accurately reduce the total amount of pollution discharge and the occurrence of pollution. The company continued to implement previous improvement measures such as waste plastic recycling and reuse, as well as sludge recycling and reuse from the tumbling station. Additionally, the company has continued to implement the following major goals and management plans in 2024:

No	Goal/Target	Program	Status Statement	Execution
1	Energy conservation and carbon reduction	Gradual replacement of old-style fluorescent lamps with LEDs.	Some fluorescent lamps within the facility are still of the traditional type.	The gradual replacement of traditional fluorescent lamps with LEDs began in January of 2023.
2	Continuous improvement	Outsourced recycling and reuse of waste plastic (R-0201).	Waste plastic (including reel, tape and raw material packing bags, etc.) generated during the manufacturing process has an impact on the environment.	Implementation of the waste plastic (R-0201) outsourced recycling program began in April 2022 and continued in 2023, reducing nearly 4.2 tons of waste in 2023. The program further improved waste sorting, leading to a 13% recycling rate in 2024.
3	Continuous improvement	Recycling and reuse of sludge (R-0403) from the tumbling station.	Sludge generated during the manufacturing process has an impact on the environment and increases carbon emission.	A filter press was installed in March 2022. The sludge recycling continued into 2024, with the recycling rate reaching 12%.
4	Meets fire safety equipment installation standards	The Yangmei Plant has installed additional fire water supply pipes.	Install additional fire water supply pipes to meet the fire safety equipment installation standards.	The installation of additional fire water supply pipes was completed in April 2024.
5	Meets fire safety equipment installation standards	The cleanroom has installed emergency smoke ventilation system.	Install emergency smoke ventilation system to meet the fire safety equipment installation standards.	The installation of emergency smoke ventilation system was completed in April 2024.
6	Meets the requirements for the installation of facilities for the	In the hazardous materials storage area ventilation and exhaust facilities has been	The hazardous materials storage area has inadequate ventilation facilities.	The installation of Exhaust fans and fire-resistant dampers was completed in April 2024.

No	Goal/Target	Program	Status Statement	Execution
	manufacture, storage, and handling of hazardous materials	installed.		
7	Reduce security risks	Improvements have been made to the abnormal rooftop rain shelter on the second floor of Powder Plant .	The roof canopy on the second floor has significant rust damage.	The repairs were finished by mid-March of 2024, effectively lowering safety and health risks and preventing accidents.
8	Meets occupational safety and health regulations.	Add railings and improve the ladder on the roof of the administration building.	Self-inspection found that the water tower equipment on the roof of the administrative building needs to be equipped with railings and ladders.	The construction was completed in mid-March 2024, which can reduce safety and health risks and prevent accidents.

4.4.4 The summary of environmental protection related expenditures in Taiwan's factories in 2024 is as follow:

Unit: NT\$ thousand

Classification	Description	Expenses	Capital Expenditures
1.Direct Cost of reducing environment load			
(1) Pollution Prevention	Including air pollution prevention, water pollution control, and other pollution prevention	12,490	-
(2) Save resource Consumption	The cost of saving resources (e.g. water resource)	-	-
(3) Business Waste Disposal and Recycling	The Cost of disposal of business waste (including reuse, incineration, burial, etc.)	14,150	-
2.Indirect Cost of reducing environment load (Environmental protection related management costs)	Including (1) Employee environmental protection education expenses; (2) Environmental management system structure and certification acquisition costs; (3) Monitoring environmental load costs	2,927	-
3.Other Environmental Protection related costs	Fine of environmental issue	126	-
Total		29,693	-

4.5 Labor Relations

4.5.1 List of employee benefits, in service training, internal training, retirements system, and implementation status. As well as employer employee agreements and protection measures for employee entitlements:

As a high-tech industrial company, the company take creating the highest profit as the norm for all employees, implements employee shareholding trusts, and pays attention to the training and cultivation of employees. The company's relevant welfare measures and retirement system are as follows:

(1) Employee welfare measures :

- a. The company has established an Employee Welfare Committee to plan various employee welfare measures. The company provides housing subsidies, shuttle buses, subsidies for weddings, funerals, and celebrations, meal improvements, discounts at designated medical institutions, regular health check-ups, emergency assistance for employees, group insurance, and more.
- b. For the welfare measures provided, in addition to setting up an employee suggestion box for continuous feedback, we also hold regular labor-management meetings. Furthermore, we conduct an annual employee satisfaction survey (especially regarding the group meals, with immediate improvements made for major deficiencies or low satisfaction to enhance employee satisfaction). This aims to integrate feedback and serve as a basis for improving welfare initiatives, enhancing employee cohesion, and promoting harmonious labor relations.
- c. In order to improve employee health and promote the prevention and treatment of chronic diseases such as obesity and the three highs (i.e. hyperglycemia, hyperlipidemia, and hypertension), in addition to regular health examinations, we arrange for doctors to come to the factory for consultation every month, hold health lectures from time to time every year, and organize activities such as walking or weight loss competitions once a year.

(2) Employee training and education

- a. Employees are the most important assets of the company. The cultivation and training of employees' work skills and functions has always been the direction of the company's active investment and efforts. In order to respond to the overall development of the company, cultivate the morality of employees, improve the quality and work efficiency of employees, we not only formulates " Employee Education and Training Measures " as the operation guidelines for employee education and training, but also the HR department is responsible for the planning and implementation of all employees' training and human resources development.
- b. In addition to the internal training courses planed by the HR department, employees are also encouraged to participate in training courses arranged by external professional

organizations for courses that cannot meet the special professional needs of them. And the training information will be announced to all employees timely. The trainings that each employee has participated in are recorded, and provided to the relevant supervisors for reference. Stimulate the growth of employees through training and integrate their knowledge into the company's daily management and work, so as to improve the performance and work quality of each department.

c. In 2024, the company's training expenses totaled NT\$242 thousand, with a total training hours of 5,744 hours and 2,145 persons. The course content is as follows:

