

Ticker Symbol: 2231



**CUB ELECPARTS INC.**

2024

# Annual Report

Compiled by CUB ELECPARTS INC.

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Annual report inquiries: <http://mops.twse.com.tw>

Company website: <http://www.cubelec.com.tw>

I. Company Spokesperson:  
Name: CHI, YA-LING  
Title: Spokesperson  
Telephone: (04)778-2010  
Email: athena@cubelec.com.tw

Acting spokesperson of the Company:  
Name: Li-Li Chen  
Title: Manager of Operation Department  
Telephone: (04)778-2010  
Email: lily.chen@cubelec.com.tw

II. Address and telephone of the main office/plant:

Main Office: No. 6, Lane 546, Section 6, Zhanglu Road, Fuxing Township,  
Changhua County  
Telephone: (04)778-2010  
Fax: (04)778-2009

III. Stock Registration Agency:

Name: Registrar of First Securities Inc  
Address: 6F, No. 27, Section 1, Anhe Road, Da-an District, Taipei City  
Telephone: (02)2563-5711  
Website: <http://www.ftsi.com.tw>

IV. CPA(s) for the Latest Annual Financial Statements:

CPAs: Chen Cheng-Xue, Yan-Hui Chen  
Name of Firm: KPMG  
Address: 68F, No. 7, Section 5, Xinyi Road, Xinyi District, Taipei City  
Telephone: (02)8101-6666  
Website: <http://www.kpmg.com.tw>

V. Name of trading site for securities listed overseas and how to search for the said overseas securities: None

VI. Company website: <http://www.cubelec.com.tw>

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# One. Letter to Shareholders

Hello, ladies and gentlemen!

First of all, welcome to this year's shareholders' meeting during your busy schedule. On behalf of the Company and its subsidiaries, we would like to express our highest appreciation for your support and encouragement. We would like to report the 2024 operating status and future outlook of the Company and its subsidiaries as follows:

## I. 2024 Business Results

### 1. Outcome of the 2024 business plan implementation:

The Company's and its subsidiaries' 2024 net operating revenues were NTD 4,670,759 thousand, an increase of 6% from the previous year, net income before tax for the period was NTD 689,774 thousand, an increase of 44% from the previous year.

In the past year, the Company and its subsidiaries adhered to their business priorities, actively expanding their business, on the one hand, strengthening cost control on the other, and investing in new product development in the hope of bringing greater performance and business growth.

Unit: In thousands of NTD

Item	Year	2024	Year 2023
Operating revenues		4,670,759	4,397,594
Operating gross profits		1,535,440	1,748,116
Net operating profits (losses)		312,983	457,517
Net profits after tax attributable to shareholders of the parent company		474,882	450,954
Earnings per share (NTD)		3.37	3.20

### 2. Budget Implementation Status:

In accordance with the current regulations, the Company did not disclose its financial forecast for 2024, so it is not applicable.

### 3. Analysis of financial income, expenses and profitability

#### (1) Unit: In thousands of NTD

Item	2024	Year 2023	Increase (decrease) in amount	Increase (decrease) in percentage %
Cash flows from operating activities	29,255	-601,290	630,545	-104.87
Cash flows from investing activities	321,351	-827,377	1,148,728	-138.84

Cash flows from financing activities	871,731	282,334	589,397	208.76
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Analysis of cash flows for the most recent year:

1. Operating activities: The net cash inflow of \$29,255 thousand was mainly due to the stable collection speed.
2. Investing Activities: Net cash inflow for the current period was NT\$321,351 thousand, primarily due to the disposal of land by a subsidiary.
3. Financing Activities: Net cash inflow for the current period was NT\$871,731 thousand, primarily due to syndicated loan borrowings.

## (2) Profitability

Profitability (return on assets, return on shareholders' equity, net profit margin, earnings per share, etc.): The current revenue and profitability increased compared to previous year.

Item	2024	Year 2023
Return on assets (%)	5.24%	3.80%
Return on equity (%)	9.56%	6.40%
As a percentage of paid-in capital (%)	Operating profits	22.21%
	Net profits after tax	48.95%
Net profit margin	11.12%	7.58%
Earnings per share (NTD)	3.37	3.20

## 4. Research and development

The sales of products of the Company and its subsidiaries have mainly been for export for a long time. Therefore, for the timeliness of product development, product manufacturing quality requirements and delivery accuracy, we adopt high standards for self-requirement, and also maintain a conscientious attitude towards strengthening the R&D personnel's software and hardware design capability, mold design and development capability, electromechanical integration capability, modularization capability, and high-frequency RF design and development capability, and constantly ask for improvement, as well as constantly replenishing the outstanding talents in the related technology fields to improve the Company's own research and development capabilities. In addition, due to the diversification of products, the Company and its subsidiaries need to be more cautious in investment and development of product development. We will focus on the development and maintenance of products or models with potential in order to maintain a high degree of competitive advantage. In addition, the tire pressure monitoring product will deepen the

research and development of universal tire pressure monitoring devices (Universal TPMS), and strengthen the decoding rate and simplified operation of tools for replacement of European and American TPMS models; for the China market, it will begin to invest in R&D resources to develop TPMS products for local China's models, effectively utilizing the existing advantages of the Company and its subsidiaries to gradually enter China's TPMS market.

The Company and its subsidiaries have independently developed automotive millimeter-wave radar and non-automotive millimeter-wave radar. They have high-end 24GHz, 60GHz, 77GHz, and 79GHz millimeter-wave radar core technologies and a number of core key technologies such as phased antenna technology Wave circuit technology, 3D wave guide antenna technology is further introduced into the radar antenna design, which is applied to imaging radar and the next generation of sensing systems that will improve vehicle safety and autonomous driving in the future. Millimeter-wave radar modules (24GHz, 77GHz, and 79GHz millimeter-wave radar, 60GHz in-car life detection radar), and use of this module to develop various ADAS systems, including blind spot detection (BSD), rear cross traffic warning system (RCTA), Door Open Warning (DOW), Lane Change Warning (LCA), Forward Collision Warning (FCW), Pedestrian Detection (PD), Automatic Emergency Braking (AEB), Automatic cruise control (ACC), Stop-and-go system, Child Presence Detection (CPD), UAV Obstacle Avoidance Radar System, Level Crossing Obstacle Detection System, Inner Wheel Difference Active Warning, Radar and Image Fusion Development, and integration of applications such as FCW/LDW Fusion. The Company's Blind Spot Detection (BSD) and Forward Collision Warning (FCW) have been tested by TUV NORD, an international certification body, and become the first local manufacturer to pass the ISO 15623 and GB/T 33577 standard tests in the field of cross-strait vehicles. The blind spot monitoring radar for large vehicles in compliance with EU regulations (UNECE R151) has passed the certification test of the international certification body, German TUV. Through the existing and newly developed radar AM and OEM market channels, strive for general passenger cars, Pickups, RV campers, work vehicles, logistics vehicles, electric logistics vehicles, commercial trucks, heavy-duty motorcycles, motorcycles, school buses, and other large and buses).

In response to the future application of electric vehicles and new energy markets, we independently develop and produce high-precision DC shunt resistors for large-current applications, as well as multi-functional current sensors. The Company's current sensors are high-precision, function-enhanced current measuring modules. Shunt resistor-based digital multi-function sensors for current, voltage, power, energy, temperature, and insulation resistance monitoring, suitable for Electric Vehicle Battery Management Systems (BMS),

Battery Monitoring Units (BMU)/Battery Disconnection Units (BDU), charging stations, Energy Storage Systems (ESS), Uninterruptible Power Supply (UPS), and other power management and monitoring systems. This series of products will help win orders in the electric vehicle field and the new energy market.

## II. Overview of 2025 Business Plan

Item	Description of Contents
Product Direction	<ol style="list-style-type: none"><li>1. Continue to develop products in emerging areas, increase the completeness of the product series, and add new models (such as Korean and European models) to reduce the procurement cost of customers and meet the needs of customers for one-stop purchasing.</li><li>2. Related derivative applications of TPMS tire pressure monitoring system products</li><li>3. Gradually increase the launch of electronic products, develop towards higher margins and higher technology categories, and enhance the depth of products.</li><li>4. Develop parts for original manufacturers and take the initiative to launch more competitive products in the market.</li><li>5. Actively participate in the system development after TPMS and ADAS legislation.</li><li>6. Strengthen the design capability of vehicle switches, sensors and vehicle electronics, and command the key technologies of automotive components.</li><li>7. Strengthen engineering management and information integration, and bring in electromechanical talents to respond to new technologies.</li><li>8. Independent research and development of automotive/non-automotive millimeter-wave radar, with high-end 24GHz, 60GHz, 77GHz, and 79GHz millimeter-wave radar core technology and radar and image fusion.</li><li>9. In addition to traditional passenger car applications, expand the application of ADAS technology and introduce ADAS-related application innovations into many new vehicle models and new product applications, such as school buses, heavy motorcycles,</li></ol>

	<p>motorcycles, RV campers, and other large vehicles (eg, tour buses, commuter buses, and linkage vehicles).</p> <p>10. Millimeter wave radar is used in non-vehicle applications such as intelligent transportation, public constructions, security, water conservancy, industry, and drones.</p> <p>11. Electric vehicle and new energy market applications, and development of new products with high technology and high gross profit related to energy management and detection.</p>
Production Strategy	<ol style="list-style-type: none"> <li>1. Implement scheduling and mass production point inspection to ensure the quality of production and reduce unnecessary rework and waste in production process.</li> <li>2. Continuously carry out COST DOWN in response to the increase of raw material prices.</li> <li>3. Strengthen product manufacturing specification standards and verification capabilities.</li> <li>4. Enhance automatic production capability and increase production value.</li> <li>5. Reduce the quantity and amount of inventory to prevent the stock from becoming obsolete and respond early.</li> </ol>
Scale of Operations	<ol style="list-style-type: none"> <li>1. In addition to consolidating the US, Central, and South American markets, developing the European market as the business objective</li> <li>2. Expand millimeter wave radar AM application products and millimeter wave radar OEM products for automakers, and strengthen the self-developed technology and application of millimeter wave radar. In addition to the application of ADAS systems (BSD, FCW, AEB, etc) in general passenger cars, it also introduces more innovations into new vehicle model markets and applications, such as school buses, drones, public transportation and traffic facilities (eg, level crossings), large commercial vehicles, etc...and other markets.</li> <li>3. Ensure the quality of existing products to consolidate the existing market, and enhance the accuracy and timeliness of delivery to respond to the sales pattern of small volume and multiple SKU.</li> <li>4. Expand the Company's product sales channels and generate higher revenue through the integration of resources from</li> </ol>

	affiliates and the development and cooperation with new and existing channel vendors to generate higher revenue results.
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### III. Future development strategy of the Company

Since its establishment, the Company has been adhering to an active and steady management policy, gradually recruiting outstanding talents in various related fields to create maximum profits for the Company and all employees. In addition to our own demands for speed of product development and quality of products, we also continue to maintain stable and good cooperative relationships with our existing customers, and expand our product sales channels or increase the diversity of our products through reinvestment, etc. We are striving for stable profitability year after year to create the best return on investment.

### IV. Effect of the external competitive environment, regulatory environment, and general business environment

The Company has been responding to changes in the external competitive environment, regulations, and the general business environment through a sound and effective internal control system, and has steadily gone through each economic cycle. Only institutionalized management can lead the Company to sustainable business development. In addition, the Company is constantly recruiting talents in various fields to enrich our human resources, so that we can flexibly adjust the pace of our development and move forward toward our established goals in response to the rapidly changing external factors.

1. Maintain a complete supply system: The Company and its subsidiaries have formed a complete supply network with various suppliers, so that the Company's production is flexible enough to cope with changes in market demand in the face of cyclical fluctuations in the economy.
2. Strengthen research and development capabilities: The Company and its subsidiaries focus on product development and cultivation of research and development personnel, actively strengthening the Company's research and development capabilities, improving process and product quality, and actively developing related diverse products in line with market trends and developing niche products with higher technological thresholds to increase the Company's product breadth, which can mitigate the impact of the economic cycle on the Company's business.
3. Strengthen customer relationships and actively explore new sources of customers: the Company and its subsidiaries, in addition to actively strengthening customer relationships, continue to explore new markets and gain channel benefits through new channel development and cooperation or reinvestment, which can increase the sales visibility of the

Company's products and reduce the impact on the Company's business caused by fluctuations in the economic conditions of individual regions or operational risks arising from individual sales customers.

4. Strengthen the Company's financial structure: In the face of the global economic cycle and the impact of COVID-19 on the global economy, the Company and its subsidiaries maintain good relationships with major cooperative banks in order to obtain better interest rates and reduce interest expenses, and use capital market resources to strengthen the Company's financial structure in a timely manner.
5. Talent cultivation and development: The Company strengthens the education and training of its employees, actively cultivates professional talents, and provides related welfare measures to strengthen the motivation of the employees and the Company's ability to respond to changes in the economic climate.

Finally, we would like to thank all of the shareholders, ladies and gentlemen, as well as our enthusiastic and dedicated colleagues for their long-standing support and encouragement of the Company. And I wish you all

Good health and good luck

Chair: Yu, Shan-Chuan



President, Yu, Shan-Chuan



Accounting Officer: Liu, Wan-Hua



## Two. Corporate Governance Report

### I. Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, and Heads of Various Departments and Branches

#### (I) Directors and Supervisors

##### 1. Information of directors and supervisors

March 29, 2025; Unit: Shares, %

Position (Note 1)	Name	Gender Age	Nationality or registered domicile	Date of initial election (Note 2)	Date elected	Term of office	Shares held upon inauguration		Current shareholding		Shares currently held by the spouse and minor child(ren)		Shares held in someone else's name		Major experience/education (Note 3)	Position held in the Company and any other company at present	Other department heads, directors, or supervisors who are the spouse or a relative within the second degree of kinship			Remarks (Note 4)
							Share(s)	Shareholding percentage	Share(s)	Shareholding percentage	Share(s)	Shareholding percentage	Share(s)	Shareholding percentage			Position	Name	Affiliation	
Chairman	Jun Chang Investment Co, Ltd	-	Republic of China	06/28/2006	May 26, 2022	3 years	14,522,645	11.91	15,856,089	11.13	0	-	0	-	-	-	-	-	The Company mainly deals with the development of new products and expansion of the market. To take the preemptive opportunity, decision- making and implementation have to take place ahead of others for greater efficacy of the Company. As such, a majority of the directors are not also the Company's employees or managers.	
	Representative: Yu San-Chuan	Male 65~70	Republic of China	06/28/2006	May 26, 2022	3 years	8,053,631	6.61	9,166,575	6.50	7,587,862	5.38	0	-	Fuxing Junior High School Chair of CUB ELECPARTS INC	Chair, Chun Chang Investment Co, Ltd, Director, Jun Rui Investment Co, Ltd, Chair, Shanghai Wei-Biao Auto Parts Manufacturing Co, Ltd, Director, Silver Cub Inc, Director, Golden Cub Inc, Director, Royal Cub Inc, Director, Ever Cub Inc, Chair, ITM Engine Components Inc, Chair and President, ITM	Representative of Corporate Director of Junbiaorui	Huang Shu-Yuan	Spouse	

Position (Note 1)	Name	Gender Age	Nationality or registered domicile	Date of initial election (Note 2)	Date elected	Term of office	Shares held upon inauguration		Current shareholding		Shares currently held by the spouse and minor child(ren)		Shares held in someone else's name		Major experience/education (Note 3)	Position held in the Company and any other company at present	Other department heads, directors, or supervisors who are the spouse or a relative within the second degree of kinship			Remarks (Note 4)
							Share(s)	Shareholding percentage	Share(s)	Shareholding percentage	Share(s)	Shareholding percentage	Share(s)	Shareholding percentage			Position	Name	Affiliation	
Director	Jun Rui Investment Co, Ltd	-	Republic of China	10/23/2007	May 26, 2022	3 years	13,739,638	11.27	14,700,668	10.43	0	-	0	-	-	-	-	-	-	
	Corporate Director Represent ative: Huang Shu-Yuan	Female 55~60	Republic of China	10/23/2007	May 26, 2022	3 years	6,569,783	5.39	7,587,862	5.38	9,312,575	6.61	0	-	Department of Business English, Mingchuan University Special Assistant, President's Office, CUB ELECPARTS INC	Chair, Chun Rui Investment Co, Ltd, Director, Chun Chang Investment Co, Ltd, Director, Shanghai Wei-Biao Auto Parts Manufacturing Co, Ltd, Director, Wei- Sheng International Trading Co, Ltd.	Chairman and President	Yu San- Chuan	Spouse	-
Independent director	Chen, Kuang- Lung	Male 60~65	Republic of China	11/28/2008	May 26, 2022	3 years	37,775	0.03	43,628	0.03	0	-	0	-	College of Law, National Taiwan University Judge at Taichung District Court	Attorney at Mingyang Law Firm President of Chen, Kuang-Lung Law Firm	-	-	-	Resigned on January 31, 2024
Independent director	Chang Chuan-Li	Male 70~75	Republic of China	4/17/2019	May 26, 2022	3 years	8,000	-	10,499	0.01	0	-	0	-	Graduated from the Department of Law, National Taiwan University Judge at the Taichung District Court and Prosecutor at the District Prosecutor's Office, Taiwan Judge and Presiding Judge at the Hsinchu, Taoyuan, Banqiao, and Taipei District Courts, Taiwan Judge and Presiding Judge of the Criminal Division at the Taiwan High Court	Independent Director at Yuanta Commercial Bank Co, Ltd Independent Director of AMIDA Technology, Inc	-	-	-	-
Independent director	Chang Kung-Pi	Male 60~65	Republic of China	4/17/2019	May 26, 2022	3 years	0	-	0	-	0	-	0	-	Master of Administration, National Chiayi University Sales Vice President (Assistant Vice President),	Director of Corporate	-	-	-	-

Position (Note 1)	Name	Gender Age	Nationality or registered domicile	Date of initial election (Note 2)	Date elected	Term of office	Shares held upon inauguration		Current shareholding		Shares currently held by the spouse and minor child(ren)		Shares held in someone else's name		Major experience/education (Note 3)	Position held in the Company and any other company at present	Other department heads, directors, or supervisors who are the spouse or a relative within the second degree of kinship			Remarks (Note 4)
							Share(s)	Shareholding percentage	Share(s)	Shareholding percentage	Share(s)	Shareholding percentage	Share(s)	Shareholding percentage			Position	Name	Affiliation	
															Corporation Department of EnTrust Securities President of Sunny Securities Director/President of Taichung Bank Securities Director/President of AC&C INTERNATIONAL CO., LTD. (6631) Sales Vice President (Senior Assistant Vice President), Operation Department, Mega Securities	Representative of POWERTECH INDUSTRIAL CO, LTD				
Independent director	Zhan, Zheng-En	Male 75-80	Republic of China	2023.10.26	2023.10.26	3 years	0	-	0	-	0	-	0	-	Chair of Kuan Ho Securities Co, Ltd	Chair, Kuanz Ho Securities	-	-	-	-
Independent director	Chou Ying- Hung	Male 60~65	Republic of China	May 21, 2024	May 21, 2024	3 years	0	-	0	-	0	-	0	-	Master of Law, University of Washington, Seattle Visiting Scholar, Harvard University Secretary of the Director-General's College for Judges, Ministry of Justice; Prosecutor of National Taiwan High Prosecutors Office; Prosecutor of Taichung High Commission of Prosecution; Prosecutors of Taichung and Kaohsiung District Courts; Chief of Administrative Enforcement Department of Taichung, Tainan, Chiayi, and Yilan; Executive Yuan Elite Leadership Class, Model Civil Servant of Ministry of Justice, Adjunct Lecturer of National Chung Hsing University and National Chung Cheng University	Chief Advisor, Cang Ding International Law Firm	-	-	-	-

Position (Note 1)	Name	Gender Age	Nationality or registered domicile	Date of initial election (Note 2)	Date elected	Term of office	Shares held upon inauguration		Current shareholding		Shares currently held by the spouse and minor child(ren)		Shares held in someone else's name		Major experience/education (Note 3)	Position held in the Company and any other company at present	Other department heads, directors, or supervisors who are the spouse or a relative within the second degree of kinship			Remarks (Note 4)
							Share(s)	Shareholding percentage	Share(s)	Shareholding percentage	Share(s)	Shareholding percentage	Share(s)	Shareholding percentage			Position	Name	Affiliation	
Director	Hsieh Hsiao-Chi	Female 65~70	Republic of China	6/17/2013	May 26, 2022	3 years	0	-	0	-	0	-	0	-	EMBA, Chung University Chair, DEPO AUTO PARTS IND. CO, LTD	National Hsing Lighting, Director of Depo Traffic Equipment (Kunshan) Co, Ltd, Director of Jiangsu Chenyang Traffic Equipment Co, Ltd, Director of Depo Traffic Equipment (Hefei) Co, Ltd, Supervisor of Depo Traffic Equipment (Danyang) Co, Ltd, Supervisor of Ningbo Depo Traffic Equipment Co, Ltd	-	-	-	-
Director	Chang Tzu-Hsiung	Male 65~70	Republic of China	10/23/2007	May 26, 2022	3 years	0	-	0	-	0	-	0	-	Department of Mechanical Engineering, Ming Kai Senior and Commercial Technical Vocational School, Chair of LANDWIN ELECTRONIC CORPORATION, President of Hu Lane Electronics (Shezhen)	Chair of Hu Lian Precision Co, Ltd, Chair of Lianying Electronics (Shenzhen) Co, Ltd, Chair of Hu Lian Electronics (Nanjing) Co, Ltd, General Manager of Hu Lian Electronics (Shenzhen) Co, Ltd, Director of Shanghai Shenyu Wire Co, Ltd, Director of Chongqing Chang'an Wire and Cable Co, Ltd, Director of PT DELTA HULANE PACIFIC, Principal of FULL LOYAL INTERNATIONAL CO, LTD, Principal of EVERVALUE INVESTMENTS	-	-	-	-

Position (Note 1)	Name	Gender Age	Nationality or registered domicile	Date of initial election (Note 2)	Date elected	Term of office	Shares held upon inauguration		Current shareholding		Shares currently held by the spouse and minor child(ren)		Shares held in someone else's name		Major experience/education (Note 3)	Position held in the Company and any other company at present	Other department heads, directors, or supervisors who are the spouse or a relative within the second degree of kinship			Remarks (Note 4)
							Share(s)	Shareholding percentage	Share(s)	Shareholding percentage	Share(s)	Shareholding percentage	Share(s)	Shareholding percentage			Position	Name	Affiliation	
																LIMITED, Principal of TELFORD INVESTMENTS LIMITED, Corporate Shareholder Representative of Joy Treasure Investments Limited.				

Note 1: Corporate shareholders should list the names of the corporate entities and their representatives separately (if representing a corporate shareholder, the name of the corporate entity should be specified) and should complete Table 1 below.

Note 2: For the duration as director or supervisor of the Company for the first time, any disruption shall be noted and specified.

Note 3: Experience relevant to the current position. The title and the duties shall be specified for any position held during the said period in the CPA firm or any of its affiliates.

Note 4: When the Chair and president or someone charged with equivalent responsibilities (the highest-ranking manager) are the same person, are each other's spouse, or are relatives of the first degree of kinship, the reason, legitimacy, necessity, and countermeasures shall be stated (such as addition of independent directors and with a majority of directors who are not also employees or managers).

2. Major shareholders of the corporate shareholder

March 29, 2025

Name of corporate shareholder (Note 1)	Major shareholders of corporate shareholder (Note 2)	Shareholding ratio
Jyun Chang Investment Co, Ltd	Yu San-Chuan	50%
	Yu Yu-Shih	50%
Jyun Ruei Investment Co, Ltd	Yu Jie Investment Co, Ltd	100%

Note 1: When the director/supervisor is a corporate shareholder, the name of the said corporate shareholders shall be provided.

Note 2: The names of major shareholders (those with a holding ratio among Top 10) and their holding ratios shall be provided. If their major shareholders are also corporations, the following table shall be completed, too.

Note 3: When a corporate shareholder is not a corporation/an organization, the names and holding ratios of the shareholders indicated in the foregoing whose information shall be disclosed will be the name and the funding ratio or donation ratio of the funder or donor.

3. Major shareholders of the corporate shareholder are corporate shareholders

March 29, 2025

Name of corporation (Note 1)	Major shareholders of corporation (Note 2)	Shareholding ratio
Yu Jie Investment Co, Ltd	San Eagle Co., Ltd.	100%

Note 1: If a major shareholder shown in the table above is a corporation, the name of the corporation shall be provided.

Note 2: The names of major shareholders (those with a holding ratio among Top 10) and their holding ratios shall be provided.

Note 3: When a corporate shareholder is not a corporation/an organization, the names and holding ratios of the shareholders indicated in the foregoing whose information shall be disclosed will be the name and the funding ratio or donation ratio of the funder or donor.

4. Professional knowledge and independence of directors:

① The professional knowledge and independence of the directors and supervisors

Qualification Name	Professionalism and experience (Note 1)	Fulfillment of independence (Note 2)	Number of other public offering companies serving as independent directors
Jun Chang Investment Co, Ltd Representative: Yu San-Chuan	Chair of CUB ELECPARTS INC None of the conditions indicated under Article 30 of the Company Act	—	—
Jun Rui Investment Co, Ltd Representative: Huang Shu-Yuan	Department of Business English, Mingchuan University Special Assistant, President's Office, CUB ELECPARTS INC None of the conditions indicated under Article 30 of the Company Act	—	—

Chang Tzu-Hsiung	Department of Mechanical Engineering, Kai Ming Senior Technical and Commercial Vocational School, Chair of LANDWIN ELECTRONIC CORPORATION, President of Hu Lane Electronics (Shezhen) None of the conditions indicated under Article 30 of the Company Act	—	—
Hsieh Hsiu-Chi	EMBA, National Chung Hsing University Chair, DEPO AUTO PARTS IND. CO, LTD None of the conditions indicated under Article 30 of the Company Act	—	—
Chen, Kuang-Lung (Independent director)	College of Law, National Taiwan University Judge at Taichung District Court	According to the Articles of Incorporation and the "Corporate Governance Best Practice Principles" of the Company, the candidate nomination system is adopted for the election of directors. When the Company's board members are nominated and elected, the written statements, work experience, current position certificate, and family relationship table of each director have been obtained to verify that the director, his/her spouse, and his/her relatives within the third degree of kinship are relatively independent of the Company.	Dismissed on January 31, 2024
Chang Kung-Pi (Independent director)	Master of Administration, National Chiayi University Sales Vice President (Assistant Vice President), Corporation Department of Entrust Securities President of Sunny Securities Director/President of Taichung Bank Securities Director/President of AC&C INTERNATIONAL CO., LTD. (6631) Sales Vice President (Senior Assistant Vice President), Operation Department, Mega Securities None of the conditions indicated under Article 30 of the Company Act	0	According to the Articles of Incorporation and the "Corporate Governance Best Practice Principles" of the Company, the candidate nomination system is adopted for the election of directors. When the Company's board members are nominated and elected, the written statements, work experience, current position certificate, and family relationship table of each director have been obtained to verify that the director, his/her spouse, and his/her relatives within the third degree of kinship are relatively independent of the Company.
Chang Chuan-Li (Independent director)	Department of Justice, College of Law, National Taiwan University Completed training at the Academy for the Judiciary Prosecutor at the Prosecutors Office of Taiwan Taichung District Court Judge at District Courts in Taichung, Hsinchu, Taoyuan, Banqiao, and Taipei Judge/Presiding Judge at the Criminal Court, Taiwan High Court None of the conditions indicated under Article 30 of the Company Act	2	According to the Articles of Incorporation and the "Corporate Governance Best Practice Principles" of the Company, the candidate nomination system is adopted for the election of directors. When the Company's board members are nominated and elected, the written statements, work experience, current position certificate, and family relationship table of each director have been obtained to verify that the director, his/her spouse, and his/her relatives within the third degree of kinship are relatively independent of the Company.
Zhan, Zheng-En (Independent director)	Chair, Kuanz Ho Securities None of the conditions indicated under Article 30 of the Company Act	0	Commission and Article 14-2 of the Securities and Exchange Act and the independent directors

Chou Ying-Hung (Independent director)	<p>Master of Law, University of Washington, Seattle Visiting Scholar, Harvard University Secretary of the Director-General's College for Judges, Ministry of Justice; Prosecutor of National Taiwan High Prosecutors Office; Prosecutor of Taichung High Commission of Prosecution; Prosecutors of Taichung and Kaohsiung District Courts; Chief of Administrative Enforcement Department of Taichung, Tainan, Chiayi, and Yilan; Executive Yuan Elite Leadership Class, Model Civil Servant of Ministry of Justice, Adjunct Lecturer of National Chung Hsing University and National Chung Cheng University None of the conditions indicated under Article 30 of the Company Act</p>	<p>have been empowered to fully participate in decision-making and express opinions in accordance with Article 14-3 of the Securities and Exchange Act, and shall exercise relevant powers independently.</p>	0
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## ② Diversity and independence of the Board of Directors

### A. Diversity of the Board of Directors:

Core items of diversification Name of director	Nationality	Gender	Leadership and decision-making	International market views	Industrial knowledge	Crisis management	Operation and management	Accounting and finance	Operational judgment
Representative of Jun Chang Investment Co, Ltd: Yu San-Chuan	Republic of China	Male	V	V	V	V	V	V	V
Representative of Corporate Director of Jun Rui Investment Co, Ltd: Huang Shu-Yuan	Republic of China	Female	V	V	V		V	V	
Chang Tzu-Hsiung	Republic of China	Male	V	V	V	V	V	V	V
Hsieh Hsiu-Chi	Republic of China	Female	V	V	V	V	V	V	V
Chen, Kuang-Lung	Republic of China	Male	V			V	V	V	
Chang Chuan-Li	Republic of China	Male	V			V	V	V	
Chang Kung-Pi	Republic of China	Male	V	V	V		V	V	
Zhan, Zheng-En	Republic of China	Male	V	V	V	V		V	V
Chou Ying-Hung	Republic of China	Male	V			V	V	V	

The Company has 0% of directors who are also employees, 50% of

independent directors, and 25% of female directors. Two independent directors have a term of office of about 3 years, and two independent directors have a term of office of less than 1 year. Four directors are between 58 and 60 years old, and four directors are between 65 and 76 years old. The Company pays attention to gender equality in the composition of the Board of Directors and the professionalism of accounting and finance. The goal is to maintain the ratio of female directors at over 20% and independent directors to over 40%.

**B. Independence of the Board of Directors:**

There are four independent directors, accounting for 50% of all directors. The Board of Directors is independent and has no circumstances described in Paragraph 3 and Paragraph 4 of Article 26-3 of the Securities and Exchange Act. There is no relationship of spouse or second degree of kinship among independent directors.

Note 1: Professionalism and experience: Specify the professionalism and experience of individual directors and supervisors. For those who are Audit Committee members with accounting or financial expertise, for example, the accounting or financial background and work experience shall be specified. Meanwhile, the presence or not of the conditions under Article 30 of the Company Act shall be indicated.

Note 2: For independent directors, the status of independence shall be specified, including, without limitation, whether or not the independent director himself/herself, his/her spouse, or a relative within the second degree of kinship is serving as the director, supervisor of, or working for the Company or any of its affiliates, the number and weight of shares the independent director himself/herself, his/her spouse, or a relative within the second degree of kinship holds, whether or not the independent director himself/herself, his/her spouse, or a relative within the second degree of kinship is serving as the director, supervisor of, or working for a company in a specific relationship with the Company (refer to the requirements in Article 3 Paragraph 1 Sub-paragraphs 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies), and the amount of rewards received for corporate commerce, legal affairs, financial affairs, and accounting services provided over the past two years to the Company or any of its affiliates.