Course category	Course Title
Management	Financial Statement Analysis Practices for the Board of Directors and Senior Executives/IFRS Sustainable Disclosure Series Standards: Sustainability, Climate Information, and the Transformation of Annual Shareholder Reports/Legal Responsibilities and Practical Case Analysis of Accounting and Finance Personnel in Economic Crimes and Money Laundering Penalties/Introduction to Key Internal Audit Focus and Common Deficiencies in Listed Companies/Latest Corporate Governance Evaluation Indicators and Practical Analysis/Corporate Governance Strategies and Practices for Addressing Corporate Integrity Risks/Tax and Financial Thinking for Taiwanese Businesses in the Global Reshaping of Supply Chains
Quality control	VDA 6.3 Auditor 2023 Edition Upgrade Course/Six Sigma/IATF 16949 Internal Auditor Training/Taguchi Method/QC Seven Basic Tools/Quality Awareness Promotion/MIL STD 790 Training
Information technology	Information Security Awareness - Basic Cybersecurity Awareness/Web Application Security Assessment
Marketing and Sales	MLCC Product Training/ Chip R Product Training
Health and Safety	Dormitory Electrical Safety/Key Points of the Gender Equality Act Amendments/Health Seminar - Dementia-Friendly Angels/Fire Safety Training (Including AED + CPR) – YM/RoHS Environmental Restricted Substances/SDS Hazardous Materials/Supply Chain Security Threat Awareness and Explosive Prevention & Anti-Terrorism Awareness/Traffic Safety Awareness/Emergency Response and Evacuation Drills/
ESG related	Practical Analysis of the Latest Annual Report Preparation Related to ESG Sustainability Policies, Regulations, and the Impact of Net-Zero Carbon Emissions on Financial Statements/Corporate ESG Practical Topics (Climate Protection) - Analysis of Relevant Tax and Legal Responsibilities/Understanding Greenhouse Gas Inventory and Scope 3/Scope 3 Quantification Process and Exercises
Professional knowledge	2nd Taiwan-Japan Powder Processing Technology Symposium/Laboratory Certification Scope ISO/IEC 17025

(3) Retirement system

In accordance with the relevant provisions of the Labor Standards Act, the company has formulated retirement measures, and established the "Labor Retirement Reserve Fund Supervision Committee" to regularly supervise the status of the withdrawal of retirement reserves and be responsible for the review of retirement applications.

(4) Labor-management agreements

The company appoints representatives of labor and management in accordance with the law, and regularly holds "labor-management meetings" to enhance the exchange of opinions between employees and management. The resolutions of the meetings are resolved within a certain period of time. Hold regular quarterly meetings with foreign workers to help them solve their daily life problems, and regularly organize activities such as employee travel, wedding and funeral subsidies, and year-end party. Therefore, since the establishment of the company, both labor and management have always reached a consensus, and no major labor disputes have occurred.

(5) Measures to protect employees' rights and interests

In addition to the establishment of the Employee Welfare Committee and the Labor Retirement Reserve Fund Supervision Committee to coordinate the planning, allocation, storage, utilization of employee welfare funds and retirement reserves, and the matters regulated by other laws and regulations, we also hold regular meetings as a bridge of communication between labor and the company. The protection of the rights and interests of employees and the implementation of the welfare system are based on laws and regulations.

4.5.2 Losses suffered from labor disputes in the recent year and up to the date of publication of the annual report, and disclose the estimated amount that may occur at present and in the future, and the measures to properly address them.

The company has always maintained a harmonious labor-management relationship, and was rewarded and encouraged by the labor council in 1993 and 1998 respectively. The company continuously improves employee welfare measures and strives to improve the communication between labor and management. However, by the company's growth and expansion, there are still omissions. In September 2024, the company received a letter numbered 1130276042 from the Taoyuan City Government's Bureau of Labor Affairs, regarding violations of Article 32, Paragraph 2/ Article 36, Paragraph 1/ Article 38, Paragraph 2 of the Labor Standards Act concerning employee overtime. The total fine imposed was NT\$470 thousand. The company has complied with legal regulations by paying the fine and arranging coordination for employee overtime attendance matters.

4.6 Cybersecurity management

(1) With the advancements in technology, the already frequent cyber-attacks continue to evolve at a rapid pace. Moreover, the protection of intellectual property rights and corporate trade secrets has become increasingly important. To continuously promote and improve information security, the company has established relevant information security risk management measures:

a. To enhance the level of information security management, an "Information and Communications Security Committee" has been established. This committee is

responsible for reviewing the company's information security governance policies and overseeing the operation of information security management. The committee will convene regular meetings to review matters related to information security governance and continuously make improvements to ensure the effectiveness of the formulation and implementation of information security policies. The convener of the Information Security Committee will be responsible for information security governance, planning, supervision, and promotion of implementation, aiming to build a comprehensive information security defense capability and enhance colleagues' awareness of information security. Senior Executive is one of the members of this committee. The company's information security management organization is mainly composed of the Information Department as the dedicated core unit, which has an information security supervisor and sufficient information security personnel. Additionally, personnel from related departments will be invited to participate in collaborative operations to jointly promote and handle matters related to information security.

- b. The company's information security strategy focuses on three main pillars: information security governance, legal compliance, and technology application, aiming to comprehensively enhance information security protection capabilities, including systems, technology, personnel, and organization. The goals are as follows:
 - ①Conduct information security education and training to raise employees' awareness of information security and strengthen their understanding of related responsibilities.
 - ②Protect the information of the company's business activities, prevent unauthorized access and modification, and ensure its accuracy and integrity.
 - ③Regularly perform internal and external audits to ensure all related operations are implemented effectively.
 - ④Ensure that the company's critical core systems maintain a certain level of system availability.
- c. To reduce the risk of cyber-attacks and prevent data destruction or loss, ensuring that company operations are not disrupted, the company has implemented the following control measures and response strategies:
 - ①Joined the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) to actively receive and disseminate information security intelligence, enhancing response capabilities.
 - ②Continuously strengthen the backup and redundancy mechanisms for critical servers and network equipment, protect through firewalls, and perform regular virus scans to ensure system security.
 - ③Announce information security management policies and regulations irregularly to raise all employees' awareness of information security.
 - ④In addition to holding quarterly information security meetings and the annual 'Information and Communications Security Committee' meeting for ongoing review

and improvement, an annual information security execution report is presented to the board of directors on January 31, 2024 and January 17, 2025, respectively.

⑤ Conducted 24 hours of education training for information security personnel, amounting to 3 person-times; for all employees, besides regular announcements and advocacy, a 1-hour "Information Security Education Training" presentation course was implemented, with 222 person-times attending, totaling 222 hours, and a "Social Engineering Drill" with 197 participants, totaling 197 hours.