(II) Profile of the President, Vice Presidents, Assistant Vice Presidents, and heads of various departments and branches

March 29, 2025; Unit: Shares; %

Position	Name	Gender	Nationality	Date inaugurated	Shareholding		Shares currently held by the spouse and minor child(ren)		Shares held in someone else's name		Major experience/education	Position held in any other company at present	Manager who is the spouse or a relative within	Remarks (Note 3)		
					Share(s)	Shareholding percentage	Share(s)	Shareholding percentage	Share(s)	Shareholding percentage			The second degree of kinship			
					Position	Name	Affiliation									
Chairman and President	Yu San-Chuan	Male	Republic of China	11/01/2011	9,166,575	6.61	7,587,862	5.38%	0	0	Fuxing Junior High School Chair of the Company	Chairman of Chun Chang Investment Co., Ltd., Director of Jun Rui Investment Co., Ltd., Chairman of Shanghai Cub Automotive Parts Co., Ltd., Director of Silver Cub Inc., Director of Golden Cub Inc., Director of Royal Cub Inc., Director of Ever Cub Inc., Chairman of ITM Engine Components Inc., Chairman of ITM AUTOPARTS INTERNATIONAL INC., Cubtek (Shanghai) Inc.	-	-	-	The Company mainly deals with the development of new products and expansion of the market. To take the preemptive opportunity, decision-making and implementation have to take place ahead of others for greater efficacy of the Company. As such, a majority of the directors are not also the Company's employees or managers.
Senior Vice President concurrently serves as the Chief Executive of the Administration Center and Quality Center	Ching-Wen Hsu	Male	Republic of China	2023.10.01	0	0	0	0	0	0	Department of Mechanical Engineering, National Taiwan Institute of Technology CEO of Chun An Electronics Co, Ltd President of Tongzhi Electronics Co, Ltd (Kunshan) Special Assistant to CEO of Stark Technology Inc	-	-	-	-	
Executive Vice President	Hung Yuan-Tung	Male	Republic of China	03/01/2022	9,403	0.01	-	-	-	-	Master of Polymer Materials, National Taiwan Institute of Technology President of ITM Autoparts International CEO of CUBTEK INC	CEO of CUBTEK INC	-	-	-	
Chief Technology Officer	Chou De-Xin	Male	Republic of China	August 9, 2023	0	0	0	0	0	0	Master's Degree in Electrical Engineering, Stony Brook University Chair of Harbinger Technology Corporation President of Harbinger Technology Corporation	Chair of Harbinger Technology Corporation	-	-	-	
Vice President-equivalent Special Assistant,	Lai Tung-Po	Male	Republic of China	7/17/2017	0	0	0	0	0	0	Master of Business Operation, Tatung University Vice President, Underwriting Department, First Gold Securities		-	-	-	

Operation and Management Center															
President of Shanghai Cub Automotive Parts Co, Ltd	Lin Tung-Feng	Male	Republic of China	10/18/2010 Resigned on March 01, 2024	0	0	0	0	0	0	Graduate Institute of Chemical Engineering, National Tsing Hua University Associate Manager, SBR Project Department, Universal Scientific Industrial Co, Ltd	-	-	-	-
President of Shanghai Cub Automotive Parts Co., Ltd.	Bing-Feng Liu	Male	Republic of China	March 01, 2024	0	0	0	0	0	0	Department of Accounting, Shih Chien University Shanghai Wei-Biao - VP, Administration Shanghai Wei-Biao - Chief Financial Officer CUB ELECPARTS INC - Audit Specialist				
Vice President	Lin Kun-Sheng	Male	Republic of China	March 1, 2022	0	0	0	0	0	0	EMBA, Tunghai University Vice President of P-Duke Technology Co, Ltd Program Design Manager of Retail System Co, Ltd	-	-	-	-
Spokesperson and Senior Director of ADAS R&D	Chi, Ya-Ling	Female	Republic of China	September 1, 2015	0	0	0	0	0	0	Department of Information Technology Management, Chaoyang University of Technology Manager of MiTAC INCORPORATED Senior Manager of ISCOM ONLINE INTERNATIONAL INFORMATION INC	-	-	-	-
Marketing Director of New Business Development Division	Wu Po-Cheng	Male	Republic of China	January 1, 2025	0	0	0	0	0	0	Master of Science and Technology Management, Fu Jen Catholic University EVGA Technology's BU Head concurrently serves as Senior Manager Senior Assistant and Chief Marketing Officer of Sysgration	-	-	-	-
Director of Smart Manufacturing Division	Lin, yu-shun	Male	Republic of China	January 01, 2023 August 01, 2023	0	0	0	0	0	0	Department of Mechanical Engineering, Chienkuo Technology University R&D Manager, CUBTEK INC R&D Manager, CUB ELECPARTS INC Senior Section Head, MORETEK Biomechatronics CO, LTD	-	-	-	-
Project Director, R&D Division, TPMS and Vehicle Electronics	Ko Zi-Wen	Male	Republic of China	January 01, 2022	0	0	0	0	0	0	Master of Mechanical, Electrical and Information Engineering, Feng Chia University R&D Manager of Astelar International R&D Manager, A-com Co, Ltd				

Assistant Manager, TPMS and Vehicle Electronics R&D Division	Wei Yu-Cheng	Male	Republic of China	January 1, 2025	422,013	0.3	0	0	0	0	Master of Information Engineering from National Tsing Hua University Deputy R&D Manager, CUB ELECPARTS INC. Research Assistant, Institute of Information Science, Academia Sinica	-	-	-	-	-
Manager of EMS Manufacturing Division	Lin Yu-Chou	Male	Republic of China	March 01, 2024	2,099	0.00					Bachelor of Industrial Engineering Management, Chien Kuo University of Science and Technology Engineering Manager, EMS Manufacturing Division Process Engineer, E-LEAD ELECTRONIC CO., LTD.					
Assistant Manager, Information Management Department	Su Chih-Yuan	Male	Republic of China	July 1, 2024	0	0	0	0	0	0	Currently studying at the Institute of Optoelectronics Technology, National Changhua University of Education Engineer, Dezhi Computer Co., Ltd.	-	-	-	-	-
Accounting Manager concurrently serves as Head of Finance and Head of Corporate Governance	Liu Wan-Hua	Female	Republic of China	11/18/2011	0	0	0	0	0	0	Department of Business, National Open University Associate Manager of Finance of the Company Section Head of Finance of the Company	-	-	-	-	-
Head of Audit	Yang Ying-Miao	Female	Republic of China	11/09/2021	0	0	0	0	0	0	Master, Graduate Institute of Accounting and Public Finance, Feng Chia University Auditor, Deloitte Taiwan Auditor, Etron Technology, Inc Internal Control Manager, Pou Chen Group Assistant Manager, President's Office, Pou Chen Group	-	-	-	-	-
Director, TPMS Sales Department	Li-Li Chen	Female	Republic of China	November 16, 2022	6,053	0.00	0	0	0	0	Bachelor's Degree, Department of International Trade, Ching Yi University Sales Specialist, Infar International Co, Ltd Special Assistant to CEO of Fortress Tools CO, LTD Sales Manager/Acting Spokesperson of CUB ELECPARTS INC	-	-	-	-	-

Note 1: It shall include the profile of the President, Vice President, Assistant Vice President, and heads of respective departments and branches; that of any one holding a position equivalent to President, Vice President, or Assistant Vice President, regardless of the title, shall be disclosed, too.

Note 2: Experience relevant to the current position. The title and the duties shall be specified for any position held during the said period in the CPA firm or any of its affiliates.

Note 3: When the President or someone charged with equivalent responsibilities (the highest-ranking manager) and the Chair of the Company are the same person, are each other's spouse, or are relatives of the first degree of kinship, the reason, legitimacy, necessity, and countermeasures (such as the increase in the number of independent directors and a majority of the directors who are not employees or managers, for example) shall be stated.

(III) Remuneration paid to general directors, independent directors, president, and vice presidents in the latest year

1. The remuneration distributed to the general directors and independent directors in 2024

(1) Remuneration to directors (including independent directors) (aggregate disclosure by name and range of remuneration)

Unit: In thousands of NTD

Position	Name	Remuneration to directors						Ratio of the sum of A, B, C, and D to net profit after tax (Note 10)	Related remuneration to those who are also employees						Ratio of the sum of A, B, C, D, E, F, and G to net profit after tax (Note 10)	Compensation Paid to Directors from the Parent Company or an Invested Company Other than the Company's Subsidiary (Note 11)				
		Remuneration (A) (Note 2)		Retirement and pension (B)		Remuneration to directors (C) (Note 3)			Salary, bonus, and special expenditure (E) (Note 5)		Retirement and pension (F)		Remuneration to employees (G) (Note 6)							
		The Company	All companies included in the financial statement (Note 7)	The Company	All companies included in the financial statement (Note 7)	The Company	All companies included in the financial statement (Note 7)	The Company	All companies included in the financial statement (Note 7)	The Company	All companies included in the financial statement (Note 7)	The Company	All companies included in the financial statement (Note 7)	The Company	All companies included in the financial statement (Note 7)	The Company	All companies included in the financial statement (Note 7)			
Chairman	Jun Chang Investment Co, Ltd Representative: Yu San-Chuan	0	0	0	0	1,881	1,881	15	15	0.42%	0.42%	2,109	2,109	0	0	0	0	0.89%	0.89%	0
Director	Jun Rui Investment Co, Ltd Representative: Huang Shu-Yuan	0	0	0	0	0	700	20	20	0.16%	0.16%	0	0	0	0	0	0	0.16%	0.16%	0
Director	Hsieh Hsiao-Chi	0	0	0	0	0	700	10	10	0.16%	0.16%	0	0	0	0	0	0	0.16%	0.16%	0
Director	Chang Tzu-Hsiung	0	0	0	0	0	700	20	20	0.16%	0.16%	0	0	0	0	0	0	0.16%	0.16%	0
Independent director	Chang Chuan-Li	0	0	0	0	700	700	20	20	0.16%	0.16%	0	0	0	0	0	0	0.16%	0.16%	0
Independent director	Chang Kung-Pi	0	0	0	0	00	700	20	20	0.16%	0.16%	0	0	0	0	0	0	0.16%	0.16%	0

Independent director	Zhan, Zheng-En	0	0	0	0	0	200	15	15	0.05%	0.05%	0	0	0-	0	0	0	0-	0	0.05%	0.05%	0
Independent director	Chou Ying-Hung	0	0	0	0	0	0	15	15	0.003%	0.003%	0	0	0	0	0	0	0	0	0.003%	0.003%	0

1. Please describe the remuneration policies, systems, standards and structures for payment of remuneration to independent directors, and the correlation between their responsibilities, risks and time commitment, etc. and the amount of remuneration paid:

Article 5 of the Company's "Scope of Responsibilities and Rules for Independent Directors" stipulates that the compensation and fees to independent directors are paid according to Article 25 of the Articles of Incorporation. Also, considering the duties, risks, and time devoted of independent directors, besides the additional transportation reimbursement for them to attend functional committee meetings, remuneration no less than 1% and no greater than 5%

shall be set aside and paid to directors/supervisors according to Clause 28 of the Articles of Incorporation should there be profits (that is, the interest before tax and before the remuneration to employees and that to directors and supervisors are subtracted). It is to be paid reflective of the involvement of independent directors in corporate operation and their contribution following evaluation and discussions by the Compensation and Remuneration Committee and then a decision made by the Board of Directors.

2. Other than those disclosed in the above table, remunerations received by directors for providing services to all companies included in the financial statements (such as serving as a consultant who is not an employee) in the most recent year: None

Remuneration bracket table

Bracket by which remuneration is paid to individual directors of the Company	Name of director			
	Total amount of remunerations for first four items (A+B+C+D)		Total amount of remuneration for first seven items (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies included in the financial statement (Note 9) H	The Company (Note 8)	All companies included in the financial statement (Note 9) I
Below \$1,000,000.00	Chen, Kuang-Lung, Chang Chuan-Li, Chang Kung-Pi, Hsieh Hsiu-Chi, Chang Tzu-Hsiung, Zhan, Zheng-En, Huang Shu-Yuan Representative of Jun Rui Investment Co, Ltd	Chen, Kuang-Lung, Chang Chuan-Li, Chang Kung-Pi, Hsieh Hsiu-Chi, Chang Tzu-Hsiung, Zhan, Zheng-En, Huang Shu-Yuan Representative of Jun Rui Investment Co, Ltd	Chen, Kuang-Lung, Chang Chuan-Li, Chang Kung-Pi, Hsieh Hsiu-Chi, Chang Tzu-Hsiung, Zhan, Zheng-En, Huang Shu-Yuan Representative of Jun Rui Investment Co, Ltd	Chen, Kuang-Lung, Chang Chuan-Li, Chang Kung-Pi, Hsieh Hsiu-Chi, Chang Tzu-Hsiung, Zhan, Zheng-En, Huang Shu-Yuan Representative of Jun Rui Investment Co, Ltd
\$1,000,000.00 (inclusive) ~ \$2,000,000.00 (exclusive)	-	-	-	-
\$2,000,000.00 (inclusive) ~ \$3,500,000.00 (exclusive)	-	-	-	-
\$3,500,000.00 (inclusive) ~ \$5,000,000.00 (exclusive)	Representative Yu San-Chuan of Jun Chang Investment Co, Ltd	Representative Yu San-Chuan of Jun Chang Investment Co, Ltd	Representative Yu San-Chuan of Jun Chang Investment Co, Ltd	Representative Yu San-Chuan of Jun Chang Investment Co, Ltd
\$5,000,000.00 (inclusive) ~ \$10,000,000.00 (exclusive)	-	-	-	-
\$10,000,000.00 (inclusive) ~ \$15,000,000.00 (exclusive)	-	-	-	-
\$15,000,000.00 (inclusive) ~ \$30,000,000.00 (exclusive)	-	-	-	-
\$30,000,000.00 (inclusive) ~ \$50,000,000.00 (exclusive)				
\$50,000,000.00 (inclusive) ~ \$100,000,000.00 (exclusive)				
Over NTD 100,000,000	-	-	-	-

Total	8	8	8	8
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Note 1: Names of directors shall be listed separately (both the name of the institution and its representative shall be listed for an institutional shareholder), and general and independent directors shall be listed separately, and individual payments made shall be summarized and disclosed accordingly. If a director is also the President or the Vice President, this table and Table (3-1) below or Tables (3-2-1) and (3-2-2) below shall be completed.

Note 2: Remuneration to directors for the past year (including salaries for directors, differential pays, severance pays, various types of bonuses, and rewards, etc.).

Note 3: The remuneration to directors assigned as approved by the Board of Directors from the most recent year.

Note 4: Related operational expenditure incurred by directors in the most recent year (including transportation, special expenditure, various allowances, dormitory, and company cars, among other supplies in kind). When houses, automobiles, and other transportation tools or expenses that are specific to individuals are provided, the nature and cost of the assets provided, the actual or market-value-based rental, the cost of gasoline, and other payments shall be disclosed. If a driver is assigned, too, please also indicate in the note related compensation payable by the Company to the driver, which, however, is not included as part of the remuneration.

Note 5: The salaries for directors, differential pays, severance pays, various types of bonuses, rewards, transportation, special expenditure, various allowances, dormitory, and company cars, among other supplies in kind, among others to directors who are also employees in the most recent year (including the President, Vice President, other managers, and employees). When houses, automobiles, and other transportation tools or expenses that are specific to individuals are provided, the nature and cost of the assets provided, the actual or market-value-based rental, the cost of gasoline, and other payments shall be disclosed. If a driver is assigned, too, please also indicate in the note related compensation payable by the Company to the driver, which, however, is not included as part of the remuneration. In addition, the value of compensation recognized according to IFR2 "share-based payment", including employee stock option certificate, restricted employee shares, and shares subscribed upon increased capital in cash, shall be included in the calculation of remuneration, too.

Note 6: For directors who are also employees in the most recent year (including the President, Vice President, other managers, and employees), to receive employee rewards (including stock and cash), the value of employee rewards assigned as approved by the Board of Directors from the most recent year shall be disclosed. If it is impossible to estimate the value, the value that intends to be assigned this year shall be calculated proportionally according to the actual value distributed last year and Table 1-3 shall be completed, too.

Note 7: The total value of various types of remuneration paid to the Company's directors by all companies (including the Company) in the consolidated statement shall be disclosed.

Note 8: For the total value of various remuneration paid to each director by the Company, disclose the name of the director in the respective bracket.

Note 9: The total value of various types of remuneration paid to each of the Company's directors by all companies (including the Company) in the consolidated statement shall be disclosed. The name of the director shall be disclosed in the bracket he/she belongs.

Note 10: Net profit after tax refers to that in the most recent year. When the International Financial Reporting Standard is already adopted, net profit after tax refers to that shown in the individual financial statement over the past year.

Note 11: a. This column shall specify the amount of remuneration that the Company's directors received from reinvested businesses other than subsidiaries or from the parent company (if there is none, please fill in "None").

b. If the Company's directors received related remuneration from re-invested businesses other than the subsidiaries or the parent company, such remunerations shall be consolidated in Field I of the bracket table and the field name shall be changed to "parent company and all re-invested businesses".

c. Remuneration is the compensation, rewards (including employees, directors, and supervisors), and payments from performing duties at work received by the Company's directors for serving as director, supervisor, or manager in a re-invested business other than the subsidiaries or the parent company.

\* The remuneration disclosed herein differs from the idea of income as indicated in the Income Tax Act. Therefore, this table is meant for information disclosure only, not for taxation.

(2) Remuneration to supervisors (aggregate disclosure by name and range of remuneration)

Unit: In thousands of NTD

Position	Name (Note 1)	Remuneration to supervisors			Ratio of the sum of A, B, and C to net profit after tax (Note 8)	Compensation Paid to Directors from the Parent Company or an Invested Company Other than the Company's Subsidiary (Note 9)	
		Remuneration (A) (Note 2)	Remuneration (B) (Note 3)	Operational expenditure (C) (Note 4)			
				All companies included in the financial statement (Note 5)			
		All companies included in the financial statement (Note 5)	The Company	The Company	The Company	The Company	

The Company established its Audit Committee in 2019 and hence there is no remuneration to supervisors.	-	-	-	-	-	-	-	-	No
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Remuneration bracket table

Bracket by which remuneration is paid to individual supervisors of the Company	Name of supervisor	
	Sum of the first three types of remuneration (A+B+C)	
	The Company (Note 6)	All companies included in the financial statement (Note 7) D
Below \$1,000,000.00	-	-
\$1,000,000.00 (inclusive) ~ \$2,000,000.00 (exclusive)	-	-
\$2,000,000.00 (inclusive) ~ \$3,500,000.00 (exclusive)	-	-
\$3,500,000.00 (inclusive) ~ \$5,000,000.00 (exclusive)	-	-
\$5,000,000.00 (inclusive) ~ \$10,000,000.00 (exclusive)	-	-
\$10,000,000.00 (inclusive) ~ \$15,000,000.00 (exclusive)	-	-
\$15,000,000.00 (inclusive) ~ \$30,000,000.00 (exclusive)	-	-
\$30,000,000.00 (inclusive) ~ \$50,000,000.00 (exclusive)	-	-
\$50,000,000.00 (inclusive) ~ \$100,000,000.00 (exclusive)	-	-
Over NTD 100,000,000	-	-
Total	0	0

Note 1: Names of supervisors shall be listed separately (both the name of the institution and its representative shall be listed for an institutional shareholder), and individual payments made shall be summarized and disclosed accordingly.

Note 2: Remuneration to supervisors over the past year (including salaries for directors, differential pays, severance pays, various types of bonuses, and rewards, etc.).

Note 3: The remuneration to supervisors assigned as approved by the Board of Directors over the past year.

Note 4: Related operational expenditure paid to supervisors over the past year (including transportation, special expenditure, various allowances, dormitory, and company cars, among other supplies in kind) When houses, automobiles, and other transportation tools or expenses that are specific to individuals are provided, the nature and cost of the assets provided, the actual or market-value-based rental, the cost of gasoline, and other payments shall be disclosed. If a driver is assigned, too, please also indicate in the note related compensation payable by the Company to the driver, which, however, is not included as part of the remuneration.

Note 5: The total value of various types of remuneration paid to the Company's supervisors by all companies (including the Company) in the consolidated statement shall be disclosed.

Note 6: For the total value of various types of remuneration paid to each supervisor by the Company, disclose the name of the supervisor in the respective bracket.

Note 7: The total value of various types of remuneration paid to each of the Company's supervisors by all companies (including the Company) in the consolidated statement shall be disclosed. The name of the supervisor shall be disclosed in the bracket he/she belongs.

Note 8: Net profit after tax refers to that in the most recent year. When the International Financial Reporting Standard is already adopted, net profit after tax refers to that shown in the individual financial statement over the past year.

Note 9: a. For this field, the value of related remuneration from re-invested businesses other than the subsidiaries or the parent company that the Company's supervisor received shall be specified. (If none, indicate "None").  
b. If the Company's supervisors received related remuneration from re-invested businesses other than the subsidiaries or the parent company, such remunerations shall be consolidated in Field D of the bracket table and the field name shall be changed to "parent company and all re-invested businesses".  
c. Remuneration is the compensation, rewards (including employees, directors, and supervisors), and payments from performing duties at work received by the Company's supervisors for serving as director, supervisor, or manager in a re-invested business other than the subsidiaries or the parent company.

\* The remuneration disclosed herein differs from the idea of income as indicated in the Income Tax Act. Therefore, this table is meant for information disclosure only, not for taxation.

2. Remuneration paid to the general manager and deputy general manager in 2024:

(1) Remuneration to the general manager and deputy general manager (aggregate disclosure by name and range of remuneration)

Unit: In thousands of NTD

Position	Name	Salary (A) (Note 2)		Retirement and pension (B)		Bonus and Special expenses, etc. (C) (Note 3)		Employee remuneration (D) (Note 4)				Ratio of the sum of A, B, C, and D to net profit after tax (%) (Note 8)		Compensation Paid to Directors from the Parent Company or an Invested Company Other than the Company's Subsidiary (Note 9)		
		The Company	All companies included in the financial statement (Note 5)	The Company	All companies included in the financial statement (Note 5)	The Company	All companies included in the financial statement (Note 5)	The Company	All companies included in the financial statement (Note 5)	Cash value	Amount in Stock	Cash value	Amount in Stock	The Company	All companies included in the financial statement (Note 5)	
Senior Vice President	Ching-Wen Hsu	3,622	3,622	108	108	0	0	0	0	0	0	0	0	0.78%	0.78%	0
Executive Vice President	Lee Cai-Rong	0	2,007	0	0	0	480	0	0	560	0	0	0	0%	0.64%	0
Executive Vice President	Cong, Pei-Min	0	3,315	0	646	0	517	0	0	0	0	0	0	0%	0.94%	0
Executive Vice President	Lee Cheng-Hung	0	3,571	0	0	0	1,535	0	0	25	0	0	0	0%	1.08%	0
Junior Executive Vice President	Hung Yuan-Tung	0	4,450	0	108	0	2	0	0	0	0	0	0	0%	0.96%	0
President	Yu San-Chuan	6,718	13,795	108	252	0	2,553	0	0	1,045	0	1.44%	3.50%	0	0	
Vice President	Lin Kun-Sheng															
Executive Vice President	Bing-Feng Liu															

Vice President of Subsidiary	Huang Kuo-Shou											
Vice President of Subsidiary	Peng Siyu											
Vice President of Subsidiary	Chen Zhengfu											
Vice President of Subsidiary	Wu Xiaowei											
Vice President of Subsidiary	Zheng Duanzheng											

\* Regardless of the title, any position equivalent to President, Vice President (such as President, Chief Executive Officer, Executive Director, etc) should be disclosed.

Remuneration bracket table

Bracket by which remuneration is paid to individual President and Vice Presidents of the Company	Name of President and Vice President	
	The Company (Note 6)	All companies included in the financial statement (Note 7) E.
Below \$1,000,000.00	—	—
\$1,000,000.00 (inclusive) ~ \$2,000,000.00 (exclusive)	—	Wu Xiaowei 、 Zheng Duanzheng
\$2,000,000.00 (inclusive) ~ \$3,500,000.00 (exclusive)	Yu San-Chuan 、 Lin Kun-Sheng	Lin Kun-Sheng 、 Bing-Feng Liu 、 Huang Kuo-Shou 、 Peng Siyu 、 Chen Zhengfu 、 Yu San-Chuan 、 Lin Kun-Sheng
\$3,500,000.00 (inclusive) ~ \$5,000,000.00 (exclusive)	Ching-Wen Hsu	Cong, Pei-Min 、 Hung Yuan-Tung 、 Ching-Wen Hsu
\$5,000,000.00 (inclusive) ~ \$10,000,000.00 (exclusive)	—	Lee Cheng-Hung
\$10,000,000.00 (inclusive) ~ \$15,000,000.00 (exclusive)	—	—
\$15,000,000.00 (inclusive) ~ \$30,000,000.00 (exclusive)	-	-
\$30,000,000.00 (inclusive) ~ \$50,000,000.00 (exclusive)	-	-
\$50,000,000.00 (inclusive) ~ \$100,000,000.00 (exclusive)	-	-
Over NTD 100,000,000	-	-
<b>Total</b>	<b>3</b>	<b>13</b>

Note 1: Names of the President and Vice President shall be listed separately, and individual payments made shall be summarized and disclosed accordingly. If a director is also the President or Vice President, this table and Tables (1-1) and (1-2-1) and (1-2-2) above should be completed.

Note 2: The salaries, differential pays, and severance pays of the President and the Vice President over the past year shall be provided.

Note 3: Various types of bonuses, rewards, transportation, special expenditure, various allowances, dormitory, and company cars, among other supplies in kind paid to the President and Vice President over the past year and other rewards shall be provided. When houses, automobiles, and other transportation tools or expenses that are specific to individuals are provided, the nature and cost of the assets provided, the actual or market-value-based rental, the cost of gasoline, and other payments shall be disclosed. If a driver is assigned, too, please also indicate in the note related compensation payable by the Company to the driver, which, however, is not included as part of the remuneration. In addition, the value of compensation recognized according to IFR2 “share-based payment”, including employee stock option certificate, restricted employee shares, and shares subscribed upon increased capital in cash, shall be included in the calculation of remuneration, too.

Note 4: Employee remuneration (including stock and cash) distributed to the President and Vice President through the Board of Directors in recent years. If it is impossible to estimate the value planned to be distributed this year, follow the actual value distributed last year and calculate proportionally and Exhibit 1-3 shall be completed, too. After-tax net profit refers to that in the most recent year. When the International Financial Reporting Standard is already adopted, after-tax net profit refers to that shown in the individual financial statement of the most recent year.

Note 5: The total value of various types of remuneration paid to the Company's President and Vice President by all companies (including the Company) in the consolidated statement shall be disclosed.

Note 6: For the total value of various types of remuneration paid to each president and vice president by the Company, disclose the name of the president and vice president in the respective bracket.

Note 7: The total value of various types of remuneration paid to each of the Company's president and vice president by all companies (including the Company) in the consolidated statement shall be disclosed. The name of the president and vice president shall be disclosed in the bracket he/she belongs.

Note 8: Net profit after tax refers to that in the most recent year. When the International Financial Reporting Standard is already adopted, net profit after tax refers to that shown in the individual financial statement over the past year.

Note 9: a. For this field, the value of related remuneration from re-invested businesses other than the subsidiaries or the parent company that the Company's president and vice president received shall be specified. (If none, indicate "None").

b. If the Company's president and vice president received related remuneration from re-invested businesses other than the subsidiaries or the parent company, such remuneration shall be consolidated in Field E of the bracket table and the field name shall be changed to "parent company and all re-invested businesses".

c. Remuneration is the compensation, rewards (including employees, directors, and supervisors), and payments from performing duties at work received by the Company's President and Vice President for serving as director, supervisor, or manager in a re-invested business other than the subsidiaries or the parent company.

\* The remuneration disclosed herein differs from the idea of income as indicated in the Income Tax Act. Therefore, this table is meant for information disclosure only, not for taxation.

(2) The names of managers who distributed employee remuneration in 2024 and the distribution status:

Unit: NTD thousand; March 31, 2025

	Position (Note 1)	Name (Note 1)	Amount in Stock (Note 2)	Amount in Cash (Note 2)	Total (Note 2)	Ratio of sum to net profit after tax (%)
Managers (Note 3)	President	Yu San-Chuan	0	618	618	0.13%
	Vice President of Shanghai Cub Automotive Parts Co, Ltd	Bing-Feng Liu				
	Executive Vice President	Hung Yuan-Tung				
	Senior Vice President	Ching-Wen Hsu				
	Vice President, Manufacturing Division	Lin Kun-Sheng				
	Manager of Accounting and Finance Department	Liu Wan-Hua				

Note 1: Individual names and titles shall be disclosed yet the profits were distributed may be summarized.

Note 2: Employee remuneration (in stock and in cash) distributed to managers as approved by the Board of Directors over the past year. If it is impossible to estimate the value, the value that intends to be assigned this year shall be calculated proportionally according to the actual value distributed last year. Net profit after tax refers to that in the most recent year. When the International Financial Reporting Standard is already adopted, net profit after tax refers to that shown in the individual financial statement over the past year.

Note 3: The scope of application for managers is based on the Taiwan Finance Certificate III No. 0920001301 letter dated March 27, 2003. It is as follows:

- (1) President and equivalent
- (2) Vice President and equivalent
- (3) Assistant Vice President and equivalent
- (4) Head of Finance Department
- (5) Head of Accounting Department
- (6) Other people entitled to manage affairs and sign on behalf of the Company

Note4: If directors, the President, and the Vice President receive the remuneration to employees (in stock and in cash), besides Exhibit 1-2, this table shall be completed as well.

(IV) Remuneration made in the last 2 years by the Company and all companies included in the consolidated financial statements to the Company's directors, supervisors, President, and Vice Presidents as a percentage of net income after tax and the remuneration package, the procedures for determining remuneration, and the correlation with business performance and future risks:

1. Analysis of the total remuneration paid to the Company's directors, supervisors, general manager, and deputy general manager as a percentage of net income after tax stated in the parent company only financial statements or individual financial statements for the most recent two years:

Unit: In thousands of NTD, %

Position	2024	Year 2023

	Total remuneration		Ratio of sum to net profit after-tax (%)		Total remuneration		Ratio of sum to net profit after-tax (%)	
	The Company	All companies included in the consolidated statement	The Company	All companies included in the consolidated statement	The Company	All companies included in the consolidated statement	The Company	All companies included in the consolidated statement
Director	7,849	7,849	1.76	1.76	10,596	10,596	1.68	1.58
Supervisor (Note 1)	-	-	-	-	-	-	-	-
President and Vice President	21,473	44,192	4.52	9.30	16,131	52,090	2.83	11.74

Note: The remuneration indicated above includes transportation, rewards, compensation from distribution of earnings, bonuses, and other payments.

Note 1: The Company established the Audit Committee in 2019, and there was no remuneration to the supervisors.

## 2. The policy, standard and combination of the remuneration:

### (1) Directors:

The remuneration to directors includes transportation, operational expenditure, and compensation from distribution of earnings. The rewards available to the directors are based on the Articles of Incorporation and the Board of Directors is authorized to define them reflective of the involvement of directors in corporate operations and their contribution as well as the industrial criteria. The distribution criteria follow the Articles of Incorporation and are to be presented in the shareholders' meeting once they are brought forth to and approved by the Board of Directors.

### (2) General manager and deputy general manager:

The remuneration to the President and the Vice President includes salary and employee bonus, among others. The salary criteria are based on their contribution to the Company and reflective of the industrial criteria. For the remuneration to employees distributed in stock (treasury stock or new shares issued) or cash, it may include the employees of an affiliate meeting certain level of duty and performance requirements. The criteria are be presented in the shareholders' meeting once they are brought forth to and approved by the Board of Directors.

## 3. Procedures for determining remuneration:

The remuneration to directors and that to managers need to be set by the Compensation and Remuneration Committee and be approved by the Board of Directors before they are processed.

## 4. Relevance to business performance:

### (1) Directors:

The distribution ratio of directors' remuneration is stipulated in Article 28-1 of the Company's Articles of Incorporation. The Company's pre-tax profit of the year shall be used to offset the accumulated losses, and then set aside no less than 1% and no more than 5% of the profit as remuneration to directors. The performance evaluation results shall be based on the performance evaluation

method of the Board of Directors, taking into full consideration the Company's operating objectives, financial position and directors' responsibilities.

(2) Manager:

The percentage of remuneration distributed to the Company's managers is based on Article 28-1 of the Company's Articles of Incorporation. The Company's pre-tax profit of the year shall be used to offset the accumulated losses, and then the Company shall allocate no less than 2% and no more than 8% of the profit as remuneration to employees. The remuneration for managers includes salary and bonuses, where the salary is based on the manager's position, education (experience), professional skills, and responsibilities. The bonus, on the other hand, is provided after the performance of each manager is considered. The amount is calculated and reasonably assigned after financial indicators (such as the fulfillment of operating gross profit) and non-financial indicators (such as corporate strategic goals and departmental goals and other special contributions) are considered as a whole. Meanwhile, performance evaluation items and the remuneration system are to be reflected upon adequately according to the actual operational conditions and applicable laws and regulations from time to time.

5. Relevance to future risks:

Important decisions are made by the management of the Company after respective risk factors are weighed. The efficacy of these important decisions is reflected in the Company's profitability and has to do with the compensation and remuneration of the management. In other words, the compensation and remuneration of the Company's directors, Chair, President, and Vice President have to do with the efficacy in the control of risks in the future.