⑥ In light of the continuous updates and emerging trends in information security technology, such as Distributed Denial of Service (DDoS) attacks, ransomware, social engineering attacks, and phishing websites, the group regularly monitors information security issues and plans response strategies, conducting drills for different information security scenarios to strengthen the response capabilities of handling personnel, aiming to reduce the harm from information security threats.

⑦ For the fiscal year 2024, the total investment in information security resources amounted to NT\$5,247 thousand, including personnel costs of NT\$3,441 thousand and capital expenditures on network security management of NT\$1,806 thousand.

d. In the future, the company will continue to follow international standards, establish a systematic framework, and comprehensively review information systems to ensure the appropriateness and effectiveness of processes while practicing daily management. For projects with higher risks and greater impact, the company will review the needs annually and allocate the corresponding budget for handling. This approach aims to effectively protect the company's assets, ensure the continuous operation of the business, safeguard the interests of customers, and protect the rights of shareholders.

(2) As of the date of publication of the annual report, there have been no losses due to significant information and communications security incidents.

4.7 Material Contracts (Contracts that are still valid and expired in the latest year)

Nature of Contract	Contracting Parties	Contract Term Dates	Main Content	Restrictive Clauses
Land lease Contract	Taiwan Cement Corporation	2012.07.01~2029.06.30	Land lease for factory and dormitory at Taoyuan plant	Must not be sublet, lent or otherwise made available to others

4.8 Work environment and employee personal safety protection measures

In view of the importance of the working environment and the personal safety and health protection measures of employees, the company has implemented the following protective measures :

- (1) Formulate a safety and health manual to stipulate safety management matters for employees to follow.
- (2) Occupational safety and health management units and personnel
 - a.Set up an occupational safety and health management unit in accordance with the provisions of the Occupational Safety and Health Law, with the first-level full-time unit supervisor as the safety and health business supervisor, and the establishment of safety and health professionals and full-time nurses.
 - b.Representatives of environment, safety and health management presented work reports related to safety, health and environmental protection in the monthly meeting held by the general manager.
 - c.The Occupational Safety and Health Committee is held quarterly to report safety and health goals and implementation to the committee members and labor representatives.
- (3) Facility safety
 - a.The production equipment is equipped with safety protection facilities; for example: ball mill / shield; coating machine, laminating machine / safety door; cutting machine / safety shield.
 - b.Install detectors in places where hydrogen is used to prevent its leakage.
 - c.For dangerous machinery (elevators), the original contractor is regularly entrusted with maintenance.
 - d.Periodic / irregular inspections of dangerous machinery (elevators) are carried out by the competent authority or its appointed organization every year.
 - e.When signing the project contract with the contractor, the safety and environmental protection should be paid attention to in writing.
 - f.Installation concentration detectors in places where flammable liquids are used.
 - g.Establish an automatic inspection plan and re-examine the content of the plan every year to ensure the safe use of various mechanical facilities.
 - h.In order to improve the safety of workers, cage handrails are installed on the ladders and steps of equipment in the factory.
- (4) Hygienic working environment
 - a.Local exhaust facilities are installed in workplaces that generate organic vapors, dust, etc., to exclude hazardous factors from the workplace.
 - b.Implement monthly industrial safety inspections and operational safety observations to ensure that there are no potential dangers in the factory area, and supervise the correctness of employees' operating methods.

- c. Implement operating environment monitoring every six months, monitor each workplace and personnel in different operations, ensure that each workplace and operation comply with laws and regulations, and post the results of each operating environment monitoring report on the bulletin board, so that employees know your workplace and the exposure status of your work.
- d. Each unit implements safety and health hazard identification and risk assessment every year. If the risk score reaches 85 points or more, it will immediately take improvement control.
- e. Each station on the site is equipped with a medical box for emergency treatment on site.

(5) Fire safety

- a. Set up a complete fire protection system in accordance with the provisions of the fire protection law; including alarm system, fire water system, escape system, fire extinguisher, etc.
- b. Implement emergency escape drills and fire education and training every year to enhance employees' fire awareness and familiarity with escape routes.
- c. Check the laws and regulations on a quarterly basis. If there are new or stricter regulations, they will be adjusted in time to protect the rights and interests of employees.
- d. Carry out fire-fighting equipment inspection and maintenance every year to ensure that all alarms, smoke exhaust and fire-fighting facilities are in normal operation.
- e. By increasing the number of emergency escape route instructions, the effectiveness of emergency escapes can be improved.
- f. Increase the number of escape route maps in the factory and strengthen their judgment. An escape route map is posted at the door of each station. The direction of the escape route map is for the viewer who can easily understand it at a glance.

(6) Cognition

- a. Implement safety and health education and training for new recruits and chemical general education and training for chemical operators, and implement it every three years.
- b. SDS is placed in the place where chemicals are used and stored, and employees are taught to recognize the contents of SDS records.
- c. Educate all company personnel to identify chemical-related information posted on chemical bottling and promote all-employee audits.

(7) Health check

- a. All new employees are required to submit a physical examination form to confirm that their health status is in line with their work status.
- b. Carry out health checks for special operations employees every year.
- c. Implement health checks for all employees every two years. (Under special circumstances, it may be postponed for one year.)

(8) Traffic Safety

- Strictly require employees to wear helmets when riding motorcycles, so as to minimize

injuries caused by traffic accidents.

(9) Relapse prevention

a. Investigate every public injury accident and implement preventive measures; the safety department, equipment department, and production department will propose improvement measures within 24 hours for workplace accidents.

b. Carry out statistics on occupational accidents every month and report to the Ministry of Labor.

(10) Group insurance

The company purchases group insurance for each employee. When they suffer from occupational injuries, they can get reasonable claims from labor insurance and group insurance, so that employees have no worries.

(11) Occupational Safety and Health Management System

The company obtained OHSAS 18001 certification in 2004 and updated to ISO 45001 in 2020. The occupational safety and health management system has been effectively maintained so far.