## II. Status of Corporate Governance

### (1) Operation of the Board of Directors

The Board of Directors held 6 meetings (A) in the most recent year (2024). The attendance of directors was as follows:

The attendance record of directors is as follows: During the term of office of the 14th Board of Directors and Supervisors: From May 26, 2022 to May 25, 2025

December 31, 2024

Position	Name (Note 1)	Actual attendance rate B	Number of proxy seats	Actual attendance rate (%) [B/A] (Note 2)	Remarks
Chairman	Jun Chang Investment Co, Ltd	5	1	83.33%	Re-elected on May 26, 2022
	Representative: Yu San-Chuan				
Director	Jun Rui Investment Co, Ltd	6	0	100%	Re-elected on May 26, 2022
	Representative: Huang Shu-Yuan				
Director	Chang Tzu-Hsiung	6	0	100%	Re-elected on May 26, 2022
Director	Hsieh Hsiu-Chi	4	2	66.66%	Re-elected on May 26, 2022
Independent director	Chen, Kuang-Lung	0	0	100%	Re-elected on May 26, 2022, resigned on January 30, 2024
Independent director	Chang Chuan-Li	6	0	100%	Re-elected on May 26, 2022
Independent director	Chang Kung-Pi	6	0	100%	Re-elected on May 26, 2022
Independent director	Zhan, Zheng-En	5	1	83.33%	Term in office extended upon re-election on October 26, 2023.
Independent director	Chou Ying-Hung	3	0	100%	By-election on May 21, 2024

Other details to be documented:

I. For any matters listed under Article 14-3 of the Securities and Exchange Act and other matters resolved by the Board of Directors that have been opposed or reserved and that there are records or written statements shall state the date, period, content of the resolution, opinions of all independent directors, and the Company's handling of the opinions of the independent directors:

#### (I) Matters specified in Article 14-3 of the Securities and Exchange Act:

Board of Directors	Contents of the proposal and subsequent management	Matters specified in Article 14-3 of the Securities and Exchange Act:	Objection or reservation of independent directors	Opinions from independent directors	How the Company addressed opinions from independent directors
1st meeting in 2024 March 4, 2024	Description of Proposal: Proposal to increase the amount of new endorsement/guarantee limit for the subsidiary, 3S System Technology Inc., by NT\$1,660,000 thousand and cancel the original endorsement/guarantee limit of NT\$710,000 thousand.	Yes	No	No	No

	Decision made: The proposals were approved as is by all attending directors consulted by the Chair.				
1st meeting in 2024 March 4, 2024	Description of Proposal: Proposal to increase the new endorsement/guarantee limit for the subsidiary, HARBINGER TECHNOLOGY CORPORATION, by NT\$800,000 thousand and cancel the original endorsement/guarantee limit of NT\$700,000 thousand.  Decision made: The proposals were approved as is by all attending directors consulted by the Chair.	Yes	No	No	No
Board of Directors	Contents of the proposal and subsequent management	Matters specified in Article 14-3 of the Securities and Exchange Act:	Objection or reservation of independent directors	Opinions from independent directors	How the Company addressed opinions from independent directors
1st meeting in 2024 March 4, 2024	Description of Proposal: Issuance of new shares for cash capital increase  Decision made: The proposals were approved as is by all attending directors consulted by the Chair.				
1st meeting in 2024 March 4, 2024	Proposal content: The Company's accounts receivable exceeded the normal credit period for more than a certain period of time as of the end of February 2024, and were not intended to be capital loans.  Decision made: The proposals were approved as is by all attending directors consulted by the Chair.	Yes	No	No	No
1st meeting in 2024 March 4, 2024	Proposal content: The Company's subsidiary, 3S System Technology Inc (hereinafter referred to as "3S System") is planning for listing on TWSE/TPEx. To comply with the relevant laws and regulations, the Company cooperates with the relevant equity diversification planning of 3S System to release part of its shareholding.  Decision made: The proposals were approved as is by all attending directors consulted by the Chair.	Yes	No	No	No
2nd meeting in 2024 April 3, 2024	Description of Proposal: Proposal to change the capital increase in cash by issuing new shares  Decision made: The proposals were approved as is by all attending directors consulted by the Chair.	Yes	No	No	No
2nd meeting in 2024 April 3, 2024	Description of Proposal: In order to cooperate with the Company's subsidiary, 3S System Technology Inc., in applying for the diversification plan of public offering, the Company intends to proceed with the share release of 3S System Technology Inc. held by the Company.  Decision made: The proposals were approved as is by all attending directors consulted by the Chair.	Yes	No	No	No

5th meeting in 2024 November 11, 2024	Description of Proposal: Proposal to increase the new endorsement/guarantee limit for the subsidiary ITM Engine Components, Inc by US\$1,500 thousand and cancel the original endorsement/guarantee limit of US\$1,500 thousand	Yes		No	No	No
	Decision made: The proposals were approved as is by all attending directors consulted by the Chair.					
6th meeting in 2024 December 24, 2024	Description of Proposal: Intended participation in the capital increase in cash of the subsidiary CUBTEK INC, brought forth for discussion.	Yes		No	No	No
	Decision made: The proposals were approved as is by all attending directors consulted by the Chair.					
6th meeting in 2024 December 24, 2024	Description of Proposal: Amendments to the Company's "Internal Control System" and "Procedures for Internal Audit"	Yes		No	No	No
	Decision made: The proposals were approved as is by all attending directors consulted by the Chair.					
6th meeting in 2024 December 24, 2024	Description of Proposal: The Company newly purchased the fourth generation automatic line of tire pressure monitor	Yes		No	No	No
	Decision made: The proposals were approved as is by all attending directors consulted by the Chair.					

(II) Besides the foregoing, other resolutions reached in Board of Directors' meetings objected to or with reservations expressed by independent directors that are recorded or documented in written statements by directors in a written statement: None.

II. For the enforcement of recusal upon conflicts of interest among directors, the name of the director, details of the proposal, reason for the recusal, and participation in the voting process or not shall be described: None.

III. TWSE/TPEx listed companies shall disclose the evaluation cycle and duration, and scope, method and content of the evaluation content of the Board of Directors' self-evaluation (or peer evaluation), and fill in Attachment II(I) Implementation of Board of Directors' evaluations.

(I) Implementation of Board of Directors' evaluations

Assessment Cycle (Note 1)	Assessment Period (Note 2)	Assessment Scope (Note 3)	Evaluation Method (Note 4)	Assessment content (Note 5)
Once a year	The evaluation of the performance of the Board of Directors from January 1, 2024 to December 31, 2024.	Including the performance evaluation of the Board of Directors, the evaluation of board members (self-evaluation or peer	The evaluation was done independently.	(I) All members of the Board of Directors independently completed the "Self-evaluation Questionnaire for the Performance of Board of Directors" that covered five major domains, namely: 1. Involvement in corporate operations. 2. Improved decision-making quality of the Board of Directors. 3. Composition and structure of Board of Directors. 4. Election of

		<p>evaluation), and the performance evaluation of functional committees - Remuneration Committee and Audit Committee.</p>	<p>its directors and continuing education for them. 5. Internal control; 45 items in total.</p> <p>(II) All members of the Board of Directors independently completed the "Self-evaluation Questionnaire for Members of the Board of Directors (Self-evaluation or Peer-evaluation)" that covered six major domains, namely: 1. Keeping track of corporate goals and missions. 2. Awareness of the duties as a director. 3. Involvement in corporate operations. 4. Management of internal relations and communication. 5. Director's professionalism and continuing education. 6. Internal control; 23 items in total.</p> <p>(III) The convener of each functional committee assessed the "Self-Evaluation Questionnaire on the Performance of the Remuneration Committee and Audit Committee" and assessed the following five aspects: 1. Involvement in corporate operations. 2. Awareness of the duties of functional committees. 3. Decision-making quality of functional committees. 4. Composition and election of members of functional committees. 5. Internal control; 26 items in total.</p> <p>The company completed the filing of the Board of Directors' performance evaluation results within the deadline of March 30, 2024, and reported to the Board of Directors on March 4, 2024.</p> <p><b>Individual assessment results:</b></p> <p><b>Board of Directors:</b> Grade Excellent: The operation of the Board of Directors is good, and can make suggestions for improvement of corporate governance, and also attaches great importance to the results of corporate governance evaluation.</p> <p><b>Individual board member:</b> Excellent: Fulfillment of director duties.</p> <p><b>Functional committees :</b> Acceptable: The meetings and resolutions of functional committees comply with relevant laws and regulations related to corporate governance and are duly implemented.</p>
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Note 1: The cycle by which the Board of Directors evaluation is performed, such as once a year, is to be provided.

Note 2: Indicates the period of BOD evaluation. For example, the performance of the Board of Directors from January 1, 2019 to December 31, 2019 was evaluated.

Note 3: The scope of evaluation includes the performance evaluations of the Board of Directors, individual directors, and the functional committees.

Note 4: Evaluation methods include internal self-evaluation of the Board of Directors, self-evaluation of board members, peer evaluation, appointment of external professional institutions or experts, or other appropriate methods to conduct performance evaluation.

Note 5: The highlights of evaluation include at least the following according to the scope of evaluation.

- (1) Board of Directors performance evaluation shall at least cover the involvement in corporate operations, decision-making quality of the Board of Directors, the composition and structure of the Board of Directors, the election and continuing education of directors, internal control, etc.
- (2) Individual Board member performance evaluation deals with involvement in the Company's operation, internal relations management and communication, professional and continuing education for directors, internal control, etc.
- (3) Functional committee performance evaluation includes the involvement in the Company's operation, awareness of the duties of the functional committee, decision-making quality of the functional committee, composition of the functional committee and the election of its members, internal control, etc.

IV. Evaluation of the goals to be achieved in the reinforcement of the Board of Directors' function (such as setup of the Audit Committee and improved information transparency) and their implementation for the specific year and over the most recent year: To boost the function of the Board of Directors, the primary goals include continued revisions of effective and appropriate internal control systems, proactive review of corporate management decision-making and operational plans, establishment and maintenance of corporate image and fulfillment of social responsibilities for the sake of enhancing the function of the Board of Directors. The Company has independent directors in place. They all perform duties in compliance with applicable regulatory requirements and the requirements indicated in the Articles of Incorporation. Meanwhile, there is a sound information disclosure system to ensure that shareholders will receive the latest news of the Company for improved information transparency.

Note 1: When a director is a corporation, the name of the corporate shareholder and its representative shall be disclosed.

Note 2:

- (1) In the event that directors or supervisors resign before the end of a fiscal year, the date of resignation shall be indicated in the remarks field. The ratio of attendance (seated) in person (%) is calculated by the number of Board of Directors meetings held during service and the actual attendance in person.
- (2) In the event that directors or supervisors are re-elected before the end of a fiscal year, both the new and old directors and supervisors shall be listed and whether one is new or old or is serving a second term and the date of the re-election shall be indicated in the remarks field. The ratio of attendance (seated) in person (%) is calculated by the number of Board of Directors meetings held during service and the attendance in person.

(I) Operation of the Audit Committee:

The Audit Committee met 6 times (A) in total over the past year and attendance of the members is provided below:

December 31,2024

Position	Name	Actual attendance (seated)	Attendance by proxy	Actual attendance (seated) rate (%) (B/A) (Note 2)	Remarks
		frequency B	frequency		
Independent director	Chang Chuan-Li	6	0	100%	Re-elected on May 26, 2022
Independent director	Zhan, Zheng-En	5	1	83.33%	Newly elected on October 26, 2023
Independent director	Chang Kung-Pi	6	0	100%	Re-elected on May 26, 2022

Independent director	Chou Ying-Hung	3	0	100%	Newly appointed on May 21, 2024
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Other details to be documented:

I. If any of the following occurs in the operation of the Audit Committee, state the date and session of the Audit Committee meeting, details of the agenda, dissenting opinions, reservations or major suggestions of the independent directors, the Audit Committee's resolutions, and the Company's response to the Audit Committee's opinions.

(I) Matters specified in Article 14-5 of the Securities and Exchange Act:

Meeting of the audit committee:	Contents of the proposal and subsequent management	Matters specified in Article 14-3 of the Securities and Exchange Act:	Objection or reservation of independent directors	Opinions from independent directors	How the Company addressed opinions from independent directors
1st meeting in 2024 March 04, 2024	<p>Description of Proposal: Proposal to increase the new endorsement/guarantee limit for the subsidiary, 3S System Technology Inc., by NT\$1,660,000 thousand and cancel the original endorsement/guarantee limit of NT\$710,000 thousand.</p> <p>Resolution: The proposal was approved by all the members present after consultation with the Chairman and submitted to the Board of Directors for resolution.</p>	Yes	No	No	No
1st meeting in 2024 March 04, 2024	<p>Description of Proposal: Proposal to increase the new endorsement/guarantee limit for the subsidiary, HARBINGER TECHNOLOGY CORPORATION, by NT\$800,000 thousand and cancel the original endorsement/guarantee limit of NT\$700,000 thousand.</p> <p>Resolution: The proposal was approved by all the members present after consultation with the Chairman and submitted to the Board of Directors for resolution.</p>	Yes	No	No	No
1st meeting in 2024 March 04, 2024	<p>Description of Proposal: Issuance of new shares for cash capital increase</p> <p>Resolution: The proposal was approved by all the members present after consultation with the Chairman and submitted to the Board of Directors for resolution.</p>	Yes	No	No	No
1st meeting in 2024 March 04, 2024	<p>Proposal content: The Company's accounts receivable exceeded the normal credit period for more than a certain period of time as of the end of February 2024, and were not intended to be capital loans.</p> <p>Resolution: The proposal was approved by all the members present after consultation with the Chairman and submitted to the Board of Directors for resolution.</p>	Yes	No	No	No
1st meeting in 2024 March 04, 2024	Proposal content: The Company's subsidiary, 3S System Technology Inc (hereinafter referred to as "3S System") is planning for listing on TWSE/TPEx. To comply with the relevant laws and regulations, the Company cooperates with the relevant equity	Yes	No	No	No

	diversification planning of 3S System to release part of its shareholding.				
	Resolution: The proposal was approved by all the members present after consultation with the Chairman and submitted to the Board of Directors for resolution.				
2nd meeting in 2024 April 3, 2024	Description of Proposal: Proposal to change the capital increase in cash by issuing new shares  Resolution: The proposal was approved by all the members present after consultation with the Chairman and submitted to the Board of Directors for resolution.	Yes	No	No	No
2nd meeting in 2024 April 3, 2024	Description of Proposal: In order to cooperate with the Company's subsidiary, 3S System Technology Inc., in applying for the diversification plan of public offering, the Company intends to proceed with the share release of 3S System Technology Inc. held by the Company.  Resolution: The proposal was approved by all the members present after consultation with the Chairman and submitted to the Board of Directors for resolution.	Yes	No	No	No
5th meeting in 2024 November 11, 2024	Description of Proposal: Proposal to increase the new endorsement/guarantee limit for the subsidiary ITM Engine Components, Inc by US\$1,500 thousand and cancel the original endorsement/guarantee limit of US\$1,500 thousand  Resolution: The proposal was approved by all the members present after consultation with the Chairman and submitted to the Board of Directors for resolution.	Yes	No	No	No
6th meeting in 2024 December 24, 2024	Description of Proposal: Intended participation in the capital increase in cash of the subsidiary CUBTEK INC, brought forth for discussion.  Resolution: The proposal was approved by all the members present after consultation with the Chairman and submitted to the Board of Directors for resolution.	Yes	No	No	No
6th meeting in 2024 December 24, 2024	Description of Proposal: Amendments to the Company's "Internal Control System" and "Procedures for Internal Audit"  Resolution: The proposal was approved by all the members present after consultation with the Chairman and submitted to the Board of Directors for resolution.	Yes	No	No	No
6th meeting in 2024 December 24, 2024	Description of Proposal: The Company newly purchased the fourth generation automatic line of tire pressure monitor  Resolution: The proposal was approved by all the members present after consultation with the Chairman and submitted to the Board of Directors for resolution.	Yes	No	No	No

(II) Besides those mentioned in the foregoing, other resolutions with approval by two-thirds and more of all directors despite the failure to be approved by the Audit Committee: None

II. For the recusal of an independent director from a proposal due to a conflict of interest, the name of the independent director, the content of the proposal, the reason for recusal, and participation in voting shall be stated: None

III. Communication between independent directors and the internal audit head and accountants (including material matters, methods, and results of communication on the company's financial and business status). Assistance periodically provided by the Company in assisting and arranging independent directors to communicate with the internal audit officer and the CPAs:

1. In addition to reporting audit activities to the Audit Committee on a regular basis, the Head of Audit shall also attend the Company's Board of Directors' meeting to make audit reports and strengthen the audit procedures as recommended by the Audit Committee.
2. The internal audit report and follow-up report were submitted to the Audit Committee for review by the end of the next month after the completion of the audit. Committee members posed no objections.
3. The CPAs regularly attend the Board of Directors to supplement the results of the audit or review of the quarterly financial statements, and communicate with the independent directors on a face-to-face basis every year on the key audit matters of the Company and the annual audit focus planning, and the Company's corporate governance briefing communication report. The Company has been informed of and complies with the plans proposed by the independent directors and audit review.

**Communication between independent directors and the chief internal auditor:**

Date	Communication method	Material Communication	Communication content	Status of Communication and Execution Result
March 4, 2024	Meeting of the audit committee:	2023 Internal Control Statement	Items for evaluating the internal control system, assessing the effectiveness of the design and implementation of the internal control system.	The independent directors have no objections.
		2023 Q4 audit report	The internal audit officer communicated and explained the audit results of the audit items.	The independent directors have no objections.
May 13, 2024	Meeting of the audit committee:	2024 Q1 audit report	The internal audit officer shall communicate and explain the audit results of the audit items.	The independent directors have no objections.
August 12, 2024	Meeting of the audit committee:	2024 Q2 audit report	The internal audit officer shall communicate and explain the audit results of the audit items.	The independent directors have no objections.

November 11, 2024	Meeting of the audit committee:	2024 Q3 audit report	The internal audit officer shall communicate and explain the audit results of the audit items.	The independent directors have no objections.
		Audit deficiencies report and other matters report in the first three quarters of 2024	1. Description of audit deficiencies in the first three quarters of 2024 2. Inventory management and account tracking and description	The independent directors have no objections.
		Audit plan review planning for 2025	Focus of audit planning for 2025	No other suggestions from independent directors.
November 11, 2024	Meeting between independent directors and the audit supervisor	Amendments to the internal control system and internal audit procedures	Description of the amendments to the laws and regulations and the impact on the relevant scope of operations	No other suggestions from independent directors.
		Reminders and suggestions from independent directors	1. Insider trading prevention advocacy, should also include reminders of the right to participate. 2. The operating unit is requested to conduct performance evaluation. The unit or personnel with repeated missing items will be included in the evaluation items.	1. The responsible unit for the promotion of insider trading prevention has accepted the suggestions. 2. The suggestions have been forwarded to the management and accepted.
		2025 audit plan	2024 audit plan	The independent directors have no objections.
December 24, 2024	Meeting of the audit committee:	Amendments to the internal control system and internal audit procedures	1. Amendments to the "Financing Cycle - CFN-102 Equity Operation" 2. Added "Business Management - CAD-114 Management of Sustainable Information"	The independent directors have no objections.

"Note" For the amendments to the declaration of internal control, audit plan and operating procedures, the proposal was submitted to the Board of Directors after being approved by all attending committee members unanimously.

### Communication between independent directors and the CPA:

Date	Communication method	Material Communication	Communication content	Status of Communication

				and Execution Result
March 04, 2024	Meeting of the audit committee:	2023 financial statements and consolidated financial statements	The attesting CPA attended the meeting to explain the audit of the 2023 annual financial statements.	The independent directors have no objections.
		Communication briefing between CPAs and corporate governance units	1. CPA independence 2. Auditors' responsibilities for auditing the financial statements 3. Scope of Audit 4. Audit findings and significant financial ratios 5. 2022 Audit Quality Indicators (AQIs) 6. Important accounting standards or interpretations, updates of securities and taxation laws and regulations	No other suggestions from independent directors.
May 13, 2024	Meeting of the audit committee:	2024 Q1 Consolidated Financial Statements	The certified public accountant was present to explain the audit status of the financial report for the first quarter of 2024.	The independent directors have no objections.
August 12, 2024	Meeting of the audit committee:	2024 Q2 consolidated financial statements	The certified public accountant was present to explain the audit status of the financial report for the second quarter of 2024.	The independent directors have no objections.
November 11, 2024	Meeting of the audit committee:	2024 Q3 consolidated financial statements	The certified public accountant was present to explain the audit status of the financial report for the third quarter of 2024.	The independent directors have no objections.
December 24, 2024	Meetings between independent directors and the CPA:	Explanation of 2024 audit results	Certified Public Accountant's Report on 2024 Interim Internal Control Implementation and Independent Directors' Reminder on Ending Audit	The independent directors have no objections.

"Note" The aforementioned financial statement-related proposals, after being unanimously approved by all attending members upon inquiry by the chair, were reported to the Board of Directors.

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

Evaluation item	Operational status (Note 1)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Brief Description	
I. Does the Company establish and disclose its corporate governance principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?			<ol style="list-style-type: none"> <li>1. The Company has the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” in place that are precisely followed.</li> <li>2. The Company has set up its website (<a href="http://www.cubelec.com.tw">http://www.cubelec.com.tw</a>) where related financial operations and information about corporate governance are sufficiently disclosed. Meanwhile, the information is available on the Market Observation Post System as required by the competent authority for the general public investors’ reference.</li> </ol>	Requirements of the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies are fulfilled.

Evaluation item	Operational status (Note 1)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Brief Description	
II. Shareholding Structure and Shareholder Equity				Requirements of the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies are fulfilled.
(I) Does the Company establish internal operating procedures for handling shareholder suggestions, questions, disputes, or lawsuits and implement the procedures?			(I) The Company has spokespersons and acting spokespersons in place to handle shareholder suggestions and disputes, among other issues, and their contact information is provided in the Annual Report and on the Company's website to facilitate shareholders providing their suggestions.	
(II) Does the Company have a list of major shareholders that have actual control over the Company and a list of ultimate owners of those major shareholders?			(II) The Company has a professional stock affairs agency to take charge and also specialists internally to handle related matters. A list of major shareholders with actual control over the Company can be kept track of effectively.	
(III) Has the Company established and implemented risk management and firewall mechanisms with its affiliates?			(III) There are the “Regulations for Monitoring Subsidiaries” and the “Regulations for Transactions with Related Parties, Enterprises within the Group, and Specific Companies” for the transactions between the Company and any of its affiliates and auditors are providing supervision periodically.	
(IV) Has the Company established internal rules against insiders trading with undisclosed information?			(IV) The Company has the Anti-Insider Trading Regulations in place to prevent trading of securities by insiders taking advantage of information yet to be released on the market.	

<p>III. Composition and Responsibilities of the Board of Directors</p> <p>(I) Has the Board of Directors developed diversification policies, substantial management goals and enforced them?</p>	<p>(I)</p>	<p>It is specified in Article 20 of the “Corporate Governance Best Practice Principles” that at least five appropriate directors shall be available and the composition of the Board of Directors shall be decided reflective of the operational and developmental scale of the Company and the shareholding status of primary shareholders after practical operational needs are properly weighed. Members of the Board of Directors shall possess the knowledge, skills, and attainments needed to perform their duties. In order to achieve the ideal goal of corporate governance, the Board of Directors as a whole should have the capabilities of operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market perspective, and leadership decision-making. The status of individual directors of the 14th Board of Directors in implementing the Board's diversity policy:</p>	<p>Some of the requirements of the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies are note fulfilled.</p>															
		<table border="1" data-bbox="792 838 1567 1321"> <thead> <tr> <th data-bbox="792 838 1017 1321">Core items of diversification</th><th data-bbox="1017 838 1152 1321">Leadership and decision-making</th><th data-bbox="1152 838 1286 1321">International market views</th><th data-bbox="1286 838 1421 1321">Industrial knowledge</th><th data-bbox="1421 838 1556 1321">Crisis management</th></tr> </thead> <tbody> <tr> <td data-bbox="792 838 1017 1321">Name of director</td><td data-bbox="1017 838 1152 1321">Operation and management</td><td data-bbox="1152 838 1286 1321">Accounting and finance</td><td data-bbox="1286 838 1421 1321">Operational judgment</td><td data-bbox="1421 838 1556 1321">Gender</td></tr> <tr> <td data-bbox="792 838 1017 1321"></td><td data-bbox="1017 838 1152 1321"></td><td data-bbox="1152 838 1286 1321"></td><td data-bbox="1286 838 1421 1321"></td><td data-bbox="1421 838 1556 1321">Nationality</td></tr> </tbody> </table>	Core items of diversification	Leadership and decision-making	International market views	Industrial knowledge	Crisis management	Name of director	Operation and management	Accounting and finance	Operational judgment	Gender					Nationality	
Core items of diversification	Leadership and decision-making	International market views	Industrial knowledge	Crisis management														
Name of director	Operation and management	Accounting and finance	Operational judgment	Gender														
				Nationality														



		<p>The Company has 0% of directors who are also employees, 50% of independent directors, and 25% of female directors. Two independent directors have a term of office of about 6 years, and two independent directors have a term of office of less than 1 year. Four directors are between 58 and 60 years old, and four directors are between 65 and 76 years old. The Company pays attention to gender equality in the composition of the Board of Directors and the professionalism of accounting and finance. The goal is to maintain the ratio of female directors at over 20% and independent directors to over 40%.</p> <p>(II) Besides the Compensation and Remuneration Committee and the Audit Committee that are available now, the Company has four independent directors, the various functional evaluations and reinforcement of the function of the Board of Directors can be fulfilled.</p> <p>(III) The Company already has the Board of Directors Performance Evaluation Guidelines in place, which are followed and enforced.</p> <p>(IV) The Company's CPAs are not related parties. Before signing a contract with the CPAs, the CPAs shall issue a statement of independence. The Company's most recent evaluation was approved by the Audit Committee on March 7, 2025, and reported to the Board of Directors on March 7, 2025. The statement of independence issued by the CPAs was obtained and filed. The evaluation covered the following:</p> <ol style="list-style-type: none"> <li>1. Is there any direct or significant indirect financial interest between the CPA and the Company</li> <li>2. Is there any financing or guarantee between the CPA and</li> </ol>	<p>(II) Deviation and clarification:</p> <p>Except for the Compensation and Remuneration Committee and the Audit Committee, the Company does not have other functional committees in place. Primary members of the Board of Directors are capable for respective functional evaluations and functions and precisely enforce them.</p>
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Evaluation item	Operational status (Note 1)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Brief Description	
			<p>the Company or the directors/supervisors of the Company?</p> <p>3. Does the CPA consider the possibility of losing customers?</p> <p>4. Is the CPA in a close business relationship with the Company?</p> <p>5. Is the CPA in a potential employer-employee relationship with the Company?</p> <p>6. Does the CPA collect public expenses, if any, concerning the case being audited?</p>	

Evaluation item	Operational status (Note 1)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Brief Description	
			<p>7. Are the members of the audit service team currently or in the past two years have served as directors, supervisors, managers, or positions that have a significant impact on the audit of the Company</p> <p>8. Does the CPA provide non-audit services to the Company that may directly impact the audit?</p> <p>9. Does the CPAs advocate or act as a broker for the shares or other securities issued by the Company Bonds</p> <p>10. Has the CPA acted in the defense capacity or acted on behalf of and in the name of the Company in the mediation of disputes between the Company and a third party?</p> <p>11. Is the CPA a relative of the Company's director, supervisor, or manager or someone that can with a significant influence on the case being audited?</p> <p>12. Whether the former CPAs who have resigned within one year assumed positions as directors, supervisors, managers of the Company, or positions that have significant impact on the audit</p> <p>13. Whether the CPAs receive gifts or presents of great value from the Company, or directors, supervisors, and managers</p> <p>14. Whether the CPA is required to accept the improper accounting policies of the management by the management?</p> <p>15. Is pressure exerted on the CPA with reduced public expenses so as to make him/her cut down the expected scope of work to be completed for the audit?</p>	

Evaluation item	Operational status (Note 1)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Brief Description	
IV. Do listed companies appoint suitable and appropriate numbers of corporate governance personnel and designate a corporate governance officer responsible for corporate governance-related matters (including but not limited to providing directors and supervisors with the information needed for conducting their duties, assisting directors and supervisors in complying with laws, legally conducting board and shareholders' meeting-related matters, handling company registration and changes, and preparing minutes of board and shareholders' meetings)?			<p>The Company may set up a full-time (part-time) corporate governance unit or specialist to take charge of corporate governance-related affairs and assign a high-ranking officer responsible for the supervision. They shall be qualified attorneys or CPAs or have handled legal affairs, finance, or stock affairs in public offering companies for at least three years.</p>	Requirements of the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies are fulfilled.
			<p>The corporate governance-related affairs mentioned in the preceding paragraph shall cover, at a minimum, the following:</p> <ul style="list-style-type: none"> <li>I. Company registration and change registration</li> <li>II. Organizing Board of Directors meetings and shareholders' meetings and assisting the Company in following applicable laws and regulations on Board of Directors meetings and shareholders' meetings.</li> <li>III. Preparing minutes of the Board of Directors meetings and shareholders' meetings.</li> <li>IV. Providing directors and supervisors with the materials for them to fulfill their duties at work and the latest regulatory developments concerning corporation operations to help directors/supervisors follow regulatory requirements.</li> <li>V. Affairs concerning investor relations.</li> <li>VI. Other matters described or established in the Articles of Incorporation or contracts.</li> </ul>	

Evaluation item	Operational status (Note 1)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Brief Description	
V. Has the company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers) and set up a dedicated section for stakeholders on the company's website, as well as appropriately responded to the significant corporate social responsibility issues of concern to stakeholders?			The Company has spokespersons and acting spokespersons in place and their contact information is provided in the Annual Report and on the Company's website. Shareholders and stakeholders may keep proper communications with the Company by phone or email.	Requirements of the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies are fulfilled.
(VI) Does the Company designate a professional stock affairs agency to deal with affairs relating to shareholders meetings?			The Company authorizes the Registrar of First Securities Inc to handle matters concerning shareholders' meetings.	Requirements of the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies are fulfilled.
VII. Disclosure of Information (I) Has the company established a corporate website to disclose information regarding its financial, business and corporate governance status?  (II) Does the Company adopt other ways of disclosing information (eg, maintaining an English website,			(I) The Company has set up its website ( <a href="http://www.cubelec.com.tw">http://www.cubelec.com.tw</a> ) where related financial operations and information about corporate governance are sufficiently disclosed. Meanwhile, the information is available on the Market Observation Post System as required by the competent authority for the general public investors' reference.  (II) The Company currently discloses information that should be disclosed on the "Market Observation Post System" and has assigned spokespersons and	Some of the requirements of the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies are note fulfilled.

Evaluation item	Operational status (Note 1)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Brief Description	
appointing responsible people to handle information collection and disclosure, creating a spokesperson system, webcasting investor conference on company website)? (III) Does the Company announce and declare its Annual Financial Statement within two months after a fiscal year ends and announce and declare the financial statements for the first, second, and third quarters and operational status of each month earlier than the required deadline?			<p>acting spokespersons familiar with the overall operation, finance, and business of the Company to speak to the public to ensure real-time and adequate disclosures as required.</p> <p>(III) The Company announces and files annual financial statements within two months after the end of the fiscal year reflective of the workforce forecast and planned for coming years. Financial statements for the first, second, and third quarters and operational status of each month are announced and filed by the deadline as required.</p>	(III) Deviation and clarification: The Company failed to announce and file annual financial statements within 2 months after the end of the fiscal year. Human resources will be integrated in the future to help fulfill the said goal.
VIII. Is there any other important information available to facilitate a better understanding of the Company's corporate governance operational status (including without limitation employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, continuing education of directors and supervisors, the			The operational status is detailed in the table below:	Requirements of the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies are fulfilled.

Evaluation item	Operational status (Note 1)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Brief Description	
implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?				

(I) Clarification on the rights of employees, employee care, investor relations, supplier relations, and rights of stakeholders:

Social responsibility item	Implementation status			Detailed information on enforcement or planning
	Not enforced	Enforced	Being planned	
1. Rights of employees				
(1) Sufficient educational training		✓		For the sake of improving the attainments and skills at work of the employees and to enhance work efficiency and quality, the Management Department of the Company prepares annual training programs according to the “Educational Training Regulations” to be fulfilled by respective departments on a monthly or quarterly basis so that employees are entitled to sufficient educational training.
(2) Sufficient right to express opinions		✓		The Company holds meetings from time to time, such as labor-management meetings, employee workshops, Welfare Committee meetings, Occupational Safety and Health Committee meetings, and have the employee poll box in place so that staff at respective departments regardless of their level of duty can express their opinions fully.
(3) Others		✓		The Company follows the requirements of the Labor Standards Act and other laws and regulations. Besides allocating related welfare funds, there is the Welfare Committee and employees are offered the opportunity to purchase welfare items. In addition, bonuses and festival gift monies are available with the Company’s earnings.
2. Employee care				

Evaluation item	Operational status (Note 1)				Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Brief Description		
(1) Safe workplace			✓		The Company has the “Safety and Health Regulations” in place to allow proper planning of facilities and equipment and ensure a safe environment for its people. In addition, for the safety of people at work, there is the Occupational Safety and Health Management Unit to carry out tasks concerning safety and health at work.
(2) Written policies on labor health and safety			✓		The Company has the “Emergency Handling Regulations”, “Operating Standards for Labor Safety and Health Education and Emergency Response Training Plans”, and “Labor Safety and Health Education and Emergency Response Training Materials” in place to ensure the health and safety of its people and they are available on the bulletin boards for the review of all employees.
(3) Others (such as the emphasis over physical and mental developments of workers and their family life)			✓		The Company has the “Employee Welfare Committee” and the “Education Committee” in place to organize employee travel and provide subsidies to club events or meal-based gatherings, which will help employees get relaxed physically and mentally to boost coherence towards the Company.
3. Investor Relations					
(1) Enhanced operational transparency			✓		The Company releases its financial and operation information on the “Market Observation Post System” as required by applicable laws and regulations in order to protect the basic rights of investors.
(2) Emphasis over corporate governance			✓		For a normalized corporate system, the Company enhances the efficacy of its directors and supervisors according to the “Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies”. It helps reinforce the operational transparency of the Company and protect shareholder equity.
(3) Others			✓		The Company has its own website, spokespersons, and acting spokespersons, and releases important decisions from time to time so that investors can keep track of how the Company is doing in real time.
4. Supplier Relations					
(1) Emphasis over reasonable purchase prices			✓		The Company has the “Purchase Regulations” in place and enters into purchase contracts to ensure that materials and

Evaluation item	Operational status (Note 1)				Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Brief Description		
					supplies purchased meet the requirements. Smooth communication channels are maintained with suppliers to protect the rights of both parties on the basis of mutual trust and reciprocity.
(2) Others			✓		Staff in charge of purchasing makes price inquiries and compares/negotiates prices from time to time for materials and parts whose prices are relatively volatile in order to fulfill reasonable purchase prices and control the costs of materials and parts. There is also the “Supplier Environmental Management Operating Procedures” to evaluate green suppliers and jointly enhance corporate social responsibilities.
<b>5. Rights with the stakeholders</b>					
(1) Respect for intellectual property rights			✓		The Company respects intellectual property rights and encourages colleagues to seek innovations and apply for patent rights. So far, the Company and its people have applied for and obtained multiple patents.
(2) Emphasis over customer relations (such as protection of consumer rights, emphasis over the quality, safety, and innovation of products, emphasis and immediate processing of complaints, provision complete product information, etc.)			✓		The Company has defined its “Customer Complaint Management Regulations”, the “Customer Satisfaction Survey Regulations”, and the “Customer Supplies Regulations”, among other written regulations. The operation department is devoted to addressing issues raised by customers as quickly as possible.
(3) Compliance with regulatory requirements			✓		The Company has regulatory law firm attorneys and legal affairs specialists to keep track of regulatory changes at all times and to protect the rights of the Company.
(4) Others (such as the fulfillment status of social responsibility policies disclosed on the corporate website)			✓		The Company discloses fulfillment status of social responsibilities in the Prospectus and the Annual Report. All the computer software used by the Company is lawfully licensed and does not involve tort.

(II) Continuing education of directors and supervisors:

Position	Name	Date inaugurated	Date elected	Date of continuing education		Organizer	Course title	Hours involved	Total hours acquired for the	Remarks
				Start	End					

Evaluation item			Operational status (Note 1)						Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons		
			Yes	No	Brief Description						
									specific year		
Director	Chang Tzu-Hsiung	05/26//2022	10/2//2007	August 8, 2024	August 8, 2024	Importers and Exporters Association of Taipei	Transformation and opportunities in the net-zero new economy	3	6	The 6 hours of continuing education required each year for directors/supervisors are fulfilled.	
				May 9, 2024	May 9, 2024	Importers and Exporters Association of Taipei	Challenges and opportunities for enterprises in EU CBAM carbon tariff	3			
Director	Huang Shu-Yuan	05/26//2022	09/01//2000	June 16, 2024	June 16, 2024	Taiwan Investor Relations Institute	Hostile takeovers-focused on securing management rights	3	6	The 6 hours of continuing education required each year for directors/supervisors are fulfilled.	
				July 21, 2024	July 21, 2024	Taiwan Academy of Banking and Finance	Functions and prospects of carbon exchanges & how the board of directors supervises the company to establish and improve risk management mechanisms	3			
Independent director	Chou Ying-Hung	May 21, 2024	May 21, 2024	March 25, 2025	March 26, 2025	Securities and Futures Institute	12-hour practical training course for newly appointed directors and supervisors (including independent ones) and corporate governance supervisors	12	12	The requirement of 12 hours of training for newly appointed directors has been met	
Independent director	Chang Kung-Pi	05/26//2022	04/17//2019	July 5, 2024	July 5, 2024	Taiwan Corporate Governance Association	The latest trend of corporate governance from the perspective of corporate governance evaluation indicators	3	6	The 6 hours of continuing education required each year for directors/supervisors are fulfilled.	
				July 18, 2024	July 18, 2024	Securities and Futures Institute	Opportunities and challenges for Taiwan's industrial transformation under geopolitics - Exclusive analysis by PMI/NMI	3			

Evaluation item			Operational status (Note 1)					Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons		
			Yes	No	Brief Description					
Independent director	Chang Chuan-Li	05/26//2022	04/17//2019	Septemb er 5, 2024	September 5, 2024	Taiwan Securities Association	Trend and crisis management of information security threats	3	6	The 6 hours of continuing education required each year for directors/supervisors are fulfilled.
				October 17, 2024	October 17, 2024	Taiwan Securities Association	The trend of sustainable finance and nature-related financial disclosure frameworks	3		
Representative of Corporate Director	Yu San-Chuan	05/26//2022	11/10//1993	June 16, 2024	June 16, 2024	Taiwan Investor Relations Institute	Hostile takeovers-focused on securing management rights	3	6	The 6 hours of continuing education required each year for directors/supervisors are fulfilled.
				July 21, 2024	July 21, 2024	Taiwan Investor Relations Institute	Functions and prospects of carbon exchanges & how the board of directors supervises the company to establish and improve risk management mechanisms	3		
Director	Hsieh Hsiu-Chi	05/26//2022	06/17//2013	June 16, 2024	June 16, 2024	Taiwan Investor Relations Institute	Hostile takeovers-focused on securing management rights	3	6	The 6 hours of continuing education required each year for directors/supervisors are fulfilled.
				July 21, 2024	July 21, 2024	Taiwan Investor Relations Institute	Functions and prospects of carbon exchanges & how the board of directors supervises the company to establish and improve risk management mechanisms	3		
Independent director	Zhan, Zheng-En	October 26, 2023	October 26, 2023	09/21/2024	09/21/2024	Taiwan Securities Association	Introduction to the Financial Consumer Protection Act and What to Do	3	15	The 6 hours of continuing education required each year for

Evaluation item	Operational status (Note 1)					Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons		
	Yes	No	Brief Description					
	09/21/2024	09/21/2024	Taiwan Securities Association	Domestic and foreign anti-money laundering and counter terrorism related laws and regulations and risk trends and types	2		directors/supervisors are fulfilled.	
	September 5, 2024	September 5, 2024	Taiwan Securities Association	The application and future trends of generative AI, and the pursuit of long-term value growth, to understand the low-carbon transformation trend.	6			
	May 31, 2024	May 31, 2024	Taipei Exchange	2024 Seminar on the Promotion of Securities Industry Sustainable Development and Transformation Implementation Strategy	2			
	April 25, 2024	April 25, 2024	Taiwan Stock Exchange	Seminar on the Promotion of Securities Industry Sustainable Development and Transformation Implementation Strategy	2			
<p>(III) Recusal of directors upon conflicts of interest in proposals being discussed: The Company's directors are highly self-disciplined and will not take part in the voting session for proposals concerning their own interest.</p> <p>(IV) Seating of directors in the Board of Directors meeting: Unless they are out of the country or for major matters, directors and supervisors take part in the Board of Directors meetings in person.</p> <p>(V) Purchase of liability insurance for directors: The Company has included purchase of liability insurance for directors/supervisors in its Articles of Incorporation and has purchased liability insurance for its directors/supervisors.</p>								

Evaluation item	Operational status (Note 1)			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Brief Description	
IX. Please explain the improvements already made by the Company according to the governance evaluation results released in the past year by the corporate governance center of Taiwan Stock Exchange and matters and measures to be prioritized. (Not required if not included in the evaluation)			The company has completed its corporate governance self-assessment report. For the assessment items, improvements have been made according to the information that should be disclosed. In cases where there are differences from the Corporate Governance Practice Guidelines for listed companies, the company has updated its website and supplemented the annual report with explanations for the unreported parts of the execution items, planned improvement measures, and no significant deficiencies have been found.	Requirements of the Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies are fulfilled.

Note 1: "Yes" or "No", clarifications shall be provided in the field for "brief description" of operations.

(IV) If the Company has a Remuneration Committee, disclose its composition, responsibilities, and operations:

(1) Profile of Compensation and Remuneration Committee Members

Status	Qualification Name	Professionalism and experience	Situation of independence (Note 1)	Number of other public offering companies serving as independent directors
Independent Director (Convener)	Chang Kung-Pi	Master of Administration, National Chiayi University Sales Vice President (Assistant Vice President), Corporation Department of Entrust Securities General Manager of Yangxin Securities General Manager and Director of Taichung Bank Securities General Manager and Director of UKE International Co, Ltd (Stock Code 6631) Deputy General Manager (Senior Assistant Manager position) of the Business Division at Mega Securities	Fulfilled	0
Independent director	Chou Ying- Hung	Master of Law, University of Washington, Seattle Visiting Scholar, Harvard University Secretary of the Director-General's College for Judges, Ministry of Justice; Prosecutor of National Taiwan High Prosecutors Office; Prosecutor of Taichung High Commission of Prosecution; Prosecutors of Taichung and Kaohsiung District Courts; Chief of Administrative Enforcement Department of Taichung, Tainan, Chiayi, and Yilan; Executive Yuan Elite Leadership Class, Model Civil Servant of Ministry of Justice, Adjunct Lecturer of National Chung Hsing University and National Chung Cheng University	Fulfilled	0
Independent director	Chang Chuan-Li	Department of Justice, College of Law, National Taiwan University Completed training at the Academy for the Judiciary Prosecutor at the Prosecutors Office of Taiwan Taichung District Court Judge at District Courts in Taichung, Hsinchu, Taoyuan, Banqiao, and Taipei Judge/Presiding Judge at the Criminal Court, Taiwan High Court	Fulfilled	2
Independent director	Zhan, Zheng-En	Chair, Kuanz Ho Securities	Fulfilled	0

Note 1: Please specify the relevant work experience, professional qualifications and experience, and independence of each member of the Remuneration Committee in the table. If the member is an independent director, please refer to Attachment 1 "Information on Directors and Supervisors (I)" on page OO for details. Provide "independent director" or "other" for "Status" (add a note for the convener).

Note 2: Professional qualification and experience: Describe the professional qualification and experience of each member of the Remuneration Committee.

Note 3: Independence: Describe whether the members of the Remuneration Committee meet the independence requirements, including but not limited to whether the member, his/her spouse, or relatives within the second degree of kinship serve as directors, supervisors, or employees of the Company or its affiliated companies; the number and proportion of the Company's shares held by the member, his/her spouse, or relatives within the second degree of kinship (or using the names of others); whether the member serves as a director, supervisor, or employee of a company with a specific relationship with the Company (refer to Article 6, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); and the amount of remuneration received for providing business, legal, financial, accounting, and other services to the Company or its affiliated companies in the past two years.

Note 4: For the disclosure method, refer to the best practice reference example available on the website of the corporate governance center of Taiwan Stock Exchange.

2. Information on the operational status of the Compensation and Remuneration Committee

- (1) The Company's Compensation and Remuneration Committee consists of 3 members in total.
- (2) The term of office for the current members: from May 26, 2022 to the expiration date of the term of the current Board of Directors on May 25, 2025, the term of office for the current Board of Directors is from May 25, 2025 to the expiration date of the term of the current Board of Directors. The Remuneration Committee held three meetings (A) in the most recent year, and the qualifications and attendance of the members are as follows:

Position	Name	Actual attendance (B)	Attendance through proxy	Actual attendance rate (%) (B/A) (Note)	Remarks
Convener	Chang Kung-Pi	3	0	100.00	-
Member	Chou Ying-Hung	2	0	100.00	Newly appointed on August 12, 2024
Member	Chang Chuan-Li	3	0	100.00	-
Member	Zhan, Zheng-En	2	1	66.66	

Other details to be documented:

- I. In the event that the Board of Directors does not adopt or revises advice from the Compensation and Remuneration Committee, the date, session number, details of proposals, decisions made by the Board of Directors, and how the Company addressed opinions from the Compensation and Remuneration Committee shall be stated (in the event that the compensation and remuneration approved by the Board of Directors are better than as advised by the Compensation and Remuneration Committee, the difference and the reason shall be specified): None
- II. For decisions made by the Compensation and Remuneration Committee, as long as there are members objecting or having their reservations that are recorded or stated in writing, the date of the Compensation and Remuneration Committee meeting, the session number, contents of the proposal, and how opinions from all members and from opposing members are handled should be described: None

III. Proposals discussed and decisions made over the past year during Compensation and Remuneration Committee meetings and how the Company address opinions from the members:

Compensation and Remuneration Committee	Proposal and decision made
6th meeting of the 5th board March 4, 2024	<p>Proposal:</p> <ol style="list-style-type: none"> <li>1. The convener and the chairperson of the 5th Remuneration Committee, Chen Kuang-Lung, resigned on February 6, 2024. The election of Chang Kung-Pi as the new chairperson is proposed for discussion.</li> <li>2. Review of the Company's 2023 remuneration plan for directors, supervisors and employees. Please resolve.</li> </ol> <p>Opinions from the members: No objection or qualified opinion.</p> <p>Resolution: The proposal was approved as-is unanimously by all attending members consulted by the Chair.</p> <p>How the Company addressed opinions from the Compensation and Remuneration Committee: It was brought forth to the Board of Directors and was approved by all attending directors.</p>
7th meeting of the 5th term November 11, 2024	<p>Proposal:</p> <ol style="list-style-type: none"> <li>1. The proposal for the remuneration to directors and managers for 2025, please resolve.</li> <li>2. The schedule of the Remuneration Committee's work in 2025 is submitted for resolution.</li> </ol> <p>Opinions from the members: No objection or qualified opinion.</p> <p>Resolution: The proposal was approved as-is unanimously by all attending members consulted by the Chair.</p> <p>How the Company addressed opinions from the Compensation and Remuneration Committee: It was brought forth to the Board of Directors and was approved by all attending directors.</p>
8th meeting of the 5th term March 7, 2025	<p>Proposal:</p> <ol style="list-style-type: none"> <li>1. Propose the amount of remuneration to directors and supervisors and employees for 2024. Please resolve.</li> </ol> <p>Opinions from the members: No objection or qualified opinion.</p> <p>Resolution: The proposal was approved as-is</p>

	<p>unanimously by all attending members consulted by the Chair.</p> <p>How the Company addressed opinions from the Compensation and Remuneration Committee: It was brought forth to the Board of Directors and was approved by all attending directors.</p>	
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Note:

- (1) In the event that members of the Compensation and Remuneration Committee resign before the end of a fiscal year, the date of resignation shall be indicated in the remarks field. The actual attendance rate (%) is calculated by the number of Compensation and Remuneration Committee meetings held during service and the actual attendance frequency in the meetings.
- (2) If the re-election of the Remuneration Committee members was made before the end of the year, the new and old members of the Remuneration Committee shall be listed, and the member should be indicated in the remarks column as being the old, new, or re-elected member and the date of re-election. The actual attendance rate (%) is calculated based on the number of Remuneration Committee meetings held during active duty and the number of actual attendance.

(V) The status of implementation of sustainable development and the deviation from the Sustainable Development Best-Practice Principles for TWSE/GTSM Listed Companies and the reasons therefor:

Evaluation item	Operational status (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Brief Description (Note 2)	
I. Does the Company establish a governance structure to promote sustainable development, and set up a dedicated (or part-time) unit to promote sustainable development, with senior management authorized by the Board of Directors to handle, and how is the supervision of the Board of Directors?	✓		<p>In accordance with the vision and mission of the Company's ESG policy, the "Sustainable Development Committee" was established in August 2022 as the highest sustainable development decision-making center within the Company. Chaired by Chair YU, SAN-CHUAN, the Committee works with many senior executives in different fields. Supervisors jointly examine the company's core operating capabilities and formulate medium- and long-term sustainable development plans.</p> <p>The "Sustainable Development Committee" acts as a cross-departmental communication platform for vertical integration and horizontal connection. Each year, task forces are established based on these issues to identify sustainability issues that are critical to company operations and stakeholders' concerns, formulate corresponding strategies and work guidelines, prepare budgets for each organization and sustainable development, plan and execute annual plans, and track the implementation results to ensure that the sustainable development strategy is fully implemented in the Company's daily operations.</p> <p>The Chair of the "Sustainable Development Committee" reports to the Board of Directors on the implementation results of sustainable development and future work plans every quarter. One meeting was held in 2024. The agenda included (1) promotion of insider trading prevention, and implementation of education and training on ethical corporate management; (2) the Company's future sustainable development plan; (3) supervision of the implementation of sustainable operations, and evaluation of the implementation status.</p> <p>The Board of Directors listens to the reports (including the ESG report) of the management team on a regular basis every year. The management must propose the Company's strategies to the Board of Directors, and the Board of Directors must evaluate the likelihood of success of these strategies, and must also review the progress of the strategies frequently, and when necessary, make adjustments.</p>	No major deviations

Evaluation item	Operational status (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Brief Description (Note 2)	
II. Does the Company perform risk assessments when dealing with environmental, social, and corporate governance-related issues that concern the Company's operations according to the materiality principle and define related risk management policies or strategies?	✓		<p>The Company already had its "Corporate Social Responsibility Best Practice Principles" approved by the Board of Directors on March 23, 2020 and the implementation efficacy is reflected upon from time to time taking into consideration the developmental trends for corporate social responsibilities domestically and internationally and their correlation with the core corporate operation and improvements are constantly made in order to ensure that corporate social responsibility policies are fulfilled. Relevant departments will conduct risk assessments and formulate corresponding measures according to their duties, and review the risks on a regular basis. It is expected that the appointment of a corporate governance officer will be completed in the future, and related risk assessments will be reported to the Board of Directors.</p>	No major deviations
III. Environmental Issues (I) Has the Company developed an appropriate environmental management system reflective of the industrial characteristics? (II) Is the Company committed to improving the efficiency of resource utilization and using recycled materials with low impact on the environment? (III) Does the Company evaluate potential risks and opportunities now and in the future brought about by climate change for the corporation and adopts responsive measures to climate-related issues? (IV) Does the Company tally the total greenhouse gas emissions, water usage, and waste generated over the past two years and have energy conservation and carbon reduction, greenhouse gas reduction, water reduction, or other waste management policies in place?			<p>(I) A suitable environmental management system is currently in place reflective of the governmental laws and regulations and management system, and implement and supervise environmental management in accordance with ISO 14001 standards. The Company's environmental safety and health policies are as follows:</p> <ul style="list-style-type: none"> <li>I. Comply with environmental safety regulations to achieve continuous improvement.</li> <li>II. Implement environmental protection to prevent accidents.</li> <li>III. Conserve energy resources and promote waste reduction activities.</li> <li>IV. Engage in counseling and communication with all employees to create a healthy workplace.</li> </ul> <p>(II) Effectively recycle resources and follow ISO 14001 requirements and audit and screen green suppliers to choose raw materials and supplies with minimal impacts on the environment.</p> <p>(III) Turn on air-conditioning considering the weather and improve the air-conditioning system to introduce fresh air as part of the energy-conserving and carbon reduction effort and to protect the overall environment of the country.</p> <p>(IV) In line with the government's energy conservation and carbon policy, and the Ministry of Economic Affairs' "Regulations on Setting Energy Conservation Targets and Implementation Plans by Energy Users", the Company has established related medium-long term, long-term, and ongoing sustainable measures for electricity consumption. From 2015 to 2024, the average annual electricity saving rate reached 1.12%, reducing the impact on the natural environment as well as achieving energy-saving performance. In 2023 and 2024, electricity saving reduced CO2 emissions by 45.7076 CO2e and 4.5557 CO2e, respectively. Compared to 2023, CO2 emissions were slightly reduced by 45.1519 CO2e, but it still achieved the Ministry of Economic Affairs' standard of 0.29% electricity saving by 2024.</p>	No major deviations

Evaluation item	Operational status (Note 1)				Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons												
	Yes	No	Brief Description (Note 2)														
			<b>Greenhouse gas emissions in the last 2 years:</b> <table border="1"> <thead> <tr> <th></th> <th>Water consumption</th> <th>Greenhouse gas emissions</th> <th>Gross weight of general waste</th> </tr> </thead> <tbody> <tr> <td>112 years</td> <td>19,296 kWh</td> <td>36.7651 Co2e (Scope 1) 3,266.0773 Co2e (Scope 2)</td> <td>18,537 kg, total weight of hazardous waste: 5,736 kg Weight: 5,736 kg</td> </tr> <tr> <td>113 years</td> <td>21,481 kWh</td> <td>36.1056 Co2e (Scope 1) 4,434.2962 Co2e (Scope 2)</td> <td>18730.7 kg, total weight of hazardous waste 2720.5 kg</td> </tr> </tbody> </table>			Water consumption	Greenhouse gas emissions	Gross weight of general waste	112 years	19,296 kWh	36.7651 Co2e (Scope 1) 3,266.0773 Co2e (Scope 2)	18,537 kg, total weight of hazardous waste: 5,736 kg Weight: 5,736 kg	113 years	21,481 kWh	36.1056 Co2e (Scope 1) 4,434.2962 Co2e (Scope 2)	18730.7 kg, total weight of hazardous waste 2720.5 kg	
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113 years	21,481 kWh	36.1056 Co2e (Scope 1) 4,434.2962 Co2e (Scope 2)	18730.7 kg, total weight of hazardous waste 2720.5 kg														
IV. Social Issues					No major deviations												
(I) Has the Company developed related management policies and procedures in accordance with applicable laws and regulations and the International Bill of Human Rights?	✓		(I) <b>Human Rights Policy</b> We believe that human rights are the basic rights that all human beings should enjoy. Respecting human rights and creating a dignified working environment are critical to the sustainable development of the company. We strictly abide by the laws and regulations of all locations where we operate. Human rights of all employees, including contract and temporary employees and interns. In addition to complying with the laws and regulations of the place of business operations, the Company also seeks to comply with the "United Nations Universal Declaration of Human Rights (UDHR)", "International Labor Organization - Declaration on Fundamental Principles and Rights at Work", "UN Guiding Principles The "Organization for Economic Co-operation and Development Guidelines for Multinational Enterprises" and the "Global Compact" and other international labor and human rights standards, and take actions consistent with the "RBA Code of Conduct", to treat with dignity and respect All personnel of Shengsheng. The Company implements the human rights policy in accordance with the following specific management plans and includes relevant content in the "Weisheng Code of Conduct" signed with all employees and the "Materials Procurement Contract" signed with suppliers. Employees and suppliers are subject to the same standards. <b>The Company has formulated specific management plans</b> and related measures, such as: Sexual harassment prevention, complaint and disciplinary management measures, gender equality management procedures, and other related human rights risk mitigation measures.														
(II) Does the Company establish and implement reasonable employee welfare measures (including remuneration, leave and other benefits, etc.), and appropriately reflect the operating performance or results in the employee remuneration?	✓																
(III) Does the Company provide employees with a safe and healthy work environment, and provide employees with safety and health education on a regular basis?	✓																
(IV) Has the Company established an effective training program that helps employees develop skills over the course of their career?	✓																
(V) Does the Company comply with laws and international standards concerning customer health and safety, customer privacy, marketing, labeling of products and services, and define related policies and complaint-filing procedures to protect the rights of consumers?	✓																
(VI) Does the Company define supplier management policies and require that suppliers follow applicable regulations in issues such as environmental protection, occupational safety and health, or human rights of workers and how are they implemented?	✓		(II) 1. The Company has reasonable compensation, promotion, and performance review management systems in place, and they are announced on the internal information platform and are reflected upon and optimized from time to time and are adjusted to meet operational demand.														

Evaluation item	Operational status (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons												
	Yes	No	Brief Description (Note 2)													
			<p>2. The variable compensation provided by the Company is linked with the overall operational performance of the Company, internal organizational performance, and personal performance. The compensation strategy of “high performance high incentive” is being developed on the basis of “same pay for same work”.</p> <p>3. The Company offered employee share subscription warrants in 2020 and 2021. They were planned and distributed according to each colleague’s contribution, performance, and significance in order to inspire and retain talent. A Shares Ownership Committee has been established to give employees the right to receive additional bonuses from the Company’s incentives.</p> <p>(III) The Company has a occupational safety and health management unit to conduct occupational safety and health matters in accordance with the law, and cooperates with the human resources department to implement safety and health education and training for new employees in accordance with internal management regulations, and cooperates with the human resources department to implement safety and health education and training for new employees in accordance with internal management regulations.</p> <p><b>Monitoring of the labor's working environment:</b> To grasp the actual conditions of the workplace environment and assess workers' exposure in their work environment, planning, sampling, monitoring, and analysis are conducted. To protect workers from exposure to hazardous substances in the workplace, and provide them with a healthy and comfortable working environment, the Company conducts 2 monitoring of the operating environment in March and September every year to gradually understand the actual exposure status of workers. Industrial safety accomplishments over the past three years - statistics of employee disabling injuries</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Death</th> <th>Disability</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>Male:0 Female:0</td> <td>Male:1 Female:2</td> </tr> <tr> <td>2022</td> <td>Male:0 Female:0</td> <td>Male:1 Female:0</td> </tr> <tr> <td>2023</td> <td>Male:0 Female:0</td> <td>Male:1 Female:1</td> </tr> </tbody> </table> <p>(IV) The Company has internal and external training, and cooperates with the government to implement the career development training under the talent development program.</p> <p>(V) The Company's marketing and labeling of products and services are in compliance with relevant laws and international standards, and have</p>	Year	Death	Disability	2021	Male:0 Female:0	Male:1 Female:2	2022	Male:0 Female:0	Male:1 Female:0	2023	Male:0 Female:0	Male:1 Female:1	
Year	Death	Disability														
2021	Male:0 Female:0	Male:1 Female:2														
2022	Male:0 Female:0	Male:1 Female:0														
2023	Male:0 Female:0	Male:1 Female:1														

Evaluation item	Operational status (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons																		
	Yes	No	Brief Description (Note 2)																			
		(VI)	<p>obtained national certification and patent and trademark application certification in various countries.</p> <p>The Company has established the "Procedures for Management of Suppliers" to establish the screening conditions for the protection of the environment, human rights, safety, health and sustainable development of suppliers, and the requirements and expectations of suppliers in terms of environmental safety and health risks, prohibition of child labor, labor management, protection of basic rights and interests of workers, ethical standards and ethical corporate management.</p> <p>Enforces TS-16949 supplier management requirements and performs evaluations and audits and screens green suppliers as required by ISO 14001. The Company may terminate any agreements in accordance with the Supplier Management Regulations, which clearly stipulates the relevant violations.</p>																			
V. Does the Company prepare the Corporate Social Responsibility Report or other reports disclosing non-financial information of the Company by referring to international general principles or guidelines in the preparation of reports? Are there opinions from a third-party qualification unit to validate or guarantee the said reports?	✓		(I) The Company releases information concerning the Company and other significant information on the Market Observation Post System as required by applicable laws and regulations and provides links to its website: <a href="http://www.cubelec.com.tw">http://www.cubelec.com.tw</a> .	No major deviations																		
VI. If the Company has established its own CSR principles according to the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies, please describe the differences between its implementation and the established principles:	<p>The Company already had its "Corporate Social Responsibility Best Practice Principles" approved by the Board of Directors on March 23, 2020 and has been promoting various types of corporate social activities after having taken into consideration the developmental trends for corporate social responsibilities domestically and internationally and their correlation with the overall operational activities of the Company itself and other businesses within the Group. The Company periodically makes improvements after having examined the operational status according to the Principles and no major deviations have occurred so far.</p>																					
VII. Other Important Information to Help Understand Utilization of Corporate Social Responsibilities:	<table border="1"> <thead> <tr> <th rowspan="2">Social responsibility item</th> <th colspan="3">Implementation status</th> <th rowspan="2">Detailed information on enforcement or planning</th> </tr> <tr> <th>Not enforced</th> <th>Enforced</th> <th>Being planned</th> </tr> </thead> <tbody> <tr> <td>1. Environmental protection</td> <td></td> <td></td> <td></td> <td></td></tr> <tr> <td>(1) Preparation of written environmental protection policies</td> <td></td> <td>✓</td> <td></td> <td>The Company has the "Environmental Policy Preparation Procedure" in place to help enforce environmental protection policies.</td></tr> </tbody> </table>				Social responsibility item	Implementation status			Detailed information on enforcement or planning	Not enforced	Enforced	Being planned	1. Environmental protection					(1) Preparation of written environmental protection policies		✓		The Company has the "Environmental Policy Preparation Procedure" in place to help enforce environmental protection policies.
Social responsibility item	Implementation status			Detailed information on enforcement or planning																		
	Not enforced	Enforced	Being planned																			
1. Environmental protection																						
(1) Preparation of written environmental protection policies		✓		The Company has the "Environmental Policy Preparation Procedure" in place to help enforce environmental protection policies.																		

Evaluation item	Operational status (Note 1)				Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Brief Description (Note 2)		
(2) Compliance with applicable environmental protection laws and regulations			✓		The Company is ISO 14001 certified and continues to reinforce environmental protection.
(3) Others (such as development of technologies, equipment, and activities to help conserve energy, reduce pollution, and prevent pollution, reutilization of resources, recycling and reduction of waste, and banned use of hazardous substances, etc).			✓		The Company has the “Waste Treatment and Control Operational Guide” in place and energy conservation continues to be promoted, such as waste classification and recycling and reusable dining ware to fulfill the goal of reducing waste and recycling resources.
2. Community involvement					
(1) Community involvement and charity event			✓		The Company answers to charity events to help minorities from time to time and proactively takes part in other relevant events to be a friendly neighbor.
(2) Others (such as community support and investment, in terms of workforce, resources, knowledge, and skills, etc, to ensure health and safety in the community, etc).			✓		Same as above.
Social responsibility item	Implementation status			Detailed information on enforcement or planning	
	Not enforced	Enforced	Being planned		
3. Community contributions					
(1) Donations to charities and educational, medical, and artistic events		✓			The Company answers to charity events to help minorities from time to time and proactively takes part in other relevant events to be a friendly neighbor.
(2) Others (such as helping underdeveloped countries and providing job opportunities for minorities, etc)		✓			Same as above.
4. Community service					
(1) Promotion of social welfare		✓			The Company answers to charity events to help minorities from time to time and proactively takes part in other relevant events to be a friendly neighbor.
(2) Others		✓			Same as above.
5. Human right					
(1) Fulfillment of applicable regulatory requirements for workers under the Labor Standards Act		✓			Requirements of applicable personnel laws and regulations (such as the “Personnel Regulations”) meet the requirements of the Labor Standards Act and there are specialized people to take care of related matters for the sake of protecting the fundamental rights of employees.
(2) Others (such as protecting equal opportunities of employees and job seekers and protecting employees against harassment and discrimination, etc)		✓			Regulations governing the protection of applicable rights of employees and job seekers are available in the Company’s “Employee Code of Conduct” and a gender equity-based work environment laid out in the said Code is based on the “Sexual Harassment Prevention Act”.

Evaluation item	Operational status (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Brief Description (Note 2)	
VII. If the corporate social responsibility report contains qualifications by related qualifying bodies, they shall be specified: The Company has not prepared its Corporate Social Responsibility Report, but the Company is IATF-16949 and ISO 14000, ISO 26262, and ISO 45001-certified.				

Note 1: If “Yes” is checked for the operational status, please explain the important policy, strategy, measures, and implementation status adopted. If “No” is checked, please explain why and explain the plan to adopt related policies, strategies, and measures in the future.

Note 2: If the Company has the Corporate Social Responsibility Report in place, the brief description may be replaced by noting “Refer to the Corporate Social Responsibility Report” and indexing the page number.

Note 3: Materiality principle refers to the fact that applicable environmental, social, and corporate governance issues have material impacts on the Company's investors and other stakeholders.