5. Financial Status, Operating Results and Risk Management

5.1 Financial Status

Unit: NT\$ Thousand

Items \ Year	2024	2023	Difference	
			Amount	%
Current Assets	2,409,384	3,030,922	(621,538)	(21%)
Investments	3,991,663	3,505,600	486,063	14%
Property, Plant and Equipment	1,457,543	1,769,437	(311,894)	(18%)
Other Assets	172,312	202,271	(29,959)	(15%)
Total Assets	8,030,902	8,508,230	(477,328)	(6%)
Current Liabilities	952,187	1,298,811	(346,624)	(27%)
Total Liabilities	1,230,190	1,706,698	(476,508)	(28%)
Capital Stock	1,720,000	1,720,000	-	-
Capital Surplus	497,255	498,708	(1,453)	-
Retained Earnings	4,239,656	3,934,264	305,392	8%
Total Equity	6,800,712	6,801,532	(820)	-
<p>The reasons, effects and future plans about significant changes :</p> <p>1.Decrease in current assets / Increase in investments : Mainly due to transfer funds to long-term financial assets in order to increase long-term capital income, resulting in the decrease in current assets and the increase in investments.</p> <p>2.Decrease in Property, Plant and Equipment : Mainly due to depreciation.</p> <p>3.Decrease in liabilities : Mainly due to repayment of long-term loans.</p>				

5.2 Financial Performance

Unit: NT\$ Thousand

Items	2024	2023	Difference	
			Amount	%
Net Sales	3,724,038	3,653,839	70,199	2%
Cost of Goods Sold	2,926,025	2,952,093	(26,068)	(1%)
Gross Profit	798,013	701,746	96,267	14%
Operating Expenses	307,337	311,364	(4,027)	(1%)
Profit From Operations	490,676	390,382	100,294	26%
Non-operating Income and Expenses	140,876	174,432	(33,556)	(19%)
Profit before Income Tax	631,552	564,814	66,738	12%
Income Tax Expense	133,433	113,440	19,993	18%
Net Income	498,119	451,374	46,745	10%
<p>The reasons about significant changes and the expected sales volume and its main reason, possible future impact on the Company's financial operations and response plans :</p> <p>For the increase in net sales, gross profit and net income in 2024 compared with the previous year, please refer to "Chapter 1. Letter to Shareholders" for details.</p>				

5.3 Cash Flow

Unit: NT\$ Thousand

Cash Balance 2022/1/1	Net Cash from Operating Activities in 2022	Net Cash Flow from Investing and Financing Activities in 2022	Cash Balance 2022/12/31	Remedy for Liquidity Shortfall	
				Investment Plan	Financing Plan
1,017,418	895,416	(1,513,990)	398,844	—	—
<p>1. Analysis of Cash Flow:</p> <p>Operating activities : Continued profitability resulting in net cash inflow from operating activities.</p> <p>Investing activities : Net cash outflow from investing activities due to invest in long-term financial assets.</p> <p>Financing activities : Net cash outflow from financing activities due to distribution of cash dividends and repay loans.</p> <p>2. Improvement plan for insufficient liquidity:</p> <p>Not applicable.</p> <p>3. Cash flow Analysis for the coming year:</p> <p>Operating activities : Net cash inflow will continue to be generated after projecting cash inflow from sales revenue and paying operating related expenses.</p> <p>Investing activities : It is expected to increase the purchase of fixed assets and related investment expenditures.</p> <p>Financing activities : Cash dividends are expected to generate cash outflows.</p>					

5.4 Recent Years Major Capital Expenditures and Impact on Financial and Business

5.4.1 Major capital expenditures and source of funds :

The company and its subsidiaries purchased plant and equipment in 2024 with an amount of NT\$84,685 thousand. The source of funds was self-owned funds.

5.4.2 Expected Benefits and Impact on Financial and Business :

The above-mentioned capital expenditures are mainly aimed at developing new products and expanding production capacity in response to the current market and customer needs, improving process bottlenecks, and continuing to invest in the purchase of equipment to enhance the company's competitive niche and is expected to increase future revenue and profitability.

5.5 Reinvestment policy in the most recent year, the main reason for its profit or loss, improvement plan and investment plan for recent year

5.5.1 Investment Policy :

In recent years, in addition to actively increasing investment in equipment in Taiwan to expand production capacity, it continue to develop China and overseas markets and customers. It also uses its own funds to make other long-term and short-term investments to increase profits.

5.5.2 The main holding companies are as follows :

Unit: NT\$ Thousand

Items	Investment amount (2024.12.31)	Policy	Main reason for profit or loss	Improvement Plan	future investment plans
PDC Prime Holdings Limited	728,456	Overseas holding company	The gain in 2024 was NT\$39,030 thousand, mainly due to the reinvested subsidiary actively manages customers to increase revenue and optimize product portfolio.	Not applicable.	The plans depend on the demands of market.

5.6 Risk Management and Evaluation

5.6.1 The impact of interest rates, exchange rate changes, and inflation on the company's profit and loss and future measures :

- (1).The company adopts a sound financial structure to reduce the impact of interest rate changes on the company's profit and loss. The company's consolidated net interest income in 2024 was NT\$61,030 thousand, accounting for only 1.64% of the net sales. It can be seen that the interest rate factor has little impact on the company's profit and loss.
- (2).The impact of exchange rate changes on the company's consolidated revenue and profit :

Unit: NT\$ Thousand/%		
Year / Items	2024	2023
Exchange gain (loss)	78,994	(2,212)
Net Sales	3,724,038	3,653,839
Percentage of Net Sales	2.12%	-0.06%
Profit before Income Tax	631,552	564,814
Percentage of Profit before Income Tax	12.51%	-0.39%

- (3) In the past two years, the Taiwan dollar has fluctuated sharply against the US dollar. At the end of 2024, the Taiwan dollar depreciated sharply against the U.S. dollar. In addition, the company held net asset positions in U.S. dollars, resulting in a substantial exchange gain. The Company's specific measures in response to exchange rate changes are as follows :
- a.When the Finance Department receives foreign currency payment from abroad, it will be deposited in a foreign exchange deposit account to pay for foreign purchases, and will be converted into Taiwan dollars at an appropriate and favorable time to avoid exchange risks.
- b.When the business department makes quotations for export products, or when the purchasing department negotiates the price of equipment and raw materials, it will take into account the factors of exchange rate fluctuations, adjust the currency or finalize the contract exchange rate flexibly to protect the company's profits.
- c.Establish a bank forward foreign exchange line, and make good use of this hedging line when the exchange rate fluctuates greatly to avoid exchange losses.
- d.Increase US dollar liabilities to reduce net assets of US dollars and reduce exchange risks.

- (4).Affected by the doubts about the expected price increase, some expenses will increase. The company will continue to improve production efficiency/adjust product mix/develop high value-added products to maintain profitability.

5.6.2 The main reasons for the policy, profit or loss of high-risk, high-leverage investment, loan to others, endorsement/guarantee and derivatives transactions in the recent year and future measures :

- (1).The company does not engage in high-risk, high-leverage investments.
- (2).As of March 31, 2025, the Company and its subsidiaries had no capital loans.
- (3).During the year of 2024 and the first quarter of 2025, the company has not endorsed the guarantee for others.
- (4).In order to avoid the risks arising from exchange rate fluctuations, the company only engages in pre-sale foreign currency transactions in the derivatives contracts signed with banks. In addition, since the company's transaction partners are banks with good credit, it is expected that the banks will not default, so the possibility of credit risk is extremely small. The Company and its subsidiaries choose wealth management products based on the principles of guaranteed capital, low risk, short investment holding period, no impact on normal capital demand scheduling, and compliance with internal control and internal audit. During the year of 2024 and the first quarter of 2025, the Company and its subsidiaries did not engage in derivatives transactions.

5.6.3 Future R&D Plans and Projected R&D Investments :

Please refer to the description of the business content in " Chapter 4.Operational Highlights" for the company's R&D plan and estimated R&D expenses in the recent year.

5.6.4 The impact of important domestic and foreign policies and legal changes on the company's financial and business and countermeasures :

At this stage, the important domestic policies and legal changes announced by the government have not yet had an immediate or significant impact on the company's financial and business. Internationally, the frequent U.S.-China trade wars, technology wars, and geopolitical conflicts have led to continuous changes in the overall international economic and trade environment. The company has built a factory of a certain scale in Taiwan to reduce the risk of trade wars by increasing investment in Taiwan. For a long time, the company has been collecting relevant information from all parties at any time regarding the internal and external business environment in which it is located, and actively plan for possible changes, hoping to make these impacts develop in a favorable and positive direction.

5.6.5 Impact of technological changes(Including information security risks) and industry changes on the company's financial and business and countermeasures :

(1).Since its establishment, the company has been actively engaged in market and industry analysis, grasping the latest market trends and economic pulsation, and devoting itself to the development and introduction of new products. At the same time, maintain good cooperation with mid-stream and downstream manufacturers, and actively integrate marketing channels to increase customer breadth and collect the latest market information to strengthen competitive advantages:

- In recent years, the popularity of electric vehicles has continued, and the demand for passive components in automotive electronics has continued to increase. At the same time, with the increase in the proportion of automobile electrification, in applications such as control systems, power systems, and audio-visual systems, the product quality and high reliability of passive components are more demanding, and the demand for passive components used has also increased significantly.
- The third generation of GaN/SiC semiconductors will be used in fast charging sources, Robots, 5G base stations, new energy vehicles, power systems, wind power solar energy, industrial motors, computers, home appliances, aerospace... Applications will grow in large numbers, and will also drive high-power passive components.
- 5G business opportunities are expected to grow rapidly at a compound annual growth rate of 43.9%, and the power of its power modules will increase. With the rapid growth of 5G applications, the number of passive components required for power conversion modules has increased significantly, especially because the application power of 5G has increased by 68% compared with 4G, which relatively drives the demand for high-power passive components.

(2).Information security risk management: Please refer to " Chapter 4. Operational Highlights " - "4.6 Information Security Management" for details.

5.6.6 The impact of corporate image changes in recent years on corporate crisis management and countermeasures :

The company holds investment forums and technical forums from time to time to increase the understanding of the investing public and customers about the company, in order to shape a better image of the company.

5.6.7 Expected benefits and possible risks associated with any mergers and acquisitions and mitigation measures being or to be taken : None.

5.6.8 Expected benefits, possible risks and countermeasures of the expansion of the plant :

The company's capital expenditure at this stage is moderately expanded depending on the needs of the production line. The expansion and construction of factories are subject to feasibility assessment and financial analysis to grasp the possible risks. In addition to promoting the optimization of production line efficiency, it is mainly to respond Long-term demand and introduction of research and development results, in order to gradually expand the market share of customers and products, and diversify operational risks; the company will also continue to observe changes in the market boom and adjust relevant plans in a timely manner to reduce the negative impact of possible risks.

5.6.9 Risks faced by purchase or sales concentration and countermeasures :

In terms of raw materials, the company actively seeks cooperation with domestic and foreign material manufacturers, invests in material research and development, enhances the ability to develop materials by itself, and strategically cooperates with suppliers to reduce purchase costs. By increasing the proportion of self-made and material autonomy, the risk of purchasing concentration is reduced.

In terms of purchase of semi-finished products and finished products, in Year 2024, the Company's purchases from its parent company- Walsin Technology Corporation and its affiliated company- Dongguan Walsin Technology Electronics Co., Ltd., accounted for 18% and 21% of the Company's total purchases, respectively. The sales to Walsin Technology Corporation accounted for 23% of the Company's total sales. Mainly because the company entered into a strategic alliance with Walsin Technology Corporation in September 2005. In order to expand the company's business and reduce production costs, the production line has been professionally divided since 2006, so the situation of cross-selling increased. As the financial structures of Walsin Technology Corporation and Dongguan Walsin Technology Electronics Co., Ltd. are still sound and they have a strategic alliance with the Company, Walsin Technology Corporation is also a major shareholder of the company, so there is no risk arising from the concentration of purchases and sales.

5.6.10 Directors or major shareholders holding more than 10% of the shares, the impact and risks of large-scale transfer or replacement of shares on the company and countermeasures :

None.

5.6.11 Impact and risk of the change in management rights on the company and countermeasures :

None.

5.6.12 Litigation or non-litigation :

Should the Company, its directors, general managers, substance representatives, major shareholders holding more than 10% of the shares and subordinate companies in the last

two years have the litigation, non-litigation or administrative disputes up to the date of this annual report: None.