(VI) Implementation of ethical management practices, and the differences and reasons compared to the ethical management guidelines of listed companies:

Evaluation item	Operational status (Note 1)			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Brief Description	
I. Establishment of ethical corporate management policy and proposal				
(I) Has the company established an ethical management policy approved by the Board of Directors, and clearly stated this policy and its practices in regulations and external documents, along with the commitment of the Board and senior management to actively implement these policies?	✓		(I) The Company has established the ethical corporate management policy, and upholds the principle of ethical corporate management, and abides by the Company Act, Securities and Exchange Act, Business Entity Accounting Act, TWSE/TPEx-listed company regulations or other commercial activities related laws and regulations. Through the corporate governance, risk control mechanism and comprehensive internal management measures, the Company prevents unethical conducts from occurring, in order to create a good sustainable business environment.	The company has established the "Management Measures for Ethical Management", "Operational Procedures and Behavior Guidelines for Ethical Management", and "Code of Ethical Conduct", and has implemented these regulations.
(II) Does the company have a mechanism for assessing the risk of unethical behavior, regularly analyze and evaluate business activities within its scope of operations that have a higher risk of unethical behavior, and based on this, develop a plan to prevent unethical behavior, covering at least the preventive measures for behaviors specified in Section 7, Subsection 2 of the "Ethical Management Guidelines for Listed Companies"?	✓		(II) The Company has established the "Procedures for Ethical Management and Guidelines for Conduct" and the "Code of Ethical Conduct" to provide new recruits with introduction training and promotion to improve the behavioral and ethical standards of employees. For the sake of promoting and communicating ethical behavior, the Company holds reading and sharing sessions periodically for the core competencies specified in the Career Development Handbook and examples of related acts. They help reinforce ideas about integrity and self-discipline. Applicable rewards and penalties and complaints are available in the "Operating Procedure for and Behavioral Guide to Ethical Corporate Management Best Practice" and the "Ethical Code of Conduct", too.	
(III) Does the company clearly define operational procedures, behavior guidelines, disciplinary actions for violations, and a grievance system within its unethical behavior prevention plan, ensure its implementation, and regularly review and revise the plan?	✓		(III) The Company's contract signing department has a legal affairs unit to review the contracts to prevent any illegal content.	

Evaluation item	Operational status (Note 1)			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Brief Description	
II. Implementation of ethical corporate management				
(I) Does the Company evaluate the integrity of its trading counterparties and expressly provide the ethical management clauses in the contracts it signs with its trading counterparties?	✓		(I) The Company's business activities are reviewed and evaluated by the sales department, while the suppliers are evaluated by the purchasing department and the quality assurance department. The legal department reviews the terms of the signed contracts to avoid transactions with suppliers that have a history of unethical behavior. In addition, the Company specifies in its Code of Conduct and applicable employee disciplinary personnel regulations that it is prohibited for employees to provide, accept, or demand gifts of value while performing duties at work and that suppliers may not spontaneously provide gifts or bribes. Any violation is subject to immediate discontinuation of business to ensure the most reasonable quotations and best quality and soundest services.	Requirements of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies are fulfilled.
(II) Does the Company have a dedicated (or part-time) unit under the Board of Directors to promote ethical corporate management, and does it regularly (at least once a year) report to the Board of Directors on its ethical corporate management policy and plan to prevent unethical behavior and the status of supervision of its implementation?	✓		(II) The Company has always operated in good faith, established a good governance system for the Board of Directors, strengthened the supervisory function and strengthened the management function. The Company has formulated the Regulations Governing Procedure for Board of Directors Meetings in accordance with the regulations for compliance. The Company has not set up an exclusive unit to take charge of promoting ethical corporate management now. Related departments are to take their responsibilities by enforcing and promoting ethical corporate management policies during operation.	
(III) Does the Company have a policy to prevent conflicts of interest, provide appropriate communication channels, and implement such policies?	✓		(III) The Company's relevant internal management measures are published on the Company's internal platform, and employees are notified of the amendments.	

Evaluation item	Operational status (Note 1)			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Brief Description	
(IV) In order to implement ethical management, has the Company established an effective accounting system and internal control system, and has the internal audit unit formulate relevant audit plans based on the assessment results of the risk of unethical conduct, and conduct audits on the compliance with the prevention of unethical conduct plans, or entrust a CPA to perform audits?	✓		<p>In addition, the recusal system in case of conflicting interests for directors is defined in the Company's Rules of Procedure for the Board of Directors' Meetings. In cases of conflicting interests for the director or the corporation represented by the director in any matters discussed in the Board of Directors' meeting that is likely to harm the interests of the Company, the proposer may state opinions and answer questions but may not take part in the discussions or cast a vote and shall be excused during discussion and voting and the director may not exercise voting rights on behalf of any other director.</p> <p>The Company has prepared the "Anti-Insider Trading Regulations" and the "Important Message Announcement Regulations" where it is specified that directors, supervisors, managers, and employees may not disclose significant internal information that they became aware of to someone else, may not inquire about or collect significant internal information yet to be released by the Company from someone who is familiar with such information, or disclose significant internal information yet to be released by the Company.</p>	
(V) Does the Company organize internal and external education and training on ethical management on a regular basis?	✓		<p>(IV) The Company has established an effective accounting system and internal control system, and formulated relevant operating guidelines, and reviews and revises it at any time in accordance with legal regulations or actual operating needs.</p> <p>The Company's managers, respective internal units, and subsidiaries and audit unit shall at least check the internal control system on their own once a year and prepare a report. Self-inspections of the internal control systems are precisely performed.</p>	

Evaluation item	Operational status (Note 1)			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Brief Description	
			<p>The audit unit strictly follows the Annual Audit Plan approved by the Board of Directors while performing inspections. The Audit Officer submits the report in the next month following completion of the audit (or follow-up) for review by the supervisors and is seated in the Board of Directors meeting to give a presentation on the audit performed.</p> <p>(V) The Company organizes regular internal and external education and training on ethical management every year. On November 29, 2024, the Company organized a course to promote legal awareness among managers regarding "Prevention of Insider Trading" and "Ethical Corporate Management". The course covered the contents of ethical principles, confidentiality of material information, the cause of insider trading, the scope of material information, and the illegal effects. There were 17 participants in total for a total of 17 hours.</p>	
<p>III. Operation of the Company's whistleblower system</p> <p>(I) Does the Company have a specific whistleblowing and reward system stipulated, a convenient whistleblowing channel established, and a dedicated staff assigned to deal with the whistleblowing?</p> <p>(II) Does the Company have standard operating procedures in place to investigate reports, follow-up measures to be taken after the investigation is completed, and related confidentiality mechanisms?</p> <p>(III) Does the Company take measures to protect the whistleblowers from improper treatment due to their whistleblowing?</p>	✓	✓	<p>(I) The Company has established a specific whistleblowing and reward system, and established a convenient whistleblowing channel, and set up a mailbox on the Company's website, which is handled by dedicated personnel:  <a href="http://www.cubelec.com.tw">http://www.cubelec.com.tw</a> .</p> <p>(II) The Company has established a variety of channels for reporting and complaints, such as email, employee suggestion box, labor-management meetings and related regulations, and has standard operating procedures and related confidentiality mechanisms.</p> <p>(III) The Company has clearly stipulated in its relevant management measures that any violation will be</p>	Requirements of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies are fulfilled.

Evaluation item	Operational status (Note 1)			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Brief Description	
			subject to disciplinary actions and has taken related protective measures.	
IV. Enhance information disclosure (I) Does the Company disclose its ethical corporate management best practice principles and the effectiveness of its promotion on its website and the MOPS?	✓		(I) The Company releases information concerning the Company and other significant information on the Market Observation Post System as required by applicable laws and regulations and related information is disclosed on the corporate website, too: <a href="http://www.cubelec.com.tw">http://www.cubelec.com.tw</a> . (II) The Company will proactively prepare and discuss the disclosure of information on ethical corporate management.	The Company has the "Ethical Corporate Management Best Practice Principles" in place and the regulatory requirements are being fulfilled.
V. If the Company has established its own ethical corporate management best practice principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", please describe the current practices and any deviations from the best practice principles: The operation of the Company shows no deviation from the defined principles.				
VI. Other important information that helps to understand the Company's ethical corporate management practices: The Company reflects upon and amends the Principles timely according to current laws and regulations.				

Note 1: "Yes" or "No", clarifications shall be provided in the field for "brief description" of operations.

(VII) Other important information that can enhance understanding of the company's governance operations may also be disclosed:

1. Whether the Company has established the employee code of conduct or ethics: The Company has established the "Work Rules - Personnel Management Regulations" to regulate the behavior of employees during their service with the Company.
2. Whether the Company has established internal procedures for handling material information: The Company has established the "Regulations Governing the Announcement of Material Information and Prevention of Insider Trading" to ensure the consistency and accuracy of the information announced to the public and to strengthen the prevention of insider trading.
3. Other relevant information is disclosed on the MOPS: <http://mops.twse.com.tw>.

(VIII) Implementation of Internal Control System

1. Internal Control System Declaration

  
CUB ELECPARTS INC.  
Internal Control System Declaration  
March 7, 2025

The Company states the following for its 2024 internal control system based on the results of self-evaluation:

- I. The Company is aware that the establishment, implementation and maintenance of the internal control system are the responsibility of the Board of Directors and managers. The Company has established such a system. It is meant to reasonably ensure fulfillment of the operational efficacy and efficiency (including profits, performance, and protection of asset security), reporting reliability, timeliness, transparency, and compliance with applicable regulations, laws, and regulatory requirements, among other goals.
- II. The internal control system has inherent limitations. No matter how robust the design is, an effective internal control system can only provide reasonable assurance for the three goals mentioned above. In addition, changes in the environment and circumstances may alter the effectiveness of the internal control system. However, the Company has a self-monitoring mechanism under its internal control system. Once deficiencies are identified, the Company will take corrective actions.
- III. The Company determines the effectiveness of its internal control system design and execution based on the internal control system effectiveness judgment items stipulated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The items adopted in the Governing Regulations for determining the internal control system are the five constitutional elements of the internal control system divided according to the management and control process: 1. control environment, 2. risk assessment, 3. control process, 4. information and communication, and 5. supervision. Each element further encompasses several items. For the above-mentioned items, refer to the requirements in the "Governing Regulations".
- IV. The Company has adopted the above internal control system judgment items to evaluate the effectiveness of design and execution of the internal control system.
- V. Based on the evaluation results in the preceding paragraph, the Company believes that its internal control system (including supervision and management of subsidiaries) as of December 31, 2024, including the understanding of the effectiveness of operations and the degree to which efficiency targets are achieved, reliable, timely, and transparent reporting, and compliance with relevant standards and laws and regulations, is effective in its design and implementation, and can reasonably ensure the achievement of the above-mentioned objectives.
- VI. This statement will become an integral part of the annual report and prospectus, and will be disclosed to the public. In case of falsification or concealment, among other illegal

conditions, with the above-mentioned released contents, liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Act will be sought.

VII. This statement was approved by the Board of Directors on March 7, 2025. Of the 8 directors present, 0 had objections, and the rest agreed with the contents of this statement and hereby declare.

CUB ELECPARTS INC

Chairman and General Manager: Yu Shan-Chuan  
Signature



2. If the Company has commissioned a CPA to audit the internal control system, the CPA's audit report shall be disclosed: None

(IX) Important decisions reached in shareholders' meetings and made by the Board of Directors over the past year up to the date when the Annual Report was printed

1. Important resolutions reached in the shareholders' meeting

April 30, 2025

Date	Important matters for a decision	Implementation status
	● Ratifications and discussions	
May 21, 2024 2024 General Shareholders' Meeting	(1) Propose to ratify the 2023 final accounts	Related statements and reports have been filed for reference and announced and declared with the competent authority as required by applicable laws and regulations such as the Company Act.
	(2) Propose to ratify the 2023 earnings distribution plan.	The cash dividend distributed on July 4, 2024 was NT\$140,917,608/NT\$1 per share, and the cash dividend from capital reserve was NT\$281,835,216/NT\$2 per share.

2. Important decisions of the Board of Directors

Date	Important matters for a decision	Implementation status
March 04, 2024	<ul style="list-style-type: none"> <li>● Ratifications and discussions           <ol style="list-style-type: none"> <li>1. 2023 financial statements and consolidated financial statements. Please review.</li> <li>2. 2023 Annual Business Report. Please discuss.</li> <li>3. Please kindly discuss the proposal for the distribution of earnings in 2023.</li> <li>4. issuance of new shares for cash capital increase. Please discuss.</li> <li>5. Proposal for the distribution of remuneration to employees and directors for 2023. Please discuss.</li> <li>6. Propose to issue the 2023 Statement of Internal Control. Please discuss.</li> <li>7. The proposal to by-elect one Independent Director</li> <li>8. Discussion of the nomination process for independent director candidates, brought forth for discussion.</li> <li>9. Nomination of independent directors and review of qualifications of independent director candidates. Please discuss.</li> <li>10. Lifting of business strife limitations for new directors, brought forth for discussion.</li> <li>11. Please kindly discuss the proposal for the 2024 shareholders' meeting.</li> <li>12. Proposal of the 2024 shareholders' meeting to accept proposals from shareholders holding more than 1% of the shares. Please discuss.</li> <li>13. Proposal to increase the amount of new endorsement/guarantee limit for the subsidiary, 3S System Technology Inc., by NT\$1,660,000 thousand and cancel the original endorsement/guarantee limit of NT\$710,000 thousand. Please discuss.</li> <li>14. Proposal to increase the amount of new endorsement/guarantee limit for subsidiary HARBINGER TECHNOLOGY CORPORATION by NT\$800,000 thousand and cancel the original endorsement/guarantee limit of NT\$700,000 thousand. Please discuss.</li> <li>15. Proposal to purchase a set of production equipment for the Shunt</li> </ol> </li> </ul>	The decisions made during the current Board of Directors meeting did not differ from what were actually enforced.

	<p>Sensor. Please resolve.</p> <p>16. Amendments to the Company's "Audit Committee Charter". Please discuss.</p> <p>17. The Company's accounts receivable that exceeded the normal credit period of more than a certain period of time by the end of February 2024 which are not capital loans. Please discuss.</p> <p>18. Proposal to change the general manager of the subsidiary Shanghai Cub Automotive Parts. Please resolve.</p> <p>19. The Company's subsidiary, 3S System Technology Inc. (hereinafter referred to as "3S System"), is planning for listing on TWSE/TPEX. In order to comply with the relevant laws and regulations, the Company cooperates with the relevant equity diversification planning of 3S System to release part of its shareholding. Please discuss.</p> <p>20. KPMG Taiwan provides non-audit services and legal services to the Company. They intend to formulate general principles for the Company's pre-approval policy for non-assurance services. Please discuss.</p> <p>21. Intended extensions of contracts on lines of credit with banks, brought forth for discussion.</p>	
April 3, 2024	<ul style="list-style-type: none"> <li>• Ratifications and discussions <ul style="list-style-type: none"> <li>1. Proposal of capital increase in cash by issuing new shares. Please discuss.</li> <li>2. Propose for the establishment of the "Regulations Governing the Employee Stock Subscription Method for the 2024 Cash Capital Increase". Please discuss.</li> <li>3. In order to cooperate with the Company's subsidiary, 3S System Technology Inc., in applying for the diversification plan of public offering, the Company intends to proceed with the share release of 3S System Technology Inc. held by the Company. Please discuss.</li> <li>4. Please kindly discuss the proposal for the 2024 shareholders' meeting.</li> <li>5. Intended extensions of contracts on lines of credit with banks, brought forth for discussion.</li> </ul> </li> </ul>	The decisions made during the current Board of Directors meeting did not differ from what were actually enforced.
May 13, 2024	<ul style="list-style-type: none"> <li>• Ratifications and discussions <ul style="list-style-type: none"> <li>1. Propose to review the Company's consolidated financial statements for the first quarter of 2024. Please review.</li> <li>2. Intended additions for the line of credit from banks, brought forth for discussion.</li> <li>3. Intended extensions of contracts on lines of credit with banks, brought forth for discussion.</li> </ul> </li> </ul>	The decisions made during the current Board of Directors meeting did not differ from what were actually enforced.
August 12, 2024	<ul style="list-style-type: none"> <li>• Ratifications and discussions <ul style="list-style-type: none"> <li>1. Propose to review the Company's consolidated financial statements for the second quarter of 2024. Please review.</li> <li>2. Propose to develop the new construction of employee dormitory in the neighborhood. Please discuss.</li> <li>3. Proposal for new appointment of members of the Company's Remuneration Committee. Please resolve.</li> </ul> </li> </ul>	The decisions made during the current Board of Directors meeting did not differ from what were actually enforced.
November 11, 2024	<ul style="list-style-type: none"> <li>• Ratifications and discussions <ul style="list-style-type: none"> <li>1. Propose to review the Company's consolidated financial statements for</li> </ul> </li> </ul>	The decisions made during

	<p>the third quarter of 2024.</p> <ol style="list-style-type: none"> <li>2. Proposal to increase the amount of new endorsement/guarantee limit for subsidiary ITM Engine Components, Inc. by US\$1,500 thousand and cancel the original endorsement/guarantee limit of US\$1,500 thousand. Please discuss.</li> <li>3. The Company's appointment of CUBTEK INC. as the legal representative director. Please discuss.</li> <li>4. Amendments to the Company's "Audit Committee Charter". Please discuss.</li> <li>5. Amendments to the "Corporate Governance Best Practice Principles" of the Company. Please discuss.</li> <li>6. Amendments to the Company's "Regulations Governing Procedure for Board of Directors Meetings". Please discuss.</li> </ol>	the current Board of Directors meeting did not differ from what were actually enforced.
December 24, 2024	<ul style="list-style-type: none"> <li>● Ratifications and discussions <ol style="list-style-type: none"> <li>1. Propose to submit the Company's "2025 Business Plan and Financial Budgets" for discussion.</li> <li>2. 2025 Audit Plan. Please discuss.</li> <li>3. Intended participation in the capital increase in cash of the subsidiary CUBTEK INC, brought forth for discussion.</li> <li>4. The proposal for the remuneration to directors and managers for 2025. Please resolve.</li> <li>5. The 2025 work schedule of the Remuneration Committee of the Company. Please resolve.</li> <li>6. Proposal for the Company's newly purchased of the fourth generation automatic line of tire pressure monitor. Please discuss.</li> <li>7. Propose to add the Company's "Sustainable Information Management Regulations" and "Sustainable Reporting and Certification Procedures. Please discuss.</li> <li>8. Proposal to change the name of the Company's "Corporate Social Responsibility Best Practice Principles" to "Sustainable Development Best Practice Principles" and amend related contents. Please discuss.</li> <li>9. Amendments to the Company's "Internal Control System" and "Procedures for Internal Audit". Please discuss.</li> <li>10. Intended extensions of contracts on lines of credit with banks, brought forth for discussion.</li> </ol> </li> </ul>	The decisions made during the current Board of Directors meeting did not differ from what were actually enforced.
March 7, 2025	<ul style="list-style-type: none"> <li>● Ratifications and discussions <ol style="list-style-type: none"> <li>1. 2024 financial statements and consolidated financial statements. Please review.</li> <li>2. 2024 Business Report. Please discuss</li> <li>3. Please kindly discuss the proposal for the distribution of earnings in 2024.</li> <li>4. Change of CPA case, brought forth for discussion.</li> <li>5. Review of the Company's 2024 remuneration plan for directors, supervisors and employees. Please resolve.</li> <li>6. Proposal to issue the 2024 Statement of Internal Control. Please discuss.</li> <li>7. Amendments to the "Articles of Incorporation". Please discuss.</li> <li>8. Description of the resignation of the CFO of the Company. Please report.</li> <li>9. Proposal to change the Company's financial director. Please discuss.</li> <li>10. The Company's newly appointed Chief Marketing Officer. Please discuss.</li> <li>11. Full re-election of directors and independent directors, brought forth for discussion.</li> <li>12. Related procedures for nominating director and independent director</li> </ol> </li> </ul>	The decisions made during the current Board of Directors meeting did not differ from what were actually enforced.

	<p>candidates, brought forth for discussion.</p> <p>13. Nomination of director, independent director and review of qualifications of independent director candidates. Please discuss.</p> <p>14. Lifting of business strife limitations for new directors, brought forth for discussion.</p> <p>15. Please kindly discuss the proposal for the 2025 shareholders' meeting.</p> <p>16. Proposal of the 2025 shareholders' meeting to accept proposals from shareholders holding more than 1% of the shares. Please discuss.</p> <p>17. Proposal to increase the amount of new endorsement/guarantee limit for the subsidiary, 3S System Technology Inc., to NT\$1,660,000 thousand and cancel the original endorsement/guarantee limit of NT\$1,660,000 thousand. Please discuss.</p> <p>18. Proposal to increase the amount of new endorsement/guarantee limit for the subsidiary, HARBINGER TECHNOLOGY CORPORATION, to NT\$1,000,000 thousand and cancel the endorsement/guarantee limit of NT\$800,000 thousand. Please discuss.</p> <p>19. Intended additions for the line of credit from banks, brought forth for discussion.</p> <p>20. Intended extensions of contracts on lines of credit with banks, brought forth for discussion.</p>	
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(X) Recent years and up to the date of publication of the annual report, directors or supervisors who disagreed with important resolutions passed by the Board of Directors and whose dissent was recorded or stated in writing: None.

### III. Information on CPA professional fees

Name of Accounting Firm	Name of CPA		Duration of audit	Remarks
KPMG	Chen Cheng- Xue	Yan-Hui Chen	January 1, 2024 - December 31, 2024	

Currency: NTD thousand

Value bracket	Public expenditure	Audit public expenditure	Non-audit public expenditure	Total
1	Below \$2,000,000.00		^	^
2	\$2,000,000.00 (inclusive) ~ \$4,000,000.00	^		^
3	\$4,000,000.00 (inclusive) ~ \$6,000,000.00			
4	\$6,000,000.00 (inclusive) ~ \$8,000,000.00			
5	\$2,000,000.00 (inclusive) ~			

	\$4,000,000.00			
6	Above \$10,000,000.00 (inclusive)			

Information on Public Expenditure on CPAs

Name of Accounting Firm	Name of CPA	Audit public expenditure	Non-audit public expenditure					Duration of audit	Remarks
			System design	Business registration	Human resources	Others (Note 1)	Subtotal		
KPMG	Chen Cheng-Xue	2,960	0	16	0	125	141	January 1, 2024 - December 31, 2024	Note 1
	Yan-Hui Chen								

The public expenditure on CPAs shall be disclosed under one of the following circumstances:

- (I) If the non-audit fees paid to the CPA, the CPA firm and its affiliates amount to more than one-fourth of the audit fees, the amount of audit and non-audit fees and the contents of non-audit services shall be disclosed: Content of non-audit services and amount of expenses: No
- (II) When the accounting firm is changed and the audit fee in the year of replacement is reduced compared to that in the preceding year, the amount, ratio, and cause of the reduction in audit fee shall be disclosed: None.
- (III) If the audit fee is reduced by more than 15% compared to the previous year, the amount of reduction, percentage and reason of the reduction in audit fee shall be disclosed: None.

V. The Company reported to the Board of Directors on March 7, 2025 and regularly evaluates the independence of the CPAs every year. KPMG Taiwan issued an independence statement. The independence standards include: the personal independence of all members (financial interests, financing guarantees, employment relationships, etc.), business relationships with clients, the CPA rotation system, and non-audit service policies and procedures. The evaluation results are all in line with independence.

V. Disclosure of the name, position, and duration of service at the firms or their affiliates that the Company's Chair, President, or managers in charge of financial or accounting affairs over the past year, if any: None.

VI. Changes in the transfer and pledge of equity among directors, supervisors, managers, and shareholders with a holding ratio exceeding 10% in the past year and up to the date the Annual Report was printed:

(I) Changes in equity of directors, supervisors, managers, and major shareholders

Unit: Share

Position	Name	Year 2023		2024		As of March 29, 2025	
		Increase/Decrease in the number of shares held	Increase/Decrease in the number of shares pledged	Increase/Decrease in the number of shares held	Increase/Decrease in the number of shares pledged	Increase/Decrease in the number of shares held	Increase/Decrease in the number of shares pledged
Major Shareholders	Jun Chang Investment Co, Ltd	138,580	—	(134,000)	(5,050,000)	(50,000)	—
Director and Major Shareholder	Jun Rui Investment Co, Ltd	80,967	—	(161,000)	5,000,000	(108,000)	—
Chairman	Yu San-Chuan	452,252	—	(131,000)	(5,750,000)	(15,000)	—
Director	Hsieh Hsiu-Chi	—	—	—	—	—	—
Director	Chang Tzu-Hsiung	—	—	—	—	—	—
Independent director	Chou Ying-Hung	—	—	—	—	—	—
Independent director	Chang Kung-Pi	—	—	—	—	—	—
Independent director	Chang Chuan-Li	1,499	—	—	—	—	—
Independent director	Zhan, Zheng-En	—	—	—	—	—	—
Vice President	Hung Yuan-Tung	—	—	164	—	—	—
Vice President	Lin Kun-Sheng	—	—	—	—	—	—
Senior Vice President	Ching-Wen Hsu	—	—	—	—	—	—
Chief Technology Officer	Chou De-Xin	—	—	—	—	—	—
Chief Marketing Officer	Wu Po-Cheng	—	—	—	—	—	—
Head of Accounting	Liu Wan-Hua	—	—	—	—	—	—
Spokesperson	Chi, Ya-Ling	—	—	—	—	—	—

(II) Information on transfer of equity: The counterparties of equity transfer are not related

persons, so it is not applicable.

(III) Information on pledge of equity: None.

VII. Information of relationship among Top 10 shareholders who are related, spouses, or relatives within the second degree of kinship:

Unit: Shares; March 29, 2025

NAME	SHARES HELD BY THE SHAREHOLDER		SHARES CURRENTLY HELD BY THE SPOUSE AND MINOR CHILD(REN)		TOTAL SHARES HELD IN SOMEONE ELSE'S NAME	THE TITLE OR NAME AND RELATIONSHIP AMONG SHAREHOLDERS IN THE TOP SHAREHOLDING LIST WHO ARE RELATED, SPOUSE TO EACH OTHER, OR RELATIVES WITHIN THE SECOND DEGREE OF KINSHIP		REMARKS
	Share(s)	SHAREHOLDING PERCENTAGE	SHARE(S)	SHAREHOLDING PERCENTAGE		SHARE(S)	SHAREHOLDING PERCENTAGE	
Jun Chang Investment Co, Ltd Representative: Yu San-Chuan	15,681,089	11.13	Not applicable.	Not applicable.	-	-	Yu San-Chuan Huang Shu-Yuan Yu Ya-Chin Yu Yu-Shih Yu Yu-Tao	Chair of the company Director of the Company Relative of the Chair within the first degree of kinship Relative of the Chair within the first degree of kinship Relative of the Chair within the first degree of kinship
	9,166,575	6.50%	7,587,862	5.38%	-	-	Huang Shu-Yuan Yu Ya-Chin Yu Yu-Shih Yu Yu-Tao	Spouse Relative within the first degree of kinship Relative within the first degree of kinship Relative within the first degree of kinship

NAME	SHARES HELD BY THE SHAREHOLDER		SHARES CURRENTLY HELD BY THE SPOUSE AND MINOR CHILD(REN)		TOTAL SHARES HELD IN SOMEONE ELSE'S NAME	THE TITLE OR NAME AND RELATIONSHIP AMONG SHAREHOLDERS IN THE TOP SHAREHOLDING LIST WHO ARE RELATED, SPOUSE TO EACH OTHER, OR RELATIVES WITHIN THE SECOND DEGREE OF KINSHIP		REMARKS
	Share(s)	SHAREHOLDING PERCENTAGE	SHARE(S)	SHAREHOLDING PERCENTAGE		SHARE(S)	SHAREHOLDING PERCENTAGE	
								kinship
Jun Rui Investment Co, Ltd Representative: Huang Shu Yuan	14,700,668	10.62%	Not applicable.	Not applicable.	-	Huang Shu-Yuan Yu San-Chuan Yu Yu-Shih Yu Yu-Tao Yu Ya-Chin	Chair of the company Chair of the Company Relative of the Chair within the first degree of kinship Relative of the Chair within the first degree of kinship Relative of the Chair within the first degree of kinship	-
	7,587,862	5.38%	9,166,575	6.50%	-	Yu San-Chuan Yu Yu-Shih Yu Yu-Tao Yu Ya-Chin	Spouse Relative within the first degree of kinship Relative within the first degree of kinship Relative within the first degree of kinship	-
Yu Yu-Tao	8,979,883	6.37%	-	-	-	Yu San-Chuan Huang Shu-Yuan Yu Ya-Chin Yu Yu-Shih	Relative within the first degree of kinship Relative within the first degree of kinship	-

NAME	SHARES HELD BY THE SHAREHOLDER		SHARES CURRENTLY HELD BY THE SPOUSE AND MINOR CHILD(REN)		TOTAL SHARES HELD IN SOMEONE ELSE'S NAME	THE TITLE OR NAME AND RELATIONSHIP AMONG SHAREHOLDERS IN THE TOP SHAREHOLDING LIST WHO ARE RELATED, SPOUSE TO EACH OTHER, OR RELATIVES WITHIN THE SECOND DEGREE OF KINSHIP		REMARKS
	Share(s)	SHAREHOLDING PERCENTAGE	SHARE(S)	SHAREHOLDING PERCENTAGE		SHARE(S)	SHAREHOLDING PERCENTAGE	
Yu Yu-Shih	10,391,653	7.37%	-	-	-	Yu San-Chuan Huang Shu-Yuan Yu Ya-Chin Yu Yu-Tao	degree of kinship Relative within the second degree of kinship Relative within the second degree of kinship	
Yu San-Chuan	9,166,575	6.50%	7,587,862	5.38%	-	Huang Shu-Yuan Yu Ya-Chin Yu Yu-Shih Yu Yu-Tao	Relative within the first degree of kinship Relative within the first degree of kinship Relative within the first degree of kinship Relative within the first degree of kinship	-

NAME	SHARES HELD BY THE SHAREHOLDER		SHARES CURRENTLY HELD BY THE SPOUSE AND MINOR CHILD(REN)		TOTAL SHARES HELD IN SOMEONE ELSE'S NAME	THE TITLE OR NAME AND RELATIONSHIP AMONG SHAREHOLDERS IN THE TOP SHAREHOLDING LIST WHO ARE RELATED, SPOUSE TO EACH OTHER, OR RELATIVES WITHIN THE SECOND DEGREE OF KINSHIP		REMARKS
	Share(s)	SHAREHOLDING PERCENTAGE	SHARE(S)	SHAREHOLDING PERCENTAGE		SHARE(S)	SHAREHOLDING PERCENTAGE	
								within the first degree of kinship
Huang Shu-Yuan	7,587,862	5.38%	9,166,575	6.50%	-	-	Yu San-Chuan Yu Yu-Shih Yu Yu-Tao Yu Ya-Chin	Spouse Relative within the first degree of kinship Relative within the first degree of kinship Relative within the first degree of kinship
Yu Ya-Chin	2,812,065	2.00%	-	-	-	-	Yu San-Chuan Huang Shu-Yuan Yu Yu-Shih Yu Yu-Tao	Relative within the first degree of kinship Relative within the first degree of kinship Relative within the second degree of kinship Relative within the second degree of kinship
Huang Yung-Feng	1,862,780	1.32%	-	-	-	-	No	No
Kai Wei Investment Co, Ltd	1,419,674	1.01%	-	-	-	-	No	-

NAME	SHARES HELD BY THE SHAREHOLDER		SHARES CURRENTLY HELD BY THE SPOUSE AND MINOR CHILD(REN)		TOTAL SHARES HELD IN SOMEONE ELSE'S NAME	THE TITLE OR NAME AND RELATIONSHIP AMONG SHAREHOLDERS IN THE TOP SHAREHOLDING LIST WHO ARE RELATED, SPOUSE TO EACH OTHER, OR RELATIVES WITHIN THE SECOND DEGREE OF KINSHIP		REMARKS
	Share(s)	SHAREHOLDING PERCENTAGE	SHARE(S)	SHAREHOLDING PERCENTAGE		SHARE(S)	SHAREHOLDING PERCENTAGE	
Broad Universal Investment Limited	1,407,606	1.00%	-	-	-	-	No	No

Note 1: All Top 10 shareholders shall be listed. When a director is a corporation, the name of the corporate shareholder and its representative shall be listed, separately.

Note 2: The shareholding ratio calculated includes the shares held in one's own name, by the spouse or underage child, or in someone else's name.

Note 3: Shareholders listed in the foregoing include corporations and natural persons. Their relations with one another shall be disclosed as required by the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

VIII. Number of shares held by the Company, the Company's directors, supervisors, managers, and directly or indirectly controlled businesses and the consolidated general holding ratio

(I) Combined shareholding ratio

Unit: Thousand shares

Re-invested business (Note)	Investment made by the Company		Investment by the directors, supervisor, manager, and directly or indirectly controlled business		Comprehensive investment	
	Share(s)	Shareholding ratio	Share(s)	Shareholding ratio	Share(s)	Shareholding ratio
Silver Cub Inc.	7,110	100%	-	-	7,110	100%
Royal Cub Inc.	1,919	70%	-	-	1,919	70%
ITM AUTOPARTS INTERNATIONAL INC	1,050	70%	-	-	1,050	70%
Harbinger Technology Corporation	44,534	76.79%	-	-	44,534	76.79%
CUBTEK INC	54,593	51.20%	69	0.07%	54,593	51.27%
3S System Technology Inc	36,767	60.46%	-	-	36,767	60.46%

Note: It is the long-term investment of the Company using the equity method

## Three. Fund-raising

### I. Capital and Shares

#### (I) Source of Capital Stock

##### 1. The formation of share capital

Unit: thousand shares; NTD: in thousands

MM/YY YY	Issue price	Approved capital stock		Paid-in capital stock		Remarks		
		Share(s)	Amount	Share(s)	Amount	Source of capital stock	Using properties other than cash to write off stock value	Others
78.01	10,000	3	30,000	3	30,000	Capital stock created	No	Note 1
81.01	10,000	1.2	12,000	1.2	12,000	Capital decrease by NTD 18,000,000	No	Note 2
82.12	10,000	1.5	15,000	1.5	15,000	Capital increase by NTD 3,000,000	No	Note 3
93.10	10,000	2.175	21,750	2.175	21,750	Capital increase in cash by NTD 6,750,000	No	Note 4
93.12	10,000	3.1	31,000	3.1	31,000	Capital increase in cash by NTD 9,250,000	No	Note 5
94.07	10	20,000	200,000	20,000	200,000	Capital reserve converted to capital increase of NTD 144,000,000. Earnings transferred capital increase by NTD 25,000,000	No	Note 6
95.09	10	50,000	500,000	30,136	301,360	Earnings transferred capital increase by NTD 100,000,000 Employee bonus transferred capital increase by NTD 1,360,000	No	Note 7
96.06	10	50,000	500,000	42,860	428,599	Earnings transferred capital increase by NTD 120,544,000 Employee bonus transferred capital increase by NTD 6,695,000	No	Note 8
96.10	10	70,000	700,000	42,860	428,599	Increased rated capital stock to NTD 700,000,000	No	Note 9
97.10	10	70,000	700,000	45,145	451,447	Earnings transferred capital increase by NTD 12,858,000 Employee bonus transferred capital increase by NTD 9,990,000	No	Note 10
98.04	10	70,000	700,000	49,045	490,447	Capital increase in cash by NTD 39,000,000	No	Note 11
99.08	10	120,000	1,200,000	60,000	600,000	Increased rated capital stock to \$1,200,000,000 Earnings transferred capital increase NTD 63,803,000 Capital reserve transferred capital increase by \$45,750,000	No	Note 12
101.05	10	120,000	1,200,000	60,347.5	603,475	Employee share subscription warrants-converted common stock shares worth NTD 3,475,000	No	Note 13
101.10	10	120,000	1,200,000	60,374	603,740	Employee share subscription	No	Note

MM/YY YY	Issue price	Approved capital stock		Paid-in capital stock		Remarks		
		Share(s)	Amount	Share(s)	Amount	Source of capital stock	Using properties other than cash to write off stock value	Others
						warrants-converted common stock shares worth \$265,000		14
101.12	10	120,000	1,200,000	60,534.75	605,347.5	Employee share subscription warrants-converted common stock shares worth \$1,607,500	No	Note 15
102.03	10	120,000	1,200,000	60,589	605,890	Employee share subscription warrants-converted common stock shares worth \$542,500	No	Note 16
102.12	10	120,000	1,200,000	60,964	609,640	Employee share subscription warrant-transferred capital increase by \$3,750,000	No	Note 17
103.03	10	120,000	1,200,000	61,356	613,558	Convertible corporate bond-transferred capital increase by \$3,918,000	No	Note 18
103.08	10	120,000	1,200,000	71,604.481	716,044.81	Earnings transferred capital increase by \$92,034,000 Convertible corporate bond-transferred capital increase by \$10,453,000	No	Note 19
103.12	10	120,000	1,200,000	71,753.779	717,537.79	Employee share subscription warrants-converted common stock shares worth \$157,500 Convertible corporate bond-transferred capital increase by \$1,335,480	No	Note 20
104.03	10	120,000	1,200,000	72,404.278	724,042.78	Convertible corporate bond-transferred capital increase by \$6,504,990	No	Note 21
104.08	10	120,000	1,200,000	72,470.439	724,704.39	Convertible corporate bond-transferred capital increase by \$662,000	No	Note 22
104.10	10	120,000	1,200,000	83,331.08	833,310.80	Employee bonus transferred capital increase by \$108,606,000	No	Note 23
104.11	10	120,000	1,200,000	83,346.78	833,467.80	Convertible corporate bond-transferred capital increase by \$157,000	No	Note 24
105.03	10	120,000	1,200,000	83,424.48	834,244.80	Convertible corporate bond-transferred capital increase by \$777,000	No	Note 25
105.05	10	120,000	1,200,000	83,643.10	836,431.05	Convertible corporate bond-transferred capital increase by \$2,186,000	No	Note 26
105.10	10	120,000	1,200,000	91,985.55	919,855.53	Earnings transferred capital increase by \$83,424,000	No	Note 27
106.10	10	120,000	1,200,000	101,184.11	1,011,841.08	Earnings transferred capital increase by \$91,985,000	No	Note 28

MM/YY YY	Issue price	Approved capital stock		Paid-in capital stock		Remarks		
		Share(s)	Amount	Share(s)	Amount	Source of capital stock	Using properties other than cash to write off stock value	Others
107.05	10	120,000	1,200,000	101,539.38	1,015,393.80	Convertible corporate bond-transferred capital increase by \$3,553,000	No	Note 29
107.07	10	120,000	1,200,000	114,738.92	1,147,389.19	Earnings transferred capital increase by \$131,539,000	No	Note 30
107.08	10	120,000	1,200,000	101,584.99	1,015,849.85	Convertible corporate bond-transferred capital increase by \$456,000	No	Note 31
107.11	10	120,000	1,200,000	114,940.66	1,149,406.62	Convertible corporate bond-transferred capital increase by \$2,018,000	No	Note 32
108.05	10	200,000	2,000,000	115,169.47	1,151,695	Convertible corporate bond-transferred capital increase by \$2,289,000	No	Note 33
108.07	10	200,000	2,000,000	117,062.77	1,170,628	Convertible corporate bond-transferred capital increase by \$18,933,000	No	Note 34
108.07	10	200,000	2,000,000	122,821.24	1,228,212	Earnings transferred capital increase by \$57,585,000	No	Note 35
109.08	10	200,000	2,000,000	121,916.66	1,219,166	Earnings transferred capital increase by \$24,564,000 and cancellation of treasury stock worth \$33,610,000	No	Note 36
111.11	10	200,000	2,000,000	134,108.33	1,341,083	Earnings transferred capital increase by NTD 121,916,000	No	Note 37
112.04	10	200,000	2,000,000	134,123.44	1,341,234	Swap of convertible bonds and employee stock options to common stock NTD 151,000	No	Note 38
112.09	10	200,000	2,000,000	134,211.44	1,342,114	Handling the conversion of employee stock warrants into ordinary shares amounting to NTD 880,000.	No	Note 39
112.10	10	200,000	2,000,000	140,917.61	1,409,176	Earnings transferred capital increase by NTD 67,061,000	No	Note 40

Notes:

1. Approved through the Jing-(1989)-Shang No. 001155 letter dated January 9, 1989 from the Ministry of Economic Affairs.
2. Approved through the Jing-San-Geng No. 147551 letter dated January 23, 1992 from the Ministry of Economic Affairs.
3. Approved through the Jing-San No. 494281 letter dated December 17, 1993 from the Ministry of Economic Affairs.
4. Approved through the Jing-Shou-Zhong No. 09332792600 letter dated October 5, 2004 from the Ministry of Economic Affairs.
5. Approved through the Jing-Shou-Zhong No. 09333159690 letter dated December 7, 2004.
6. Approved through the Jing-Shou-Zhong No. 09432445100 letter dated July 8, 2005 from the Ministry of Economic Affairs.

7. Approved through the Jing-Shou-Zhong No. 09532905630 letter dated September 28, 2006 from the Ministry of Economic Affairs.
8. Approved through the Jing-Shou-Zhong No. 09632304710 letter dated June 22, 2007, from the Ministry of Economic Affairs.
9. Approved through the Jing-Shou-Zhong No. 09632995380 letter dated October 31, 2007 from the Ministry of Economic Affairs.
10. Approved through the Jing-Shou-Zhong No. 09733268940 letter dated October 16, 2008 from the Ministry of Economic Affairs.
11. Approved through the Jing-Shou-Zhong No. 09832071100 letter dated April 13, 2009, from the Ministry of Economic Affairs.
12. Approved through the Jing-Shou-Shang No. 09901188500 letter dated August 18, 2010 from the Ministry of Economic Affairs.
13. Approved through the Jing-Shou-Zhong No. 10101094390 letter dated May 25, 2012 from the Ministry of Economic Affairs.
14. Approved through the Jing-Shou-Shang No. 10101215810 letter dated October 17, 2012 from the Ministry of Economic Affairs.
15. Approved through the Jing-Shou-Shang No. 10101265700 letter dated January 02, 2013 from the Ministry of Economic Affairs.
16. Approved through the Jing-Shou-Zhong No. 10201054080 letter dated March 27, 2013 from the Ministry of Economic Affairs.
17. Approved through the Jing-Shou-Shang No. 10201245210 letter dated December 03, 2013 from the Ministry of Economic Affairs.
18. Approved through the Jing-Shou-Shang No. 10301043620 letter dated March 13, 2014 from the Ministry of Economic Affairs.
19. Approved through the Jing-Shou-Shang No. 10301171050 letter dated August 11, 2014 from the Ministry of Economic Affairs.
20. Approved through the Jing-Shou-Shang No. 10301249080 letter dated December 11, 2014 from the Ministry of Economic Affairs.
21. Approved through the Jing-Shou-Shang No. 10401045500 letter dated March 18, 2015 from the Ministry of Economic Affairs.
22. Approved through the Jing-Shou-Shang No. 10401180940 letter dated August 25, 2015 from the Ministry of Economic Affairs.
23. Approved through the Jing-Shou-Shang No. 10401225360 letter dated October 27, 2015 from the Ministry of Economic Affairs.
24. Approved through the Jing-Shou-Shang No. 10401244900 letter dated November 20, 2015 from the Ministry of Economic Affairs.
25. Approved through the Jing-Shou-Shang No. 10501036830 letter dated March 02, 2016 from the Ministry of Economic Affairs.
26. Approved by the Ministry of Economic Affairs on May 27, 2016, under Jing-Shou-Shang No. 10501112490.
27. Approved by the Ministry of Economic Affairs on October 27, 2016, under Jing-Shou-Shang No. 10501252440.
28. Approved through the Jing-Shou-Shang No. 10601153430 letter dated November 08, 2017 from the Ministry of Economic Affairs.
29. Approved through the Jing-Shou-Shang No. 10701054300 letter dated May 24, 2018 from the Ministry of Economic Affairs.
30. Approved through the Jing-Shou-Shang No. 10701101870 letter dated August 22, 2018 from the Ministry of Economic Affairs.
31. Approved through the Jing-Shou-Shang No. 10701113810 letter dated October 04, 2018 from the Ministry of Economic Affairs.
32. Approved through the Jing-Shou-Shang No. 10701152990 letter dated December 06, 2018 from the Ministry of Economic Affairs.

33. Approved through the Jing-Shou-Shang No. 10801061560 letter dated May 27, 2019 from the Ministry of Economic Affairs.
34. Approved through the Jing-Shou-Shang No. 10801074000 letter dated July 02, 2019 from the Ministry of Economic Affairs.
35. Approved through the Jing-Shou-Shang No. 10801085820 letter dated July 18, 2019 from the Ministry of Economic Affairs.
36. Approved through the Jing-Shou-Shang No. 10901145240 letter dated August 21, 2020 from the Ministry of Economic Affairs.
37. Approved by the Ministry of Economic Affairs on November, 2022, under Jing-Shou-Shang No. 11101208860.
38. Approved by the Ministry of Economic Affairs on April 06, 2023, under Jing-Shou-Shang No. 11230052720.
39. Approved by the Ministry of Economic Affairs on November 13, 2023, under Jing-Shou-Shang No. 11230171150.
40. Approved by the Ministry of Economic Affairs on October 02, 2023, under Jing-Shou-Shang No. 11230186680.

## 2. Types of issued shares

Unit: Shares; March 29, 2025

Type of share	Approved capital stock			Remarks
	Outstanding shares (Note)	Shares yet to be issued	Total	
Registered common stock	140,917,608	59,082,392	200,000,000	-

## 3. Information on shelf registration: N/A.

### (II) List of major shareholders

Unit: Shares; March 29, 2025

Name of Major Shareholder	Share	Number of Shares Held	Holding ratio (%)
Jyun Chang Investment Co, Ltd		15,681,089	11.13%
Jyun Ruei Investment Co, Ltd		14,700,668	10.43%
Yu Yu-Shih		10,391,653	7.37%
Yu San-Chuan		9,166,575	6.50%
Yu Yu-Tao		8,979,883	6.37%
Huang Shu-Yuan		7,587,862	5.38%
Yu Ya-Chin		2,812,065	2.00%
Huang Yung-Feng		1,862,780	1.32%
Kai Wei Investment Co, Ltd		1,419,674	1.01%
Broad Universal Investment Limited		1,407,606	1.00%

### (III) Company's Dividend Policy and Implementation

#### 1. Dividend policy defined in the Company's Articles of Incorporation

The net profits of the Company as concluded by the annual accounting book close, shall be distributed in the following order:

- I. Pay income tax in accordance with the law.
- II. Make up for prior years' losses.
- III. Set aside 10% to be the legal reserve.
- IV. Appropriate or reverse the special reserve as required by law or as necessary for its operations.

The Board of Directors shall, after deducting the preceding items, prepare a bonus distribution proposal to shareholders based on the remaining balance together with the accumulated undistributed earnings of prior years and submit it to the shareholders' meeting for resolution. Bonuses to shareholders and employees may be paid in the form of stock dividends or cash dividends.

Not less than 2% and not more than 8% of the Company's profits before tax for the year, after making up for the accumulated losses, shall be appropriated as profit sharing remuneration to employees and not less than 1% and not more than 5% as profit sharing remuneration to directors/supervisors. The Company is required to distribute employees' profit-sharing remuneration when the Company makes profits, whether or not dividends are distributed to shareholders.

The aforementioned employee profit sharing remuneration may be paid in shares (treasury stock, new shares) or cash to employees of an affiliate who meet certain criteria such as job rank and performance, and may be approved by the Board of Directors (by special resolution) and reported to the shareholders' meeting.

The Company is at a growing stage and based on capital expenditure, business expansion needs and sound financial planning for sustainable development, the Company's dividend policy is to distribute earnings available for distribution to shareholders in the form of stock dividends and cash dividends based on the Company's future capital expenditure budget and capital requirements and set aside at least 50% to be the bonus for shareholders, with the cash dividend percentage not less than 50% of the total shareholders' bonus.

## 2. Proposed dividend distribution at this shareholders' meeting

The Company's 2024 earnings distribution proposal was approved by the Board of Directors on March 7, 2025, and was proposed to be ratified by the shareholders' meeting on May 27, 2025.

Unit: NTD \$

Item	Amount
Undistributed retained earnings at the beginning of the period	\$ 985,788,774
Add: net profit after tax for the year	474,882,321
Add: Prior period adjustment	7,165,021
Add: Remeasurement of defined benefit plans	1,143,154
Add: Reversal of special reserve due to decrease in other equities	38,377,037
	5,116,690
	51,645,084

Less: Equity net value difference arising from not subscribing new shares in proportion to shareholding	\$ 1,450,594,533
	281,835,216
Less: Provision of 10% of legal reserve	-
Earnings available for distribution	
Distributable items:	
Shareholders' bonuses - cash dividends (NT\$2 per share)	
Shareholders' bonuses - stock dividends (NTD 0 per share)	\$ 1,168,759,317
Undistributed earnings at end of term	

Note: Distributed up to NT\$1, with an amount less than NT\$1 rounded off.

Note: Priority will be given to the distribution of the 2024 earnings.

3. If the dividend policy is expected to change significantly, the reasons for such change shall be stated: The dividend policy of the Company has no significant change.

**(IV) Impacts of free share assignment intended through the current shareholders' meeting on the Company's operational performance and earnings per share**

The Company's 2024 earnings distribution was approved by the Board of Directors on March 7, 2025. The proposed cash dividend was NT\$281,835 thousand, and no stock dividend is proposed. Therefore, the impact on the Company's operating performance and earnings per share should be limited.

**(V) Remuneration to employees and directors:**

1. The percentage or range of remuneration to employees and directors as stated in the Articles of Incorporation:

Not less than 2% and not more than 8% of the Company's profits before tax for the year, after making up for the accumulated losses, shall be appropriated as profit sharing remuneration to employees and not less than 1% and not more than 5% as profit sharing remuneration to directors. The Company is required to distribute employees' profit-sharing remuneration when the Company makes profits, whether or not dividends are distributed to shareholders.

2. The basis for estimating the amount of employee and director remuneration, for calculating the number of shares to be distributed in the form of stock as employee remuneration, and for accounting treatment of any discrepancy between the actual distributed amount and the estimated amount:

The Company estimates the remuneration to employees and that to directors according to prior experience and possible amounts to be distributed in the future. In cases of changes in the actual distributed amounts and estimated amounts, on the other hand, adjustments will be made in the year of distribution for accounting purpose.

3. The Board of Directors' approved the distribution of remuneration:

(1) Amount of remuneration to employees, directors and supervisors distributed in cash or in shares. In cases of differences from the estimated amounts for the year when the fees are recognized, the differences, causes, and how they are addressed shall be disclosed.

On March 7, 2025, the Board of Directors of the Company approved the proposal for the distribution of remuneration to employees for NT\$11,945 thousand and remuneration to directors for NT\$5,973 thousand in 2024, to be paid in cash. The chairman is authorized to determine the date of distribution after the proposal is submitted to the shareholders' meeting. Differences between the amounts decided to be distributed as the remuneration to employees and that to directors and those book-kept shall be adjusted under gains and losses for the year of distribution.

(2) The amount of employee remuneration distributed in stock as a percentage of the sum of the net income after tax and total employee remuneration in the parent company only or individual financial statements for the current period: The Company's employee remuneration for 2024 was distributed in cash, so this is not applicable.

4. The actual distribution of employees, directors and supervisors remuneration in the previous year (including the number of shares allocated, the amount of shares and the price of shares), and any differences from the recognized remuneration to employees, directors, and supervisors, the amount, reason, and actions taken:

The Company's 2023 earnings distribution employee remuneration was NT\$11,162 thousand, and director remuneration was NT\$5,581 thousand. There is no difference from the recognized employee, director and supervisor remuneration in 2023.

(VI) Repurchase of the Company's shares by the Company:

(1) Repurchase of the Company's shares (completed)

No.	First of 2020
Date approved by the Board of Directors	03/24/2020
Purpose of the buyback	Assignment of shares to employees
Buyback period	03/25/2020~05/24/2020
Buyback price range	NT\$90 - NT\$140 per share
Type and quantity of shares already bought back	Common share 3,361,000 shares
Value of shares already bought back	NTD 431,160,000
Number of shares bought back/Number of shares expected to be bought back (%)	NTD 128.28
Number of shares already written off and assigned	3,361,000 shares -
Accumulated quantity of the Company's shares held	0 share
The ratio of the number of the Company's shares held to the	0%

total number of issued shares (%)	
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(2) Repurchase of the Company's shares (in progress):

No.	2nd meeting in 2025
Date approved by the Board of Directors	April 8, 2025
Purpose of the buyback	Maintain the Company's credit and shareholders' rights
Buyback period	April 9, 2025 to June 6, 2025
Buyback price range	NT\$80 - NT\$120 per share
Type and quantity of shares already bought back	Common share 3,568,000 share
Value of shares already bought back	NTD 296,104,600
Number of shares bought back/Number of shares expected to be bought back (%)	71.36%
Quantity of canceled and transferred shares	0 share
Accumulated quantity of the Company's shares held	3,568,000 share
The ratio of the number of the Company's shares held to the total number of issued shares (%)	71.36%

II. Status of corporate bonds:

**Status of corporate bonds**

Type of corporate bonds (Note 2)	Third unsecured convertible corporate bonds (Note 5)
Issuance (process) date	08/29//2022
Face value	100,000
Place of issuance and trading (Note 3)	-
Issue price	100 (Issued in full denomination)
Total amount	NTD 1,300,000,000
Interest rate	The coupon rate is 0%
Duration	3-year maturity date: August 29, 2025
Guarantee Institution	No
Trustee	Taipei Fubon Bank
Underwriter	Fubon Securities Co, Ltd
Attorney-at-Law	Far Eastern United Law Offices
Certified Public Accountant	KPMG
Repayment method	Except for bondholders converting to the

		company's common stock in accordance with Article 10 of these regulations, exercising the put option under Article 19, or the company redeeming early in accordance with Article 18, or the company repurchasing and cancelling through securities brokerages, the company will repay the bonds in cash at their face value upon maturity.
Outstanding principal		0
Redemption or early settlement terms		Pursuant to Articles 18 and 19
Restrictions (Note 4)		Pursuant to Article 18
Name of credit rating agency, date of rating, and result of corporate bond rating		No
Additional rights	<p>Amount that has been converted (exchanged or subscribed) into common shares, global depository receipts or other marketable securities as of the date of publication of the annual report</p> <p>Issuance and Conversion (Exchange or Subscription) Regulations</p>	<p>A total of 705 shares have been converted into common stock, amounting to NT\$7,050.</p> <p>According to the domestic third unsecured convertible corporate bond issuance and conversion regulations.</p>
Regulations on issuance, conversion, exchange or subscription, and possible dilution to existing shareholders' equity by issuance conditions		The issuance of convertible corporate bonds has no impact on equity dilution before the conversion. After the conversion, the timing of creditor's conversion is different, and the equity dilution effect is deferred, and it will not have a significant impact on the Company's shareholders' equity.
Name of custodian for exchange objects		No

Note 1: The issuance of corporate bonds includes public offering and private placement of corporate bonds. Publicly offered corporate bonds in process refer to those that have been approved and made effective by the association. Privately placed corporate bonds in process refer to those that have been resolved and passed by the Board of Directors.

Note 2: The number of columns is adjusted according to the actual number of processing.

Note 3: Fill in for overseas corporate bonds.

Note 4: Such as restrictions on distributing cash dividends, foreign investments, or requirements to maintain a certain asset ratio, etc.

Note 5: If privately placed, it should be prominently indicated.

Note 6: For convertible corporate bonds, exchangeable corporate bonds, comprehensive report issuance of corporate bonds, or corporate bonds with warrants, the information should be disclosed again according to the nature in the prescribed format, including details of convertible corporate bonds, exchangeable corporate bonds, comprehensive report issuance of corporate bonds, and corporate bonds with warrants.

## Information of convertible corporate bonds

Type of corporate bonds (Note 1)	Third unsecured convertible corporate bonds
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Item	Year	113	The current year up to March 31, 2025 (Note 4)
Market value of convertible corporate bonds (Note 2)	Maximum	122.00	102.65
	Minimum	100.70	99.55
	Average	113.13	100.35
Conversion price		129.80	129.80
Issuance (process) date and conversion price at the time of issuance		08/29//2022 NTD 156	
Method of fulfilling the conversion obligation (Note 3)		Issuance of new shares	

Note 1: The number of fields will be adjusted based on the actual number of transactions.

Note 2: Offshore corporate bonds that are traded at multiple locations are listed separately for each trade location.

Note 3: Delivery of issued shares or issuance of new shares.

Note 4: The information of the current year up to the publication date of this annual report shall be provided.

III. Organization of preferred stock shares: None.

IV. Organization of global depository receipts: None.

V. Organization of employee share subscription warrants:

(I) Organizational status of employee share subscription warrants before the deadline up to the date when the Annual Report was printed and its impacts of shareholder equity:

Organization of employee share subscription warrants

March 31, 2025

Type of employee share subscription warrants (Note 2)	First (term) of 2020 Employee share subscription warrant	Second (term) of 2020 Employee share subscription warrant	First (term) of 2021 Employee share subscription warrant
Effective date	11/04/2020	11/04/2020	12/02/2021
Issue (organization) date (Note 4)	11/05//2020	11/24//2020	12/06//2021
Quantity issued	1,918,000	82,000	800,000
Ratio of the number of shares available for subscription to the total number of shares already issued	1.3611%	0.0582%	0.5677%
Duration of subscription	4 years	4 years	4 years
Performance method (Note 3)	By issuing new shares	By issuing new shares	By issuing new shares
Duration of restricted subscription and ratio (%)	2 years after expiration 40% 3 years after	2 years after expiration 40% 3 years after	2 years after expiration 40%

	expiration 100%	expiration 100%	3 years after expiration 100%
Number of shares already acquired	102,400	0	0
The amount for the subscription paid	1,024,000	0	0
Number of shares yet to be acquired	1,815,600	82,000	800,000
Subscription price per share for those having not acquired shares	138.6	171	157.3
Ratio of the number of shares yet to be acquired total number of shares already issued (%)	1.2884%	0.0582%	0.5677%
Impacts on shareholder equity	The number of stock options exercised during the restricted subscription period is diluted each year on shareholder equity and hence the dilution effect remains limited.	The number of stock options exercised during the restricted subscription period is diluted each year on shareholder equity and hence the dilution effect remains limited.	The number of stock options exercised during the restricted subscription period is diluted each year on shareholder equity and hence the dilution effect remains limited.

Note 1: Employee share subscription warrants include public placement and private placement ones that are ongoing. The public offering of employee stock options in process refers to those that have been approved by the Board of Directors; the private placement of employee stock options in process refers to those that have been resolved by the shareholders' meeting.

Note 2: The number of fields may be adjusted reflective of the actual number of occurrences.

Note 3: The shares already issued or new shares issued that are delivered shall be noted.

Note 4: Those with different issue (organization) dates shall be listed separately.

Note 5: Private placement ones shall be indicated in a readily visible way.

(II) Names of managers having acquired the employee share subscription warrants and Top 10 employees having acquired the number of shares available for them to subscribe and the acquisition and subscription status cumulatively as of the date when the Annual Report was printed:

The names of managers who have acquired employee stock options and the top ten employees with the largest number of employee stock options, and the number of shares that can be subscribed, as well as their acquisition and subscription circumstances:

	Job Title (Note 1)	Name	Acquisition of the number of shares available for subscription	Percentage of subscription quantity acquired to total issued shares (Note 4)	Enforced (Note 2)				Not enforced (Note 2)			
					Number of shares available for subscription	Subscription price (Note 5)	Subscription value	Ratio of the number of shares available for subscription to the total number of outstanding shares (Note 4)	Number of shares available for subscription	Subscription price (Note 6)	Subscription value	Percentage of subscription quantity to total issued shares (Note 4)
Managers and top ten employees	Executive Vice President	Yu Yu-Tao	1,693,000	1.2014%	90,000	147.80	900,000	0.0639%	1,603,000	147.8	16,030,000	1.1376%
	President of Subsidiary	Lee Cai-Rong										
	Vice President-equivalent Special Assistant	Lai Tung-Po										
	Vice President	Lin Tung-Feng										
	Director of Subsidiary	Cui Zhong-Qiang										
	Chief Technology Officer of Subsidiary	Chung Shih-Chung										
	Vice Director	Wei Chuan-Chi										
	Senior Director	Pump, Kuo										
	Special Assistant	Chi, Ya-Ling										
	Director	Ho Meng-Yu										
	Vice President of Subsidiary	Huang Kuo-Shou										
	Chief Technology	Chou De-										

Officer of Subsidiary	Xin											
Director	Lin, yu-shun											
Vice President of Subsidiary	Chen Hsin-Lun											
Assistant Vice President of Subsidiary	Chen Xiu-Ying											
Vice Director	Lee, Kuei-Tsung											
Assistant Vice President of Subsidiary	Chiang Shi-Jie											
Assistant Vice President of Subsidiary	Chang Xu-De											
Assistant Vice President of Subsidiary	Peng Si-Yu											
Assistant Vice President of Subsidiary	Lu Ming-Yuan											
President of Subsidiary	Lee Cheng-Hung											
Vice Director of Subsidiary	Huang Qiong-Yi											
Director of Subsidiary	Sun Huey-Chang											
Director of Subsidiary	Ge Lun-Kai											
Director of Subsidiary	Wu Yong-Liang											
Director of Subsidiary	Hsiao Chia-Ru											

Chief Financial Officer	Lee, Kuei-Tsung										
Manager	Liu Wan-Hua										
Director	Ko Zi-Wen										
Vice Director	Wei Chuan-Chi										
Director	Wu Hsiao-Wei										

Note 1: Including managers and employees (those already resigned or deceased shall be noted). Individual names and titles shall be disclosed yet the acquisition and subscription status may be summarized and disclosed accordingly.

Note 2: The number of fields may be adjusted reflective of the actual number of occurrences.

Note 3: Top 10 employees having acquired the number of shares available for them to subscribe are employees other than managers.

Note 4: Total number of outstanding shares refers to that registered with the Ministry of Economic Affairs.

Note 5: For the subscription price of employee stock options already exercised, that at the time of execution shall be disclosed.

Note 6: For the subscription price of employee stock options yet to be exercised, the post-adjusted one obtained according to the Issuance Regulations shall be disclosed.

VI. Organization of restricted stock awards: None.

VII. Organization of new shares issued upon M&A or acceptance of assignment of shares of other companies: None.

VIII. Implementation of the funds utilization plan: None

## Four. Operational Overview

### I. Scope of Operation

#### (I) Scope of business

##### 1. The main contents of the Company's business:

###### (1) The business items of the Company are as follows:

CD01030 Motor Vehicles and Parts Manufacturing  
F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories  
F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories  
F401010 International Trade  
I501010 Product Designing  
CC01080 Electronics Components Manufacturing  
CC01101 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing  
CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing  
CD01040 Motorcycles and Parts Manufacturing  
CD01990 Other Transport Equipment and Parts Manufacturing  
CC01070 Wireless Communication Mechanical Equipment Manufacturing  
CD01010 Ships and Parts Manufacturing  
ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

###### (2) The business items of the subsidiary, Shanghai Cub Automotive, are as follows:

- A. Research, develop, produce, manufacture and sell the following products:
  - a. Design, production, and assembly of automotive electronic device systems and their parts and accessories
  - b. Automotive blanking dies, injection dies, circuit boards, distribution of self-made products
- B. Provide design and technical consulting services for the above products
- C. Wholesale, import and export of the above-mentioned products
- D. The Company does not engage in state-managed trade management products in mainland China, and the application for quota and permit management products is filed in accordance with the relevant regulations of the local government.

###### (3) The business items of the subsidiary, ITM Engine, are as follows: Mainly engaged in the wholesale and retail business of automobile parts and accessories.

###### (4) The business items of the subsidiary, ITM Autoparts International, are as follows: Mainly engaged in international trade of auto parts and accessories.

(5) The business items of the subsidiary, Harbinger Technology Corporation, are as follows:  
 Primarily integration of wireless communication systems; specializing in the research of wireless communication technologies, product development, system integration, and project planning.

(6) The business items of the subsidiary, CUBTEK INC, are as follows:  
 Mainly engaged in the sale and manufacture of wired communication machinery and equipment, automobiles and their components.

(7) The main products are described as follows:

Item	Main product	Description
1	Automotive electronic switches	Including the turn signal switch (including the multi-purpose switch), engine start-up switch (including the vehicle lock set), wiper switch, oil pressure switch, fan switch, gear switch, power window switch, headlight switch, push-pull switch, light adjustment switch, door switch, seat switch, and stop light switch, etc.
2	Automotive electronic sensors	Including the radiator sensor, speed sensor, camshaft position sensor, crankshaft position sensor (CPS), tire pressure monitoring system (TPMS), quantitative air flow sensor, fuel pressure sensor, detonation sensor, intake manifold sensor, oil sensor
3	TPMS series	Currently including the universal 433 MHz, 315 MHz sensor, TPMS wireless program encoder
4	Other automotive electronic products	Such as the R&D, assembly, processing, and distribution of electrical and electronic products such as the front wheel driving facilitator, speed setter, ignition module, junction box, fan motor resistance, mirror switch, auxiliary air regulator, electromagnetic solenoid, jet nozzle, clock coil, engine, valve, cylinder.
5	Radar sensors relevant to the integration of wireless communication systems	Rear-view camera, driver monitoring, BSD, surround view, and NVS systems

(8) The business items of the subsidiary, 3S System Technology Inc., are as follows:  
 Mainly engaged in the sale and manufacture of telecommunications machinery and equipment, information software, automatic control equipment, etc.