5.6.13 Risk management policies and measures :

- (1).In order to ensure the stable operation and sustainable development of the company, the Board of Directors approved the revision of the company's "Risk Management Policies and Procedures" on January 27, 2021 in accordance with the " Regulations Governing Establishment of Internal Control Systems by Public Companies " issued by the Financial Supervisory Commission. (the Procedures have been disclosed on the company's website (<https://www.pdc.com.tw/tw>) for compliance). The Procedures expressly involve the Company's Board of Directors, Enterprise Risk Management, Audit Office, President and various risk management units, each units and subsidiaries to jointly promote the implementation of relevant risk management measures.
- (2).Each risk management unit distinguishes and manages its risk categories (including strategic risk/operational risk (including information security risk)/financial reporting risk/legal compliance risk (including climate change and non-compliance with environmental protection and other related regulatory risks) and for major operational strategies and risk management strategy, according to the purpose of the risk management policy, formulate the annual target plan, propose the medium and long-term policy target, the president's annual policy. Each risk management unit evaluates the possible risks of the target and the operation every year, and propose the corresponding strategy, and report to the board of directors once a year. The 2024 risk management operation report(including risk management process/risk assessment/response countermeasures, etc.) has been submitted to the Audit Committee and the board of directors on 2024.10.30 (Annual risk management operation report has been disclosed on the company's website (<https://www.pdc.com.tw/tw>)).
- (3).The risk management organizational structure of the Company is as follows :

Risk Item	Departments Responsible for Each Risk	Risk Business Matters
Strategic Risk	President Office	The strategic planning and coordination to achieve the company's goals, the grasp and feedback of business information,and the promotion of the improvement of business management physique, and related enterprise operation management.
Operational Management and Market Risk	Powder Unit MLCC Unit Chip-resistor Unit Research and Development Sales and	Adhering to the strategic goals, strategies and related high-level goals formulated by the president and the heads of each business divisions, implement product R&D, manufacturing, sales, production technology improvement, quality improvement, cost reduction, production system

Risk Item	Departments Responsible for Each Risk	Risk Business Matters
	Marketing	improvement and related enterprise operation management.
Purchasing Costs and Inventory Risk	MMD	Procurement of raw materials, processing of semi-finished products, outsourcing of finished products, inventory control, cost control and supply chain management.
Customs and Transport Management Risk	Distribution	Customs abnormal event management and control, customs declaration cost management, customs information update and personnel training, bonded product management and control, cargo transportation management and cost control operations.
Quality Management Risk	Quality	Improve and maintain the quality system, product quality control system, product inspection standards, quality assurance of mass-produced products and materials, and handling of customer complaints.
Customer Credit Risk	Enterprise Risk Management	Establishment and review of customer credit limit, collection management of accounts receivable.
Operation of Risk Management	Enterprise Risk Management	Assist each operating unit in regular risk identification, analysis, planning and implementation of risk appetite and response, valuable waste management and auction.
Environmental and Factory Safety Risk	Factory Service & EHS	Factory safety, control of hazardous materials and environmental safety, update of environmental regulations and personnel training.
Manage Information Risk	Financial	The company's accounts are properly recorded and analyzed.
Financial and Liquidity Risk	Financial	Hedging of interest rates and exchange rates, bank quota management and relationship maintenance, and monitoring of overseas funds.
Subsidiary Supervision	Financial	Supervision of financial information and accounting systems of overseas subsidiaries.
Legal Risk	Legal Office	Review contracts and company authorizations to reduce corporate legal risks and protect company assets and goodwill.
Personnel Risk	Human Resources	Human capital development planning and implementation, sensitive work personnel, follow company norms to reduce the risk of fraud.
Information Data Risk	Information Technology	Formulate information security management-related specifications, promote information security-related activities, and ensure information data accuracy, timeliness, integrity, access control, security, and system recovery mechanisms.
Sustainable Business Operations	Sustainable Development Committee	Responsible for sustainable development vision and policies, holding regular management review meetings, in addition to re-examining the code of conduct, and adjusting the direction of implementation in response to changes in the internal and external environment.
Personal Data Management Risk	Data Security and Personal Data Protection	Assessment and management of personal information privacy risks, review, review and assessment of the legality and suitability of personal information management systems,

Risk Item	Departments Responsible for Each Risk	Risk Business Matters
	Executive Group	response, handling and notification of personal information security incidents, planning and implementation of personal information protection and management.
Information Management Risk	Information and Communications Security Committee	Develop information security management related specifications and promote related activities, establish and implement risk management systems, establish emergency response and recovery measures for security incidents, implement audit improvement recommendations, plan and implement corrective measures, research new information security products or technologies, and identify information security Relevant regulations and contracts.

5.6.14 Other important risks and countermeasures :

None.

5.7 Other Important Matters :

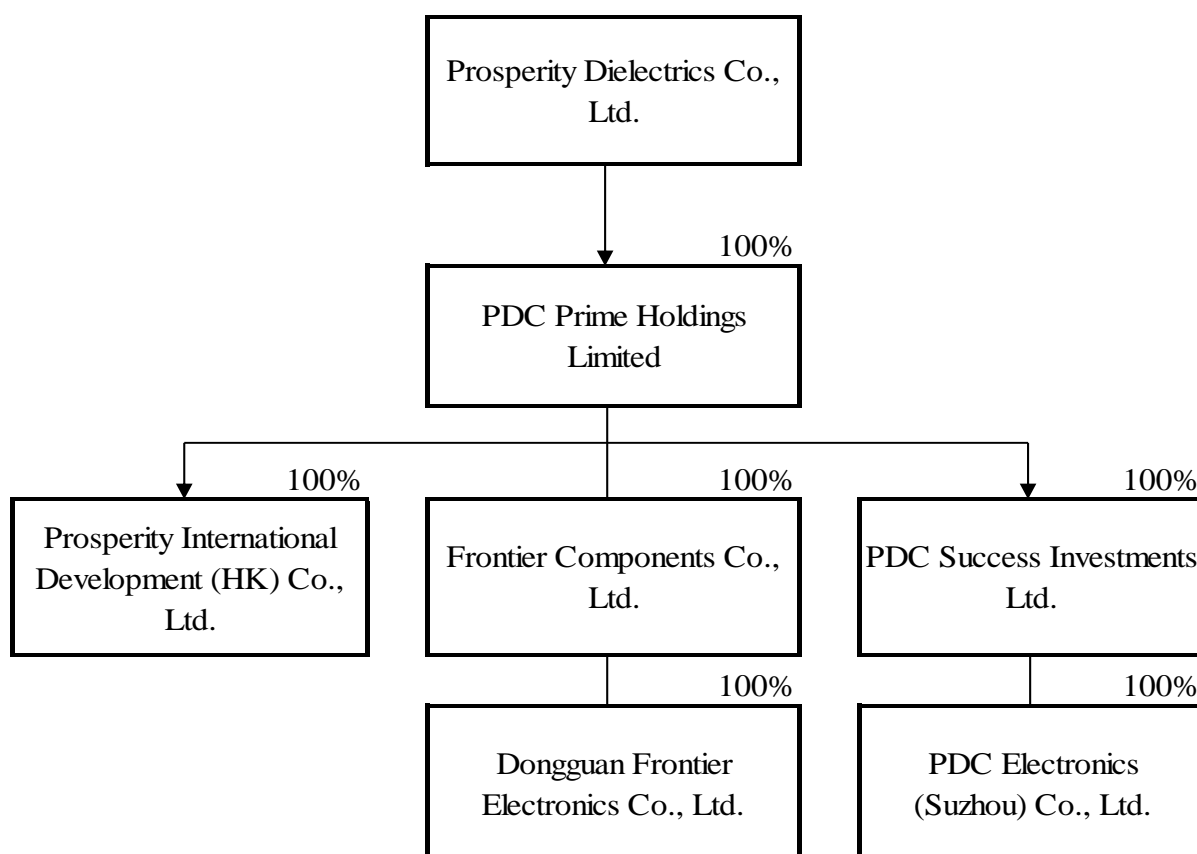
None.