## 2. Business proportion

The business proportions for the Company and its subsidiaries in 2024 and 2023 are as follows:

Unit: In thousands of NTD

Main product	113 years	Ratio (%)	112 years	Ratio (%)

	Operating revenues		Operating revenues	
Automotive electrical/mechanical switch	1,115,975	23.89	861,176	19.58
Automotive safety part and system	1,141,510	24.44	1,713,411	38.96
Communication equipment, engineering and others	2,413,274	51.67	1,823,007	41.46
Total	4,670,759	100.00	4,397,594	100.00

3. The Company's current products (services)
  - (1) Automotive electronic switch technologies.
  - (2) Related derivative applications of TPMS tire pressure monitoring system products
  - (3) Development and production of high-end automotive sensors.
  - (4) OBD II (On Board Diagnostics) automotive diagnostic device.
  - (5) LIN electric window switch.
  - (6) Window anti-pinch device.
  - (7) Development, application, and production of power battery packs.
4. New products (services) planned to be developed by the Company
  - (1) Automotive electronic switch technologies.
  - (2) Related derivative applications of TPMS tire pressure monitoring system products
  - (3) Development and production of high-end automotive sensors.
  - (4) OBD II (On Board Diagnostics) automotive diagnostic device.
  - (5) LIN electric window switch.
  - (6) Window anti-pinch device.
  - (7) Development, application, and production of power battery packs.
  - (8) ADAS system development direction

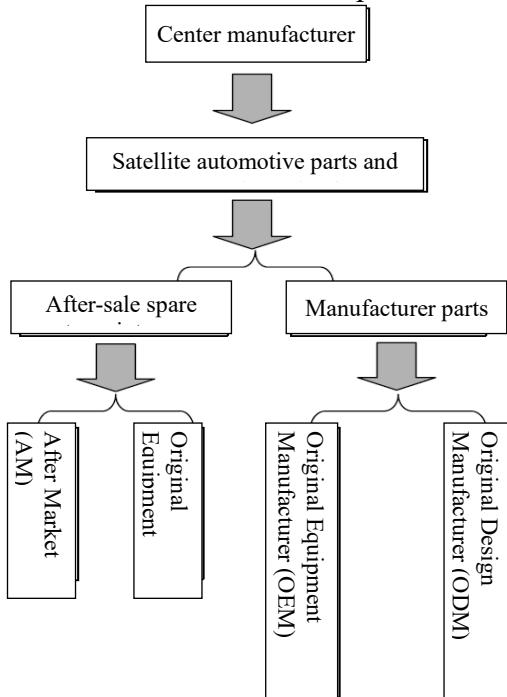
## (II) Industry overview

1. The current status and development of the industry
  - (1) Structure of the automotive parts and components industry
 

The auto industry and parts and components form a typical center-satellite system. The automotive manufacturer in the center outsources parts and components to Tier 1 satellite contractors, which further outsource detailed parts to Tier 2 or Tier 3 ones. The pyramid appears to be a multi-tiered and division-of-labor structure. Automotive parts and components mainly

consist of parts used by manufacturers during assembly and those by after-sales auto service shops. As far as the means of distribution is concerned, automotive parts can be distributed through OEM (original equipment manufacturing), ODM (original design manufacturing), OES (original equipment service), and AM (after-market). Among them, the markets for OEM and ODM consist of parts to be used by manufacturers during assembly while that for AM consists of those for use during after-sales service or for remodeling purpose.

Distribution network of automotive parts and components



Source: Report of Automotive Research & Testing Center

The auto industry is an important part of the manufacturing sector in Taiwan, with around 2,500 businesses and over 300,000 direct and indirect practitioners. Most of the businesses now have developed a few yet diversified flexible manufacturing technologies through local process automation whose quality is comparable to their international counterparts. Nevertheless, the market size for automobiles in Taiwan is too small and hence the associated economics is hardly of any scale when it comes to production and manufacturing. As a result, the market for whole care OEM production and distribution is relatively restricted for manufacturers of parts and components in Taiwan and so is the room for profitability for these manufacturers. As such, domestic automotive parts and components manufacturers are turning towards international markets. The lack of endorsement by international heavyweights and the relatively strict requirements for the quality and control of manufacturer auto-parts in addition to issues associated with their transport, however, have made a majority of businesses that have secured a place in the global OEM supply chain of international heavyweights choose the after-sales service segment. In other words, most automotive parts and components businesses in Taiwan target AM (After Market) and export-oriented products are primarily plastic parts, stamped metal parts, car lights, and tires, among other general service pieces and parts and accessories. After years of efforts, the quality of automotive parts and components that are made in Taiwan

has been widely recognized around the world recently and North American has become a main export-oriented region, accounting for around 40% of the total export value of automotive parts and components made in Taiwan.

(2) Overview of exports of the automotive parts and components sector in Taiwan

The automotive parts and components sector of Taiwan is known for its strengths of small quantity, diversification, and flexible manufacturing and is now internationally competitive following constant devotion to R&D and improvement in the production technology. Over the past few years, despite the fluctuations seen on the domestic market for whole cars, with accumulative capabilities that make the businesses competitive, exports have been growing each year. It is exactly because of the high reliance on exports of the sector that makes it quite vulnerable to developments on the global automotive market. Exports in the past targeted primarily advanced countries such as European ones, the US, and Japan. Over the past few years, however, emerging automotive markets have helped broaden the exports landscape. The production value and exports of parts and components have shown growth each year. The developments of Taiwan's automotive parts and components sector over the past few years have shown that the expansion of exports markets is the main driving force. With support from the Government and proactive expansion of exports by the businesses, both the production value and exports have reached new heights. The production of automotive parts and components made in Taiwan is constantly climbing.

Imports and exports statistics provided by the customs authority show that exports of automotive parts and components made in Taiwan declined by 8.45% because of the financial tsunami in 2009 and significantly climbed in 2010 by 22.62% and growth has been ongoing since then. By 2017, exports had reached a record high of NTD 214.9 billion. Impacted by the COVID-19 pandemic, exports came to NTD 192.7 billion in 2020. In 2021, it was NTD 220.8 billion, a growth of 14.58% from the preceding year. In 2023, due to the economic downturn, the inventory was still high. The export amount from January to December reached NT\$225.4 billion, a decline of 10.91%. In 2024, the export amount increased to NT\$228.5 billion, a growth of 1.36%.

**Statistics of export value of automotive parts and components made in Taiwan**

Unit: NTD 100 million

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Amount	2,077	2,145	2,113	2,149	2,147	2,148	1,927	2,208	2,530	2,254	2,285
Growth rate	4.96%	3.26%	-1.47%	1.70%	-0.11%	0.02	-10.26%	14.58%	14.58%	-10.91%	1.36%

Source: Customs statistics of imports and exports, sorted out by the Taiwan Transportation Vehicle Manufacturers Association.

Looking at the export of automotive components from Taiwan by destination, according to data from the Taiwan Transportation Vehicle Manufacturers Association, in 2024, Taiwan's exports of automotive components to the United States amounted to NT\$115.6 billion, accounting for 50.63% of the total export amount, with an annual growth of 1%, making it Taiwan's largest export country for automotive components. "Japan" ranked second, with exports amounting to NT\$12 billion, or 5.28% of total exports, a decline of 6.01%. "Mexico" ranked third, with export

amount of NT\$8.4 billion, accounting for 3.70% of the total export amount, and a decline of 1.48%. The export growth of Taiwan's auto components is slowing down due to the gradual easing of the COVID-19 pandemic. The slow growth in the US in 2024 resulted in an overall growth of 1.36%.

#### 2024 Statistics of export value of automotive parts and components made in Taiwan by the country

Unit: In thousands of NTD

Ranking	Country	Amount	Structural ratio	Annual growth
1	US	115,675,102	50.63%	1.00%
2	Japan	12,066,374	5.28%	-6.01%
3	Mexico	8,458,648	3.70%	-1.48%
4	Germany	7,448,257	3.26%	7.06%
5	UK	6,236,830	2.73%	0.35%
6	Australia	6,221,676	2.72%	6.92%
7	Mainland China	5,742,959	2.51%	4.91%
8	Holland	5,491,778	2.40%	10.08%
9	Italy	5,047,541	2.21%	1.26%
10	Canada	4,979,564	2.18%	-4.39%

Source: Customs statistics of imports and exports, sorted out by the Taiwan Transportation Vehicle Manufacturers Association.

#### (3) Overview of Taiwan's exports of automotive electrical components

Products manufactured by the Company and its subsidiaries are automotive electrical parts and components. Given its insignificant ratio to the overall automotive parts and components, it is difficult to obtain related statistical data. Besides, related tax codes for automotive electrical products are not available in Taiwan, it is quite impossible to obtain the exact statistics of automotive electrical products exported. To present the overview of export markets of automotive electrical parts and components made in Taiwan, however, the export tax code that has been adopted by the Company so far, 8708.99: "Parts and accessories for other motor vehicles" (including sheet metal, chassis, electronic and electrical products), and export codes 8536.50 and 8537.10 (automotive switch-related products) as well as US, the largest export destination for the automotive parts and components made in Taiwan and by the Company, are used in the analysis of exports of automotive electrical parts and components made in Taiwan to the US.

According to the import and export statistics of the Directorate General of Customs, Ministry of Finance, the export of Taiwan's auto parts with tax code 8708.99 to the United States was found to be affected by the international financial tsunami in 2009. From 2013 to 2015, the export to the United States showed an increase. From 2016 to 2017, it declined slightly. From 2018 to 2021, it showed an increasing trend. In 2022, the export to the United States increased, with an annual growth rate of 10.88%. In addition, as far as exports to the US under tax codes 8536.50 and 8537.10 are concerned, growth was noted between 2013 and 2018. In conclusion, the export of automotive electrical parts and components from Taiwan has

been on the rise for the past 2013-2018, and slightly declined in 2019. From 2020 to 2022, the amount increased, and the decline in 2024 was 4.8%.

Exports to the US between 2014 and 2024 under tax codes 8708.99, 8536.50, and 8537.10

Unit: In thousands of NTD, %

Year	8708.99		8536.50 and 8537.10		Total	
	Amount	Growth rate	Amount	Growth rate	Amount	Growth rate
2015	24,619,053	3.75	3,911,734	11.87	28,530,787	4.79
2016	23,099,616	(6.17)	4,613,295	17.93	27,712,911	(2.87)
2017	22,416,137	(2.96)	4,708,843	2.071	27,124,980	(2.12)
2018	23,137,279	3.22	5,486,539	16.52	28,623,818	5.53
2019	24,451,544	5.68	5,208,385	-5.07	29,659,929	3.62
2020	24,644,104	0.79	6,947,259	33.39	31,591,363	6.51
2021	29,222,702	18.58	13,629,598	96.19	42,852,300	35.65
2022	31,588,873	8.10	35,280,422	158.85	66,869,295	56.05
2023	30,152,068	-4.55	13,376,772	-62.08	43,528,840	-34.90
2024	30,319,883	0.55	11,103,724	-16.99	41,423,607	-4.8

Source: Website of the Directorate General of Customs

#### (4) Overview of TPMS Industry

The TPMS is installed inside the tire of a car to detect the pressure and temperature in real time and send specific communication codes through radiofrequency (RF) to the receiver inside the car so that the driver knows the current status of the tire and it reduces chances of an accident. Therefore, for safety concern, TPMS has been included in the legislation in many countries to be a standard part of a vehicle. Traditional tire pressure sensors are one-on-one and designed for specific manufacturer models and are meant mainly for the OE market. That is, each sensor has a unique ID code. It often happens, however, on the AM market that the tire pressure sensor is undetectable due to different specifications adopted. In other words, the one-on-one tire pressure detector for different models tends to result in the situation where tire plants have to have multiple tire pressure detectors ready for use in different models. This significantly drives up the inventory stress. As a result, the universal model came into being. In countries or regions with regulatory requirements, for the different models that the universal type can cope with, a main technology applied is cloud-based decoding of new models and burning on a blank sensor. This is why a universal tire pressure monitor fulfills the needs on the AM market for low inventory and quick service.

As far as the TPMS market is concerned, the US was the first in the world to stipulate in the legislation that the TPMS should be standard configuration of vehicles. The legislation was approved in 2005. By 2007, it became a universal standard, with approximately 280 million tire pressure detectors running. Generally speaking, a tire pressure detector has a life span of 5-10 years. Therefore, the replacements hit the peak between 2012 and 2017. After 2015, more than 90% of the old cars in the US were installed with the TPMS. By the historical sales of new cars in North

America, around 50 million TPMSs can be sold each year and it is estimated that the sales on the OE market can grow steadily on a yearly basis. TPMS regulations usually target the new car market first to mandate its presence. Therefore, the demand for TPMSs on the OE market each year is highly correlated with the supply of new cars. At present, regulations are highly mandatory on the OE market. The needs for replacements on the AM market, on the other hand, will be another source of growth for TPMS manufacturers. With the deadline for eliminating old cars in the US extended and the ratio of ownership over old cars increasing, it will be in favor of the demand for replacing TPMSs in the future.

Besides the US market, the EU made TPMS standard configuration in 2014. By an annual sales volume of 10 million new cars each year, the demand on the OEM market of the European Union is around 400 million TPMSs. In Asia, besides China, where the TPMS was made standard configuration through legislation in 2019, similar legislation has been adopted in Japan, Korea, and India, too, to make TPMS standard configuration. The annual demand for TPMSs each year on the OE market in Asia will reach around 160 and 220 million, making it the largest market in the world for TPMSs (in new cars).

Over the past few years, the application of TPMS in commercial vehicles to go with fleet management has gained prominence. In Europe and North America, there are around 300,000 new cars entering the market each year. That is, a market potential of about 4.8 to 7.2 million TPMSs each year. For the time being, given the relatively complex models with the TPMS on the OE market, its quantity and ratio are relatively low. As such, the demand on the AM market is optimal. To cope with the bottleneck encountered with commercial vehicles, such as how to combine it in the various types of tires (or rims), the data transmission distance, and sub-car exchange spontaneous learning; however, efficient and easy-to-operate countermeasures are required.

## (5) Overview of public tender industry

The operating income of the subsidiary Harbinger Technology Corporation (Harbinger) mainly comes from procurement projects of the ROC government secured through public tendering in the national defense sector and on the after-math prevention and rescue market. The following is an overview of public tenders available in the sector, in the national defense sector, and in the after-math prevention and rescue sector.

### A. Public tender market for central and local governments

In May 1998, the ROC government announced the “Government Procurement Act” where Article 1 stipulates that it is meant to create a government procurement system that has fair and open procurement procedures, promotes the efficiency and effectiveness of government procurement operation, and ensures the quality of procurement. The Government Procurement Act exercises positive effects in terms of improving the legitimacy of government procurements, enhancing the procurement efficiency, and ensuring quality of procurement. As far as open and transparent procurement information is concerned, the government procurement information announcement system and the

government procurement communique have been promoted. Fair competition among tenderers is ensured, public interest and the principle of being fair and reasonable are protected, and it stipulates tenderer eligibility where improperly restricted competition is disallowed in order to prevent favoring specific tenderers.

In 2023, agencies nationwide handled 182,678 procurement cases with a value of more than NT\$150,000 (the announced value was adjusted to NT\$1.5 million from January 1, 2023), with a total value of more than NT\$2.2958 trillion (including approximately NT\$25.1 billion in resale procurement by Taipower, Liquor and Tobacco Corporation, Kinmen Kaoliang Liquor, and Taiwan Sugar Corporation in accordance with Article 22, Paragraph 1, Subparagraph 15 of the Government Procurement Act). Among them, 153,785 procurement cases were handled in public bidding, accounting for 84.18% of the total number of procurement cases for the year, and has remained above 83% for the past five years. The value of the publicly tendered cases was more than NT\$2.22 trillion, indicating that the open and transparent operating mechanism of government procurement has been quite effective.

The number and ratio of public tender bids for procurement from 2019 to 2023 are detailed in the table below.

Overview of the number of public tenders awarded and the ratio of amount involved between 2018 and 2022						
Year	Number of tenders awarded	Public		Value of award (NTD 100 million)	Public	
		Number of tenders awarded	Ratio (%)		Value of award (NTD 100 million)	Ratio (%)
2019	196,218	170,827	87.06	18,716	13,471	71.97
2020	202,319	173,379	85.70	17,817	15,378	86.31
2021	197,447	166,911	84.53	21,995	18,949	86.15
2022	202,896	170,228	83.90	22,719	18,309	80.59
2023	182,678	153,785	84.18	22,958	20,022	87.21

Data collection time: February 1, 2024

Source: Public Construction Commission, Executive Yuan

#### B. National Defense Industry

National defense technology capabilities are significant in terms of homeland security and combat readiness of armed forces. To answer to the international tendency where nations are devoted to the development of technologies, dual goals of “homeland security” and “improved overall competitiveness of national economy” need to be

fulfilled for the developments in the national defense technology sector. If the defense technology R&D strategy of the US is to combine the power of the private sector to establish a complete defense technology and defense industrial development system, on the one hand, it releases a large amount of defense technology R&D technology to the private sector, reinvests it into people's livelihood products, and creates economic value; on the other hand, through technology transfer, it assists private industry technology upgrades and actively participates in national defense construction. In light of the tightened national defense budget and the increasing costs associated with novel weapon systems, the military-civil sharing policy is gaining prominence in the US.

In the past, due to the fact that domestic technologies were not comparable to those in advanced European and American countries, nearly all important armaments were purchased from overseas and it necessitated the adjustment and change in the national defense policy reflective of the international situation. The unstable policy about the national defense sector also resulted in the lack of willingness for private businesses to make investments. National defense technologies hence were unable to help and grow together with private businesses. Due to the highly limited number of resources available in the region of Taiwan, the government has devoted significant amounts in the development of weapon systems since the 1950's. Nevertheless, its technological capabilities as a whole are far from close to those of any advanced country in the world. In 2004, the Ministry of Economic Affairs started with technology projects that feature utilization of the core competency in national defense technologies and experience in system integration as well as effective combination of existing strengths of collaborators.

Technical assistance is provided to collaborators while they devote themselves to the R&D of military supplies. The projects aim to effectively enhance the capabilities of collaborators to develop products and apply technologies. The goals set for such projects include development of national defense contractors, replacement of key parts and components, as well as materials imported, and creation of a core military supplies R&D center satellite system. During the process, not only an innovative value transformation mechanism for the national defense scientific research and daily life sectors that can be created to maximize involvement of the civil society in the research and production of military supplies and in applying technologies, a local national defense sector can also be nurtured for the maximum national defense efficacy and value of daily life sectors. The military and private businesses can help each other to exercise synergistic effects and ultimately boost the overall economic development of the nation.

### C. Post-disaster relief market

According to the statistics of the United Nations Emergency and Disaster Database (EM-DAT), a major natural disaster occurs every month in the world. Take the March 11, 2011 earthquake in Japan and the flooding in Thailand in August as examples. Both of these

major disasters are compound disasters. The Great East Japan Earthquake caused a huge tsunami, which invaded as far as 7 kilometers inland and brought about major disasters. The heavy rains that bombarded Thailand for several months in a row along with the high tides and flood peak resulted in flooding throughout the nation, including industrial zones in the surroundings of Bangkok, and supply chain disruption for automotive and computer parts and components around the world and reduced rice production. Faced with the various disasters and challenges, countries around the world need to plan basic preventive and rescue strategies in cases of disasters more proactively.

By creating disaster environmental monitoring data and the observatory network, it will help improve the precision required for forecasting disasters. Highly reliable and consistent emergency response measures may be provided. At present, environmental monitoring information is already available at respective ministries and departments. With limited budget and workforce, however, clusters potentially at high risk are not included as a whole. Taiwan, with its unique geography and the complexity involved in the rainfall process, makes it difficult to forecast local sudden heavy rains even now, despite the advanced weather observing and forecasting technology. The precision and credibility of flood and hill-land disaster pre-warnings are reduced as such, too. A rainfall radar network that can monitor rainfall is required in order to improve the precision in monitoring rainfall and in forecasting disasters. The needs for regional disaster prevention and rescue operations can be met, too. Studies of the National Science & Technology Center for Disaster Reduction have shown that environmental monitoring is crucial to the prevention against large-scale collapsing disasters. Nevertheless, issues such as the competent authority for hill-land disasters yet to be defined in the Disaster Prevention and Protection Act, the absence of a risk map for collapsing disasters, and public risk awareness pending reinforcement remain. It is expected that natural disasters will be frequent and given the emphasis over efficacy in disaster rescue operations by government agencies, budget for disaster prevention and protection will steadily grow.

#### (6) Conclusion of the industry overview

Most of the developments of automotive parts and components businesses around the world are driven by the automotive assembly sector. Because of the small market size for automobiles in the nation and the fact that new car R&D technologies are nearly controlled by the parent company overseas, the growth in whole car business is not as desirable as those of parts manufacturers. As far as global competitive advantages are concerned, Taiwan should be more competitive in automotive parts and components instead of whole cars primarily because of the small size of the automotive market in Taiwan and the need to reach out for parts manufacturers if they want to grow in size. To compete on the local markets overseas, however, they have to be sufficiently competitive in terms of technology and cost. Thanks to the constantly increased rates in the use of AM instead of OE products by insurance companies in North America, the constant outsourcing by international heavyweights in order to bring down

the cost, and the rapid developments in the market for automobiles in Mainland China, Taiwan's parts and components manufacturers get to continue to expand their market shares overseas.

For the future, growth in the global automotive market in 2024 would still be driven by the US, Germany, and India. The growth in the automotive market in China, on the other hand, will slow down and hence the purchasing power is likely to be limited. Nevertheless, what is worth noting is the 13th five-year plan of China as it will be focused on the development of new energy vehicles. In other words, despite the slow-down over the short term, environmentally friendly vehicles will grow over the long term and remain promising in the future. In terms of automotive parts and components, given the increase in the demand for low-price, small, and multi-functional vehicles in international society, parts and components shall be modularized to add value to the vehicles and to make management and repairs easy. Parts shall also be produced in a smart way by integrating and applying a variety of sensors and mechanical/electrical systems. Automotive parts shall turn light-weight with the use of composite materials or heterogeneous materials. Finally, they shall be electrical: clean engines shall be produced and combined with power motors. Automotive parts and components manufacturers improve their competitive advantages by researching, developing, and improving their production technologies, which will help them secure a presence in the supply chain of more international automotive manufacturers. Generally speaking, the future for the automotive parts and components manufacturers in Taiwan remains optimistic.

In order to respond to the said business opportunities and expand the market early on, besides growing their primary business, the Company and its subsidiaries have been devoted to the R&D of new products and the operations on new markets. The original focus was on the AM market and now they are proactively working with OEM clients and then further upgrades to the ODM market. The nearly 20 years of experience of the Company and its subsidiaries has contributed to their solid design and development capabilities. In response to the above-mentioned demand for high-speed growth of the automotive electronics market, the Company and its subsidiaries have applied the relevant engineering experience of automotive electronics to the design of automotive electronics products, and incorporated the automotive communication area network bus technology (CAN Bus) and automotive tire pressure detection system (TPMS), MCU (microcontroller unit), communication protocol, variable valve mechanism control, motor controller, and keyless entry device, etc. into the scope of development and mass production.

In addition, the industrial structure is turning from workforce-intensive to automated, and products are growing more and more precise each day. To cope with the constant changes in the industrial setting, the automotive electrical sector in the future will grow in the following directions:

#### (A) Equipment automation

The domestic manufacturing sector is now faced with a labor market where workforce is lacking and wages are skyrocketing. High-cost and low-efficiency traditional single-task stamping can no longer cope with international competition. Multi-task continuous automatic

processing (die/stamping) is required in order to increase the throughput, bring down cost, add value to the products, and to address competitive demand on the market. With the availability of automotive electronics, on-board electronic controllers, and various top-notch sensors, modular design, automated processing, performance testing are gradually turned towards automation. Automated factories are an inevitable trend in the future. The Company and its subsidiaries have made preliminary accomplishments in investing in automated equipment over the past few years.

**(B) High-speed production**

For processes such as production of stamping parts and laser engraving, the Company and its subsidiaries adopt precision punching equipment so as to improve the manufacturing technique and to meet customer demand. Plus the dies designed, production will take place even more quickly.

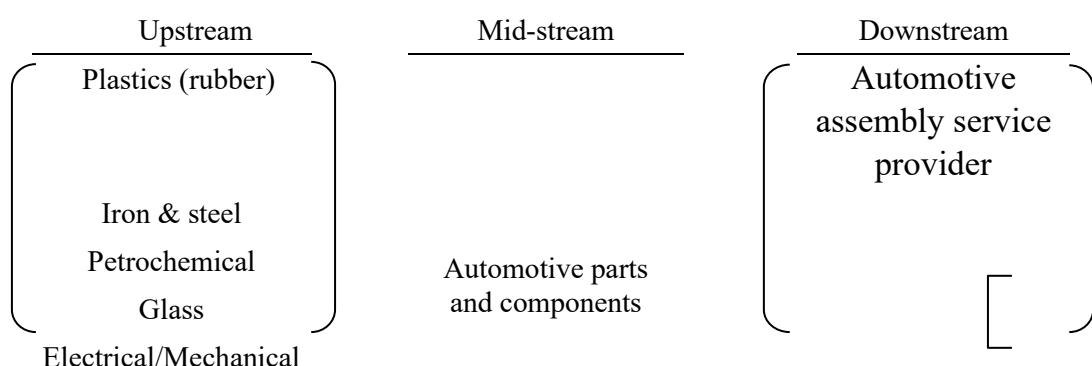
**(C) Products turning more and more precise**

As electronic elements produced to be used in the IT, electronics, and transportation sectors in the future will become more and more precise, the Company and its subsidiaries will continue to invest in related equipment and technologies so as to manufacture products with even higher additional value.

**2. Correlation among the upstream, midstream, and downstream segments of the industry**

**(1) Industry chain of automotive parts**

Automotive parts and components are meant for use by assembly service providers and repair shops. They can be divided into metal and non-metal parts. The sector covered is very wide-ranging, including petrochemical, glass, iron & steel, plastics, electrical/mechanical engineering, and electronics sectors. In other words, they can drive the growth of a whole nation, including the fundamental sectors and peripheral sectors. Correlation of the upstream, mid-stream, and downstream of the automotive parts and components sector is shown as follows:



engineering

Electronics

Automotive repair

shops

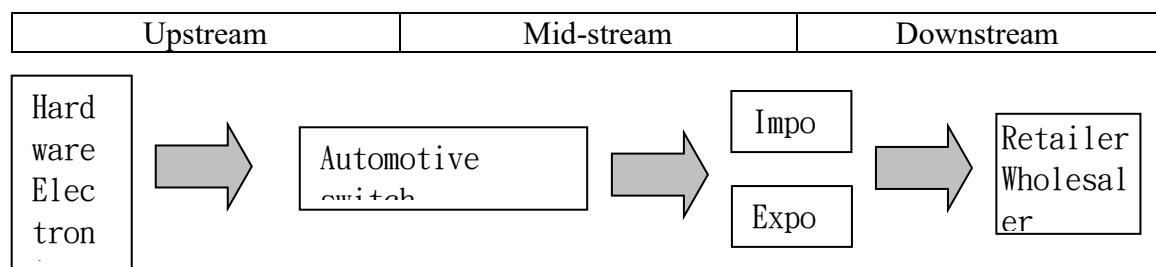
**(2) Industry chain of automotive electrical switches**

The correlation among the upstream, mid-stream, and downstream of automotive electrical products shows that mid-stream automotive switch producers, reflective of product specifications and properties, purchase the required raw materials and supplies from upstream raw material manufacturers. Given the different size requirements for switches, switch producers usually provide raw materials and supplies processors with the dies and the processors produce parts and components that meet specific element specifications according to the samples made with the said dies.

After the mid-stream switch producers receive the raw materials provided by upstream manufacturers, they begin further processing according to the structures of switches for different purposes. The processing now aims to make each raw material into an element. Meanwhile, since a product consists of multiple elements and certain underlying elements need to be processed first in order to be combined with other underlying elements, mid-stream automotive switch manufacturers usually will outsource the assembly of certain raw materials to other contractors. Once respective elements are made, the switch company further assemble them into one complete product.

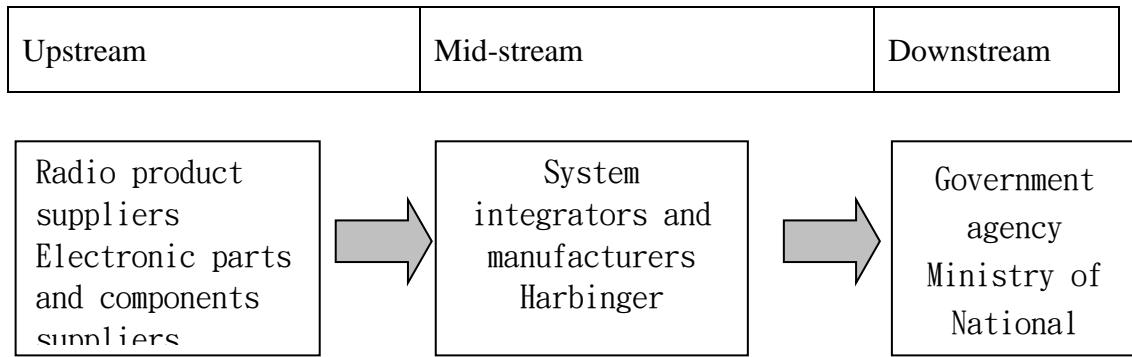
The downstream distribution network of automotive electrical products, on the other hand, mainly consists of imports and exports. The needs on the AM market, however, are mainly met by parts and components wholesalers and retailers.

AM market industrial chain of automotive electrical switches



**(3) Industry chain of wireless communication products**

The Company's subsidiary Harbinger mainly deals with government tender-based procurements and plays the role of mid-stream system integrator and manufacturer throughout the whole industrial supply chain. The upstream now consists of radio products, electronic parts and components suppliers, and software designers that mainly supply radio systems and equipment, IC, joints and connectors, and design softwares, etc. Harbinger is in the midstream of the industry and is responsible for connecting radio communication systems and equipment to the network system and related software (hardware) systems, including planning, integration, assembly, mounting, and testing. The downstream are mainly government agencies, national defense authority, and National Chung Shan



### 3. Various development trends and competition of products

#### (1) Product development trends

##### A. From the structure to the electronics:

The automotive sector was relatively conservative in the past and could hardly make progress. Therefore, the electronic developmental trend is irresistible for the automotive sector in the future. Besides user demand, the government has prepared related laws and regulations to boost energy conservation, environmental protection, system security, and also to help the automotive sector turn electronic. Traditional automotive switches were mostly mechanical. With the development of automotive electronics, they will be gradually replaced by remote identification systems, Such as the fingerprint start-up system, the entry system, the immobilizer, and the RKE. Keys to open car doors will be gradually eliminated. Other mechanical and electrical automotive switches will also be combined with electronic control.

##### B. Integrate single components into modular systems:

As the switch system will be gradually modularized with other functional parts, besides the existing AM market, the Company and its subsidiaries will also be integrated vertically with other domestic and international level 1 manufacturers, such as tire pressure monitoring system and valve manufacturers, or be integrated and connect with display device and travel control centers while growing towards product modularization and diversification.

#### (2) Market competition

There are around 300 OEM service providers and around 2,800-plus AM parts and components suppliers in Taiwan now. To become part of the global supply chain links of international heavyweights, however, it is difficult. It takes not only the ability to integrate the upstream, the mid-stream, and the downstream of the industry, but also the threshold set by the client to surpass in order to get the authorization. Therefore, generally speaking, Taiwan manufacturers are active mainly on the AM market. Due to the fact that the market size for automobiles in Taiwan is too small, associated economics is hardly of any scale and it restricts the room for profitability for Taiwan's parts and components manufacturers. How to break through the bottleneck hence has become an important assignment for each of the manufacturers.

Faced with such daunting competition, the Company and its

subsidiaries, on the basis of their nearly 20 years of abundant production experience, have developed the small-quantity diversified flexible manufacturing techniques by improving their processes in order to meet the quick-changing demand in the market and to meet international requirements in terms of quality. Lean production is also one of the directives at work for the Company and its subsidiaries. The mass production in the past has now gradually turned to be customer-oriented corporation operation patterns. Operations in the future will be focused on product design and customer relations, too, in order to make the Company more competitive in the face of the globalization challenge.

### (III) Overview of Technology and R&D

#### 1. Technical level

Being a professional manufacturer of automotive electrical products and automotive sensors, the Company needs to have its products fulfill basic operational requirements and boost the comfort felt by and safety of drivers in addition to meeting the various undesirable environmental requirements. In other words, besides meeting the quality requirements of TS16949, product life span and quality are important. Therefore, the Product is cautious and adopts multi-party qualification in the development of products. Advanced automatic testing and experiment equipment as well as CAD design and RP quick forming techniques are applied to ensure that the life span and quality of products meet the requirements of multiple heavyweights, such as the Society of Automotive Engineers (SAE) and the Federal Motor Vehicle Safety Standard (FMVSS), as well as FORD, GM, and Chrysler requirements. Our goal is to be leading in quality.