6. Special Notes

6.1 Affiliates Information

6.1.1 Consolidated Business Report of Affiliates

a.Affiliated Organization Chart



b. Background Information of the Affiliates

Corporate name	Date of Establishment	Address	Paid-in capital	Scope of business/production
Frontier Components Co., Ltd.	2006.01.23	Room D, 8/F., Wing Cheong Commercial Building, 19-25 Jervois Street, Sheung Wan, Hong Kong	USD 9,001,000	International trade
PDC Prime Holdings Limited	2003.10.15	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	USD 23,464,538	Investment holding
PDC Success Investments Ltd.	2003.10.29	3rd Floor, Standard Chartered Tower, 19 Cybercity Ebene, Republic of Mauritius	USD 12,009,000	Investment holding
PDC Electronics (Suzhou) Co., Ltd.	2004.04.13	No.2588, Pangjin Rd., Yundong Economic Development Zone, Wujiang District, Suzhou City, Jiangsu Province	USD 12,000,000	Manufacturing of ceramic components
Dongguan Frontier Electronics Co., Ltd.	1998.06.26	No.658, Meijing West Road, Dalang Town, Dongguan City, Guangdong Province	USD 6,100,000	Selling of electronic components
Prosperity International Development (HK) Co., Ltd.	2011.12.01	Rooms 2006-8, 20/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong	USD 2,401,000	Investment holding

c. Shareholders in Common of PDC and its affiliates with presumed to have a relationship of control and subordination: Not applicable.

d. The industries covered by the business operation of the overall affiliates: Electronics industry.

e. Directors, Supervisors, and Presidents of the Affiliates

Unit: shares; %

Corporate name	Title	Name of individual or representative(s)		Number of shares held	
				Number of shares	Ratio of shareholding
Frontier Components Co., Ltd. (FCC)	Director	Chun-Hsueh Chen	(Rep of PDC Holdings)	USD 9,001,000	100%
	Director	Yu-Heng Chiao			
	Director	Wen-Ko Lin			
PDC Prime Holdings Limited (PDC Holdings)	Director	Chun-Hsueh Chen	(Rep of PDC)	USD 23,464,538	100%
	Director	Wen-Ko Lin			
PDC Success Investments Ltd. (PDC Success)	Director	Chun-Hsueh Chen	(Rep of PDC Holdings)	USD 12,009,000	100%
	Director	Wen-Ko Lin			
PDC Electronics (Suzhou) Co., Ltd.	Chairman	Chi-Lin Kuang	(Rep of PDC Success)	USD 12,000,000	100%
	Director	Chun-Hsueh Chen			
	Director	Hung-Chun Wu			
	Supervisor	Hsia-Ying Lo			
	President	Kuo-Chou Chen			
Dongguan Frontier Electronics Co., Ltd. (Dongguan Frontier)	Chairman	Wen-Ko Lin	(Rep of FCC)	USD 6,100,000	100%
	Director	Chun-Hsueh Chen			
	Director	Chien-Wen Chiang			
	Supervisor	Hsia-Ying Lo			
	President	Wen-Ko Lin			
Prosperity International Development (HK) Co., Ltd.	Director	Chun-Hsueh Chen	(Rep of PDC Holdings)	USD 2,401,000	100%
	Director	Wen-Ko Lin			

Note 1: It is the capital contribution, and the representatives of each legal person did not contribute any capital.

f. The overview of the operations of the affiliates

The financial condition and operational results of the affiliates

Unit: NT\$ thousand

Corporate name	Capital	Total Assets	Total Liabilities	Net Worth	Revenues	Operating Income	Net Income (after tax)	Earnings Per Share (NT\$)
Frontier Components Co., Ltd.	295,062	999,041	212,918	786,123	898,889	43,977	104,412	None
PDC Prime Holdings Limited	728,456	1,538,826	0	1,538,826	0	0	39,030	None
PDC Success Investments Ltd.	387,932	682,749	0	682,749	0	0	(65,124)	None
PDC Electronics (Suzhou) Co., Ltd.	393,372	688,699	6,259	682,440	30,672	(15,295)	(65,147)	None
Dongguan Frontier Electronics Co., Ltd.	199,964	534,117	249,285	284,832	1,032,372	31,206	26,729	None
Prosperity International Development (HK) Co., Ltd.	78,707	62,865	0	62,865	0	0	(803)	None

6.1.2 The consolidated financial statements of the affiliated enterprise

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies that are required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2024 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard No. 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Company Name: Prosperity Dielectrics Co., Ltd.

Chairman: CHIAO,YU-HENG

February 19, 2025

6.1.3 Affiliation Report

Declaration

The 2024 (from January 1 to December 31, 2024) Affiliation Report of the Company has been prepared in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” and there is no material nonconformity between the information disclosed and relevant information disclosed in the notes of the financial statements for the aforementioned period.

Hereby declared as above.

Company Name: Prosperity Dielectrics Co., Ltd.

Chairman: Yu-Heng Chiao

February 19, 2025

Affiliation Report

To Prosperity Dielectrics Co., Ltd.

We have audited the 2024 financial statements of Prosperity Dielectrics Co., Ltd. in accordance with “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and auditing standards, and issued our unqualified opinion with other matter section on February 19, 2025. The attached 2024 affiliation report of Prosperity Dielectrics Co., Ltd. was prepared separately based on “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises,” for which we have obtained the customer’s statement, verified relevant financial information, and undertaken necessary procedures to complete our audit.

In our opinion, the 2024 affiliation report of Prosperity Dielectrics Co., Ltd. has been prepared in accordance with “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises”; the financial information presented in this report was consistent with the financial statements, and no material amendment was required.

Deloitte & Touche

Certified Public Accountant :Yi-Min Huang

Certified Public Accountant :Chin-Chuan Shih

February 19, 2025

Relationship between Subordinate Company and Controlling Company

Unit: shares; %(As of 2024.12.31)

Name of the controlling company	Reason of control	Share ownership and pledges of the controlling company			Appointment of members of the controlling company as the directors or managers	
		Number of shares held	Ratio of shareholding	Number of shares pledged	Title	Name
Walsin Technology Corporation	Holding more than 20% of the company's shares and having the ability to control	74,186,468	43.13%	-	Director	Walsin Technology Corporation: (Chih-Mou Hung)
					Director	Walsin Technology Corporation: (Yeu-Yuh Chu)

Transactions

a. Purchase, Sale Transactions

Unit: NT\$ thousand; %

Transactions with the controlling company				Terms of transactions with the controlling company		Arm's length terms of transaction		Reason of the difference	Accounts and notes receivable (payable)		Overdue accounts receivable.			Remarks
Purchase (sales)	Amount	Percentage of total purchase (sales)	Gross profit from sales	Unit Price (NT\$)	Duration of credit	Unit Price (NT\$)	Duration of credit		Balance	Percentage of total accounts and notes receivable (payable)	Amount	Method of processing	Amount of allowance for bad debt	
Sales	837,867	26	Note1	Note1	Note3	Note1	Monthly 0 day~120 days	None	164,621	20	None	None	None	
Purchase	301,874	22	Note2	Note2	Note3	Note2	Monthly 0 day~120 days	None	-	-	None	None	None	

Note 1 : The price of goods sold to Walsin Technology Corporation is calculated based on the general market price.

Note 2 : The price of goods purchase from Walsin Technology Corporation is calculated based on the general market price

Note 3 : Accounts receivable are directly offset against the company's accounts payable and paid on a monthly basis for 120 days.

b. Property Transactions

Unit: NT\$ thousand

Transaction type (acquisition or disposal)	Name of property	Transaction date or the date when the event occurred	Transaction amount	Delivery or payment terms	Payment and receipt of consideration	Disposal gains (Note 1)	The reasons why transaction counterparties are controlling companies	Previous data transfer (Note 2)				The methods for determining the transactions (Note 3)	The basis for determining the prices	The purpose of acquisition or disposal and the condition of use	Other stipulations
								Holder	Relationship with the company	Transfer date	Amount				
None															

Note 1: Acquisition of property is exempted being stated in the table.

Note 2: (1) For acquisition of property, the original data obtained by the controlling company shall be stated. For disposal of property, the original data obtained by the subordinate company shall be stated.

(2) The field of "Relationship with the Company" shall explain the relationship of the owner with the subordinate company and the controlling company.

(3) If the counterparty of the last preceding transfer transaction is a related party, then the information on the last preceding transfer of such related party shall be further indicated in the same field.

Note 3: The determining hierarchy of the transaction shall be explained.

c.Financing

Unit: NT\$ thousand; %

Transaction type (Borrowing or lending)	Highest balance	Balance at the end of the period	Interest rate range	Total interest in this period	Duration of financing	Reason of financing	Acquiring (providing) collaterals		The methods for determining the transactions (Note 1)	Provision of the allowance for bad debt (Note 2)
							Name	Amount		
None										

Note 1: The determining hierarchy of the transaction shall be explained.

Note 2: For fund borrowing, it is exempted from being stated in the table.

d.Asset Leasing

Unit: NT\$ thousand

Transaction type (rent or lease)	Property		Lease duration	Nature of the lease (Note 1)	Basis of determining the rent	Method of collection (payment)	Comparison with regular rent levels	Total rent in this period	Payment and receipt in this period	Other stipulations (Note 2)
	Name	Location								
Rent	Buildings and office	No.566-1,2,3, Kaoshi Rd., Yangmei, Taoyuan	2024.01~2024.12	capital lease	Reference market price	Pay monthly	quite	6,691	As of 2024.12.31, the balance of rent payable was NT\$ 0 (before tax)	None
Lease	Buildings and office	No.566-1, Kaoshi Rd., Yangmei, Taoyuan	2024.01~2024.12	operational lease	Reference market price	Pay monthly	quite	3,056	As of 2024.12.31, the rent receivable balance was NT\$ 0 (before tax)	None

Note 1: It is necessary to explain whether the nature of leasing is capital leasing or operational leasing.

Note 2: If there is other setting of rights, such as superficies, lien right and easement, such setting of rights shall be indicated.

e. Endorsements and Guarantees

Unit: NT\$ thousand; %

Highest balance	Balance at the end of the period		Cause of endorsement/ guarantee	Providing collateral as guarantee			Conditions or dates for releasing the guarantee or recovering the collateral	The amount of contingent loss already recognized in financial statements	Violations of operation regulations codified by the company
	Amount	Percentage of net assets in the financial statement		Name	Quantity	Value			
None									

6.2 Status of Private Placement Securities:

Private Placement Securities in the Most Recent Year and up to the Publication Date of this Annual Report:None.

6.3 Other Necessary Supplementary Explanations:

None.

6.4 Any Events Had Significant Impacts on Shareholders' Right or Security Prices as Stated in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act:

None.

Prosperity Dielectrics Co., Ltd.

Chairman : Yu-Heng Chiao

Group Business Philosophy

- ⊙ Integrity first
- ⊙ Treat Customers as Partners
- ⊙ Focus and Quality as top priority
- ⊙ Globalization
- ⊙ Stabilization and Talent development
- ⊙ Value key Stakeholders
- ⊙ Collaboration