#### 2. Research and development

Automotive electrical products have slowly turned from traditional electrical/mechanical products to electronic products. The technical levels involved are completely different. In order to get ready for the automotive electronics era, the Company has formed its R&D Center and is proactively training mechanical/electrical integration staff and has also been devoted to the development of automotive sensors and TPMS products. In the future, we will research and develop systems by introducing MCUs, communication protocols, variable valve controllers, and motor controllers, keyless entry devices, etc, to allow our products to connect and be integrated with one another better. Not only the developmental technologies are improved, customers' demand for development of new products can be better satisfied.

#### 3. R&D personnel and their educational backgrounds

December 31, 2024

Year Education	End of 2022		End of 112		End of 113	
	Number of people	%	Number of people	%	Number of people	%
Post-graduate school	9	2.67	6	1.92	6	2.10
Graduate school	77	22.85	78	25	78	27.27
Bachelor	216	64.09	198	63.46	183	63.98

(College)						
Senior high school (inclusive)	35	10.39	30	9.62	19	6.65
Total	337	100.00	312	100%	286	100%

The Company set up its R&D Center in its headquarters in Taiwan in 2010 and has been proactively hiring outstanding high-ranking engineering R&D talent. Those holding a master's degree or a higher degree are based in the Taiwan headquarters and are spearheading the developments of innovative core technologies. They are the cornerstones for R&D of the Company and are helping fortify the Company's R&D capabilities. Due to the characteristics of a small number of diversified products in the automotive service industry, the Company has derived the strategy of product development and engineering integration as the first step to establish a complete design manual for the Company's product lines, and to implement the key tasks of high production yields at the forefront of development stage, and to make the most complete use of the Company's resources. In addition, including the R&D department of its subsidiaries, the entire R&D unit currently has more than 100 people.

4. Annual R&D expenses in the last five years:

Unit: In thousands of NTD

Year People	2020	2021	2022	2023	2024
R&D expenditure (A)	417,454	506,176	548,152	554,764	522,009
Net revenue (B)	3,340,199	4,080,435	3,957,949	4,397,594	4,670,759
(A)/(B)(%)	12.50%	12.40%	13.85%	12.61%	11.18%

In terms of R&D budget, related expenditure has been climbing over the past few years. The parent company has gradually increased the target from about 3% of the annual sales that was set before to above 10~13%. The subsidiaries, on the other hand, have gradually increased it from about 7% of the annual sales that was set before to above 12~15% now. Generally speaking, the increase in R&D expenditures over the past few years is mainly because of the investments in R&D equipment, the application for patents, the hiring of high-ranking R&D talent by the parent company, and the implementation of the strategy to combine product R&D and engineering. The expenditures in the future will be focused more on the development of related core technologies.

5. Technologies or products successfully developed in the most recent year and up to the date of publication of the annual report:

R&D accomplishments of CUB ELECPARTS INC

Year	Product	Application and description
Year 2023	1. Switches: 13 items	1. VS-28/30/31/35/36/39/40/47/48 automotive oil

Year	Product	Application and description
(39 items in total)	2. in total 2. Sensors: 21 items in total 3. Engine locks: 2 items in total 4. Other switches: 3 items	pressure switch/gear switch/turn signal switch/wiper switch/window switch/window switch/brake light switch/water temperature switch, etc. 2. VS-29/32/33/34/72/56/58/73/54/78 Temperature sensor/rotation speed meter speed sensor and camshaft/crankshaft sensor/detonation sensor, etc. 3. VS-37/38 Automotive engine ignition switch/lock/lock set/door lock, etc. 4. Fan switch/junction box/clock spring/solenoid, etc. (23.49.51.55.27.70.75)
2024 (59 items in total)	1. Switches: 4 items in total 2. Sensors: 43 items in total 3. Engine locks: 1 items in total 4. Other switches: 11 items in total	1. VS-28/30/31/35/36/39/40/47/48 automotive oil pressure switch/gear switch/turn signal switch/wiper switch/window switch/window switch/brake light switch/water temperature switch, etc. 2. VS-29/32/33/34/72/56/58/73/54/78 Temperature sensor/rotation speed meter speed sensor and camshaft/crankshaft sensor/detonation sensor, etc. 3. VS-37/38 Automotive engine ignition switch/lock/lock set/door lock, etc. 4. Fan switch/junction box/clock spring/solenoid, etc. (23.49.51.55.27.70.75)
First quarter of 2025 (1 items)	1. Switches: 0 item in total 2. Sensors: 1 item in total 3. Engine locks: 0 items in total 4. Other switches have 0 items	1. VS-28/30/31/35/36/39/40/47/48 automotive oil pressure switch/gear switch/turn signal switch/wiper switch/window switch/window switch/brake light switch/water temperature switch, etc. 2. VS-29/32/33/34/72/56/58/73/54/78 Temperature sensor/rotation speed meter speed sensor and camshaft/crankshaft sensor/detonation sensor, etc. 3. VS-37/38 Automotive engine ignition switch/lock/lock set/door lock, etc. 4. Fan switch/junction box/clock spring/solenoid, etc. (23.49.51.55.27.70.75)

TPMS product line:

Year	Product	Application and description
112 years (43 items in total)	1. Tools: 1 items in total 2. Sensors: 25 items in total 3. System integration products: 3 items in total 4. Receiving and display modules: 3 item in total 5. Others and system integration: 8 items in total 6. Bluetooth sensors: 3 items	1. C100: Including tools, OBD II interfaces, and cradles 2. B121: 315 & 433MHz Universal Sensor and 1:1 Sensor 3. A000: System combination products, etc. 4. C201: receiving/display modules. 5. 90/28: including accessory packs and other TPMS products. 6. B121: various Bluetooth sensors.

Year	Product	Application and description
113 years (61 items in total)	<ol style="list-style-type: none"> <li>Tools: 1 items in total</li> <li>Sensors: 37 items in total</li> <li>System integration products: 6 items in total</li> <li>Receiving and display modules: 8 item in total</li> <li>Others and system integration: 3 items in total</li> <li>Bluetooth sensors: 6 items</li> </ol>	<ol style="list-style-type: none"> <li>C100: Including Tool, OBD II Interface, Cradle</li> <li>B121: 315 &amp; 433MHz Universal Sensor, 1:1 Sensor (Bluetooth is not included in this item)</li> <li>A000: System combination products, etc.</li> <li>C201, C900: Receive and display the related module products.</li> <li>90/28: including accessory packs and other TPMS products.</li> <li>B121: Various Bluetooth sensors of B121 series</li> </ol>
First quarter of 2025 (184 items)	<ol style="list-style-type: none"> <li>Tools: 1 items in total</li> <li>Sensors: 175 items in total</li> <li>System integration products: 2 items in total</li> <li>Receiving and display modules: 1 item in total</li> <li>Others and system integration: 1 items in total</li> <li>Bluetooth sensor: 4 items</li> </ol>	<ol style="list-style-type: none"> <li>C100: Including Tool, OBD II Interface, Cradle</li> <li>B121: 315 &amp; 433MHz Universal Sensor, 1:1 Sensor (Bluetooth is not included in this item)</li> <li>A000: System combination products, etc.</li> <li>C201, C900: Receive and display the related module products.</li> <li>90/28: including accessory packs and other TPMS products.</li> <li>B121: Various Bluetooth sensors of B121 series</li> </ol>

ADAS product line:

Year	Product	Application and description
2023 (32 items)	<ol style="list-style-type: none"> <li>Radar: 1 items in total</li> <li>System integration: 10 items in total</li> <li>Others: 21 items in total</li> </ol>	<ol style="list-style-type: none"> <li>C200: including LED displays, TFT displays, LCD displays, among other display-related modules.</li> <li>C001: Includes various controller-related products for passenger cars, pickup trucks, motorcycles, trucks, buses, and special applications.</li> <li>B122: 24GHz, 77GHz and 79GHz millimeter wave radar related products.</li> <li>A001/009: system combination products System application products to meet respective functional needs on the market, such as BSD, RCTA, LCA, FCW, DOW, and LDW, among others.</li> <li>90: Including accessories and other ADAS products.</li> </ol>

Year	Product	Application and description
2024 (32 items)	<ul style="list-style-type: none"> <li>1. Radar: 1 items in total</li> <li>2. System integration: 10 items in total</li> <li>3. Others: 21 items in total</li> </ul>	<ul style="list-style-type: none"> <li>1. C200: including LED displays, TFT displays, LCD displays, among other display-related modules.</li> <li>2. C001: Includes various controller-related products for passenger cars, pickup trucks, motorcycles, trucks, buses, and special applications.</li> <li>3. B122: 24GHz, 77GHz and 79GHz millimeter wave radar related products.</li> <li>4. A001/009: system combination products System application products to meet respective functional needs on the market, such as BSD, RCTA, LCA, FCW, DOW, and LDW, among others.</li> <li>5. 90: Including accessories and other ADAS products.</li> </ul>
First quarter of 2025 (20 items in total)	<ul style="list-style-type: none"> <li>1. System integration: 7 items in total</li> <li>2. Others: 13 items in total</li> </ul>	<ul style="list-style-type: none"> <li>1. C200 includes LED display, TFT display, LCD display and other display related module products.</li> <li>2. C001 includes various controller-related products for sedans, pick-up trucks, motorcycles, trucks, buses, and special purpose controllers.</li> <li>3. B122 refers to 24GHz, 77GHz and 79GHz millimeter wave radar related products.</li> <li>4. A001/009 is a combination product for system application. System application products to meet respective functional needs on the market, such as BSD, RCTA, LCA, FCW, DOW, and LDW, among others.</li> <li>5. 90 includes accessories package and other ADAS products</li> </ul>

#### (IV) Long-term and Short-term Business Development Plans

##### 1. Short-term plan

Item	Description of Contents
Product Direction	<ul style="list-style-type: none"> <li>1. Continue to develop products in emerging areas, increase the completeness of the product series, and add new models (such as Korean and European models) to reduce the procurement cost of customers and meet the needs of customers for one-stop purchasing.</li> <li>2. Related derivative applications of TPMS tire pressure monitoring system products</li> <li>3. Gradually increase the launch of electronic products, develop towards higher margins and higher technology categories, and enhance the depth of products.</li> <li>4. Develop parts for original manufacturers and take the initiative to launch more competitive products in the market.</li> <li>5. Actively participate in the system development after TPMS and ADAS legislation.</li> </ul>

Item	Description of Contents
	<p>6. Strengthen the design capability of vehicle switches, sensors and vehicle electronics, and command the key technologies of automotive components.</p> <p>7. Strengthen engineering management and information integration, and bring in electromechanical talents to respond to new technologies.</p> <p>8. Independent research and development of automotive/non-automotive millimeter-wave radar, with high-end 24GHz, 60GHz, 77GHz, and 79GHz millimeter-wave radar core technology and radar and image fusion.</p> <p>9. In addition to traditional passenger car applications, expand the application of ADAS technology and introduce ADAS-related application innovations into many new vehicle models and new product applications, such as school buses, heavy motorcycles, motorcycles, RV campers, and other large vehicles (eg, tour buses, commuter buses, and linkage vehicles).</p> <p>10. Millimeter wave radar is used in non-vehicle applications such as intelligent transportation, public constructions, security, water conservancy, industry, and drones.</p> <p>11. Electric vehicle and new energy market applications, and development of new products with high technology and high gross profit related to energy management and detection.</p>
Production Strategy	<p>1. Implement scheduling and mass production point inspection to ensure the quality of production and reduce unnecessary rework and waste in production process.</p> <p>2. Continuously carry out COST DOWN in response to the increase of raw material prices.</p> <p>3. Strengthen product manufacturing specification standards and verification capabilities.</p> <p>4. Enhance automatic production capability and increase production value.</p> <p>5. Reduce the quantity and amount of inventory to prevent the stock from becoming obsolete and respond early.</p>
Scale of Operations	<p>1. In addition to consolidating the US, Central, and South American markets, developing the European market as the business objective</p> <p>2. Expand millimeter wave radar AM application products and millimeter wave radar OEM products for automakers, and strengthen the self-developed technology and application of millimeter wave radar. In addition to the application of ADAS systems (BSD, FCW, AEB, etc) in general passenger cars, it also introduces more innovations into new vehicle model markets and applications, such as school buses, drones, public transportation and traffic facilities (eg, level crossings), large commercial vehicles, etc...and other markets.</p> <p>3. Ensure the quality of existing products to consolidate the existing market, and enhance the accuracy and timeliness of delivery to respond to the sales pattern of small volume and multiple SKU.</p> <p>4. Expand the Company's product sales channels and generate higher revenue through the integration of resources from affiliates and the development and cooperation with new and existing channel vendors to generate higher revenue results.</p>

## 2. Long-term plan

Item	Description of Contents
Product Direction	<p>1. Enhance the competitiveness of TPMS products and provide a simpler solution for the tire maintenance industry.</p>

	<ol style="list-style-type: none"> <li>2. The Company's R&amp;D center is the technology development platform, and is developing technologies such as automotive safety, new energy, engine power, and sensor control units, to develop higher-end AM products, while developing component products that are suitable for OEMs.</li> <li>3. The Company has introduced the engineering information platform to promote the technical exchange with Shanghai Factory.</li> <li>4. Seek strategic partners to increase existing development resources and create new business opportunities.</li> <li>5. The Company will increase the products of European and Japanese car models to expand its sales territory and strengthen its sales network.</li> </ol>
Production Strategy	<ol style="list-style-type: none"> <li>1. Implement division of work with Shanghai Factory and establish the global logistics mechanism.</li> <li>2. A small number of diversified and flexible production is established to meet the customized production needs.</li> <li>3. Continue to improve mass production technology, aim to save manpower and achieve automated production.</li> <li>4. Add TPMS fully automated production line for Taiwan's factory.</li> </ol>
Scale of Operations	<ol style="list-style-type: none"> <li>1. Human resources are oriented towards internationalization to meet the local talent retention mechanism.</li> <li>2. Expand new products and new markets, increase the economies of scale.</li> <li>3. By leveraging the professional equipment and R&amp;D technology of the two plants, the Company is able to expand into the development of other industries (such as traditional industries of electronics or machinery processing) to create value and benefits.</li> </ol>

## II. Market and Production/Distribution Overview

### (I) Market analysis

#### 1. Sales regions of major products

Unit: NTD thousand; %

Location \ Year	Year 2023		2024	
	Amount	Ratio (%)	Amount	Ratio (%)
Within Taiwan	1,764,709	40.13	1,620,659	34.70
US	964,282	21.93	1,293,621	27.70
China	989,214	22.49	366,562	7.85
Germany	198,348	4.51	178,893	3.83
Others	481,041	10.94	1,211,024	25.92
Total	4,397,594	100.00	4,670,759	100.00

As the world's largest car market, the U.S. has been the main sales region for the Company and its subsidiaries. Therefore, North America has become the Company's and its subsidiaries' main sales region, accounting for 21.93% and 27.70% of the Company's and its subsidiaries' sales in 2023 and 2024, respectively. The domestic sales amount in 2024 decreased by 5.43% from 2023, mainly due to the lower revenue from the tender projects recognized in 2024. The export sales amount in 2024 increased by 5.77% from 2023 due to the impact of the US economic climate and tariff issues in China.

#### 2. Market share:

Products manufactured by the Company and its subsidiaries are automotive electrical parts and components. Given its insignificant ratio to the overall automotive parts and components, it is uneasy to obtain related statistical data. Besides, related tax codes for automotive electrical products are not available in Taiwan, it is quite impossible to obtain the exact statistics of automotive electrical products exported. Therefore, the export tax code that has been adopted by the Company so far, 8708.99: "Parts and accessories for other motor vehicles" (including sheet metal, chassis, electronic and electrical products), and export codes 8536.50 and 8537.10 (automotive switch-related products) as well as US, the largest export destination for the automotive parts and components made in Taiwan and by the Company are used in the analysis of the Company's share in exports of automotive electrical parts and components made in Taiwan to the US.

According to the import and export statistics of the Directorate General of Customs, Ministry of Finance, the export of Taiwan's auto parts with tax code 8708.99 to the United States was found to be affected by the international financial tsunami in 2009. From 2013 to 2015, the export to the United States showed an increase. From 2016 to 2017, it declined slightly. From 2018 to 2021, it showed an increasing trend. In 2022, the export to the United States increased, with an annual growth rate of 10.88%. In addition, as far as exports to the US under tax codes 8536.50 and 8537.10 are concerned, growth was noted between 2014 and 2018. In conclusion, the export of automotive electrical parts and components from Taiwan has been on the rise from 2014-2018, and slightly declined in 2019. From 2020 to 2022, the amount increased, and the decline in 2024 was 4.8%.

Exports to the US between 2014 and 2024 under tax codes 8708.99, 8536.50, and 8537.10

Unit: In thousands of NTD, %

Year	8708.99		8536.50 and 8537.10		Total	
	Amount	Growth rate	Amount	Growth rate	Amount	Growth rate
2015	24,619,053	3.75	3,911,734	11.87	28,530,787	4.79
2016	23,099,616	(6.17)	4,613,295	17.93	27,712,911	(2.87)
2017	22,416,137	(2.96)	4,708,843	2.071	27,124,980	(2.12)
2018	23,137,279	3.22	5,486,539	16.52	28,623,818	5.53
2019	24,451,544	5.68	5,208,385	-5.07	29,659,929	3.62
2020	24,644,104	0.79	6,947,259	33.39	31,591,363	6.51
2021	29,222,702	18.58	13,629,598	96.19	42,852,300	35.65
2022	31,588,873	8.10	35,280,422	158.85	66,869,295	56.05
2023	30,152,068	-4.55	13,376,772	-62.08	43,528,840	-34.90
2024	30,319,883	0.55	11,103,724	-16.99	41,423,607	-4.8

Source: Website of the Directorate General of Customs

### 3. Future market supply and demand and growth

The supply and demand of automotive parts and components are different due to different sales models. Generally, it can be divided into two categories: the parts of the original vehicle before leaving the plant and the parts from after-sales maintenance. The after-sales maintenance parts market can be divided into two types: original equipment manufacturers OES and AM (After-Market) manufacturers.

The Company's main sales model is based on AM. Due to the long-term high oil price and the impact of financial crisis, the new car sales in the U.S. was sluggish in recent years. The AM market, on the other hand, was thriving. Because the car market has a large number of cars and the vehicle accident rate is high, the demand for replacement of AM collision parts is greater. The slow growth of new cars has slowed down the replacement of old cars. The car owners have extended the service life of old cars. the growth in demand for replacement parts. With the high car retention rate in North America, it can be expected that the AM market size will continue to grow. For the TPMS, on the other hand, the US legislation stipulates that new cars have to be equipped with the TPMS and in the future, old cars will change to the TPMS, too. In other words, it will become one of the driving forces for the Company's growth as well.

Besides, since 2005, production of new cars around the world has been slowing down. This caused some OEM and ODM companies to be caught in operational difficulties. Furthermore, because of the cost, some European and American T1/T2 suppliers are no longer willing to support OES businesses. Therefore, automotive manufacturers must apply some strategies in order to survive, such as cost reduction to maintain comparable profits. As such, they are finding lost-cost country sources and purchase orders have been outsourced

significantly over the past few years.

For the more than 20 years since it was established, the Company has been constantly seeking advancement on the AM market through research and development and has manufactured optimal parts and components meeting international standards. To cope with the changes around the world, the Company has gradually reached out from the AM market to the OE market and turned international with more refined and cost-effective products manufactured. Following the market trend, the Company tries to become a Tier 1/Tier 2 partner of automotive manufacturer suppliers taking advantage of its abundant experience accumulated over years in the auto parts sector and its innovative essence.

#### 4. Competitive advantage

##### (1) Export-oriented, covering the AM and OEM markets.

AM market is the current focus. In the future, the OEM production value will be gradually maximized; there is significant room.

##### (2) Diversification and variety of product lines

There are a variety of product lines to suit the needs of multiple vehicle models and years and the demand for procurements in small quantities and multiple options.

##### (3) Strong customer relationship

Main customers of the Company and its subsidiaries are long-term partners with amicable relations. They provide feedback and needs for the market intelligence provided and products to be developed as part of the joint effort to maximize market presence. Meanwhile, with existing customers, the number of products worked on is maximized, including not only existing product lines but also the development and sales of new product lines.

##### (4) Continued investment and improvement of R&D

The Company and its subsidiaries spare no effort in R&D investments. The R&D Center was established and the R&D unit has been further staffed. Growth is seen in both workforce and equipment. This shows the determination and effort devoted to expediting product development, technical enhancement, and cost control.

##### (5) Multiple types of small quantities of production types

A complete supply chain is formed by the contractors and the subsidiary's plant built in Shanghai through diversified division of labor to cope with the short lead time and to effectively control and bring down the inventory.

##### (6) Price competitiveness

To reach out to the world and turn international, as well as coping with the pressure brought about by rising costs, lean production is adopted. The technical improvement will contribute to improved management and help fulfill the demand in the market for price reduction.

#### 5. The favorable and unfavorable factors for the future development and the corresponding measures

##### (1) Favorable factors

A. Amid the global downturn, the automotive AM business opportunities are promising.

B. The Company has been cultivating the product technology and

market for many years, and has reached the mutual cooperation model with customers, to increase the opportunities of OEM orders.

- C. The U.S. market is facing a strategy of reducing costs, moving manufacturing out of the country, and increasing procurement from Asian manufacturers.
- D. The rise of the open economy in the Greater China region presents business opportunities and facilitates the smooth operation of Shanghai Factory.
- E. The market potential of the EU and other developing countries has increased.

(2) Unfavorable factors and countermeasures

- A. New competitors emerge (China, India, Thailand, the Philippines, etc.) and take over the market

As restructuring and consolidation become popular in the global auto sector, the international auto parts and components supply chain will see restructured changes in the future, too. Emerging countries in Asia have noticed the enormous profits brought about by exports of auto parts and components and are joining in the competition to secure a piece of the global auto parts and components pie. Cheap land, low-cost workforce, and the determination demonstrated by governments of emerging Asian countries to grow their auto sectors are offering US auto parts and components suppliers new and impressive sources. It is expected that more and more auto parts and components purchase orders will be shifted from North America to related suppliers in emerging Asian countries. This will definitely pose a threat for the business of the Company and its subsidiaries.

Countermeasures:

- A. Expedite construction of plants in Mainland China and develop them to cope with the cost demand of customers taking advantage of the relatively cheaper labor.
- B. Expand the economic scale of the Company and its subsidiaries to make it difficult for new competitors to catch up and continue to develop new products and introduce more precision equipment.

B. The product quality verification is strict and time-consuming

Due to the fact that the quality and reliability of auto parts and components are more important than IT products, new products need to go through extended testing and verification despite the trust that is already in place from the long-term partnership. It involves more funds and also higher risk. For the Company and its subsidiaries, investing in the development of new products or maintaining existing product lines involves the developmental potential of the Company in the future and hence the potential risk should not be ignored.

### Countermeasures:

Many products of the Company and its subsidiaries have now been qualified by customers and are being produced in steady quantities and shipped. The operational status is quite steady. Development of new products is ongoing to get sufficiently prepared for verification of new products in the future. Various precision testing equipment meeting automotive requirements will be introduced in the future to strengthen the laboratory's qualification capability and ensure quality assurance so that the qualification rate upon initial testing can be enhanced and time to marketing of products can be reduced.

## (II) Important purposes and production processes of main products

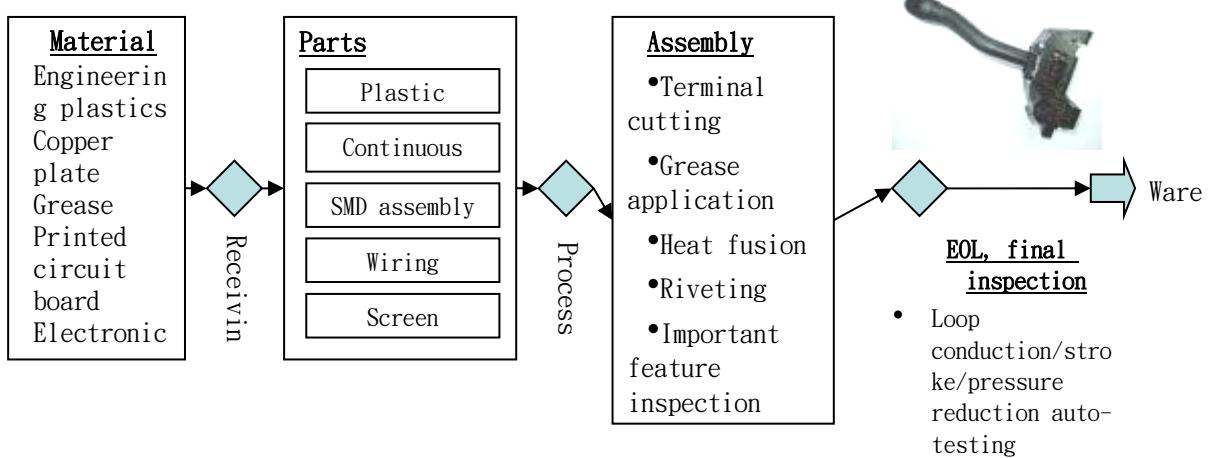
### 1. Important uses of major products:

Main product	Important purpose
Turn signal switch	① Manual control of turn signal lamps and lane change indicators. ② Manual control of high/low beam headlights. ③ Manual control for Head Lamp and Illumination ④ On switch for Hazard Lamp
Ignition switch	① Controls the power for the automotive, including electrical parts, start-up motor, and ignition system, etc. ② Key Reminder detection feature
Headlight switch	Manual switch control for the headlight, including the headlight, front and rear fog lamps, and the light for the dashboard
Automotive Sensors	① Senses engine rotation speed, provides the ECU with the rotation signal, and displays it on the dashboard. ② Senses car speed and displays it on the dashboard ③ Senses the camshaft and the crankshaft position and provides the ECU with the ignition timing output.
Power Windows Switch	① Windows go up, down, or doors are locked through the switch that contains a central control system or semi-manual system. ② For electrical control or central control, the driver can set through the switch next to him/her to centralize the control or let passengers freely turn on/off and control the windows or door next to them. ③ The new central control comes with the power switch for the mirrors.
Tire Pressure Sensor	It is installed inside the tire and can detect the air pressure and temperature of the tire in real time and send specific communication codes through RF to the receiver inside the car.
RF Coding Device for TPMS	This product works to set the RF output waveform of the tire pressure sensor to be consistent to that of the receiver inside the car

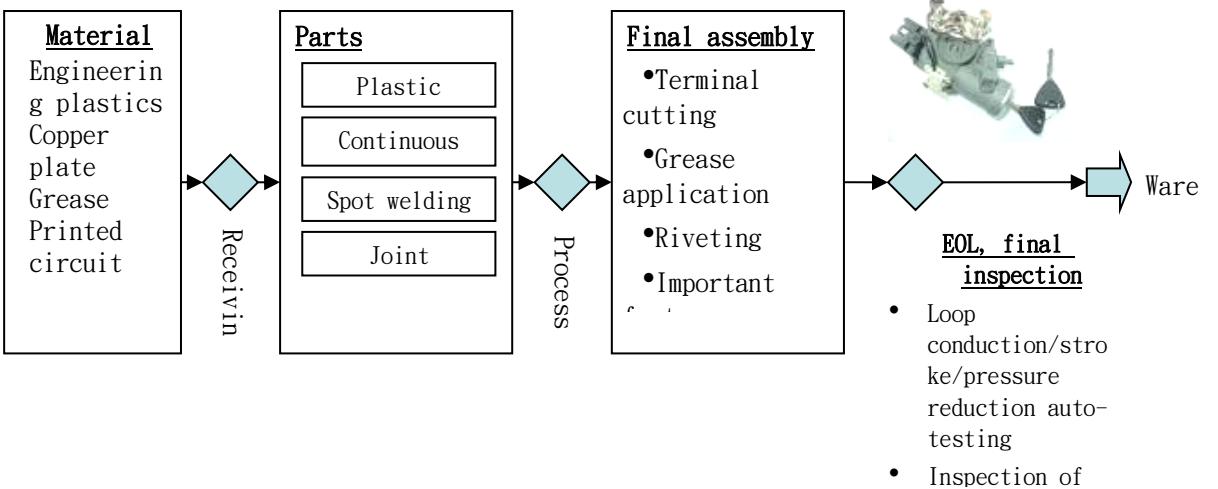
Main product	Important purpose
	so that it can transmit and receive signals. This RF coding device enables the tire pressure sensors developed by CUB to be widely applied to most automobiles in the world.
mmWave Radar	This product is not restricted by the environment or weather conditions and can detect any item within a distance of 200 m to fulfill ADAS system, security protection, industrial, drone, hydraulic detection requirements, etc.

## 2. Production process of major products

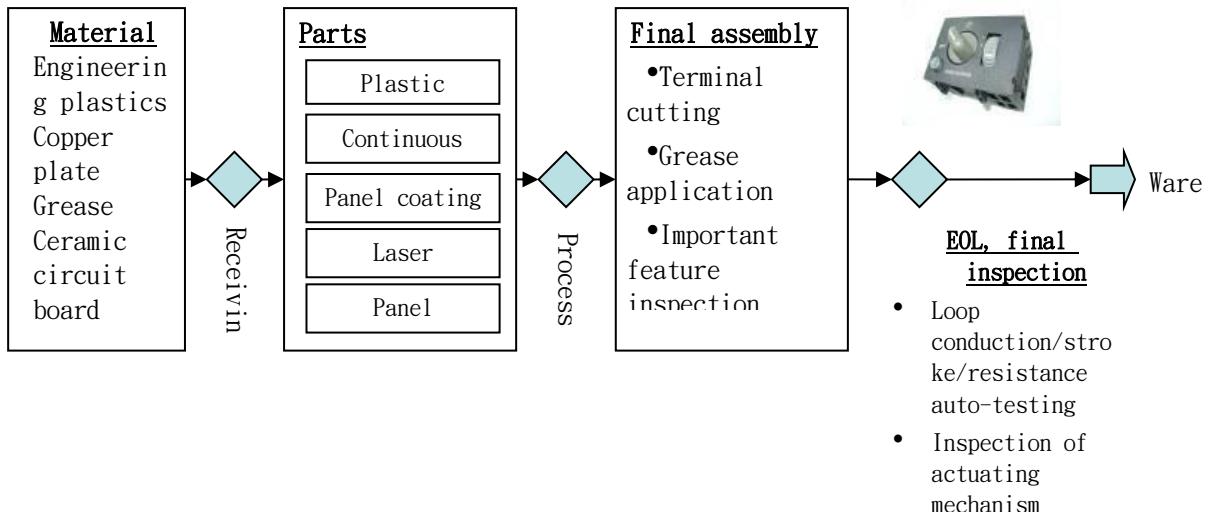
### (1) Turn signal switch products



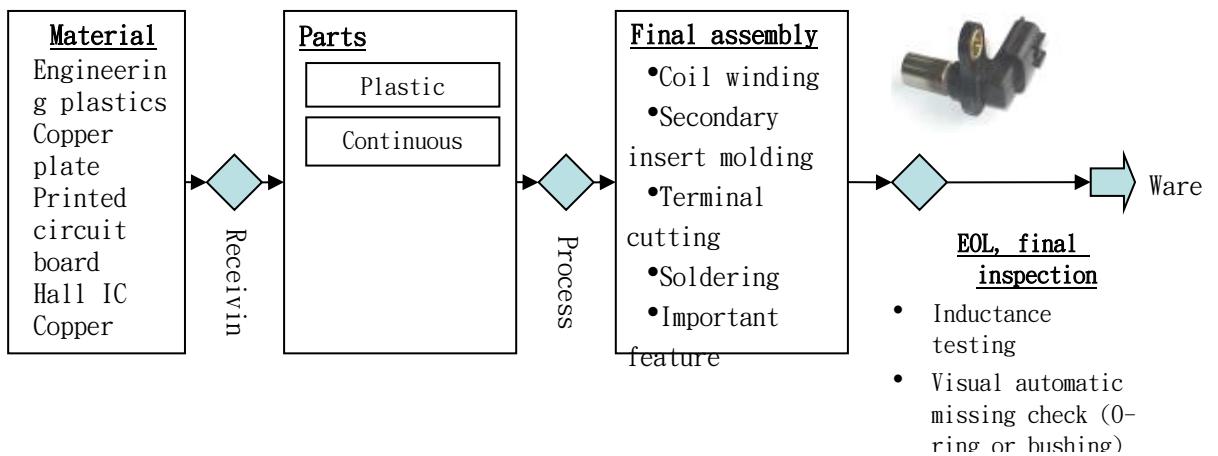
### (2) Ignition switch products



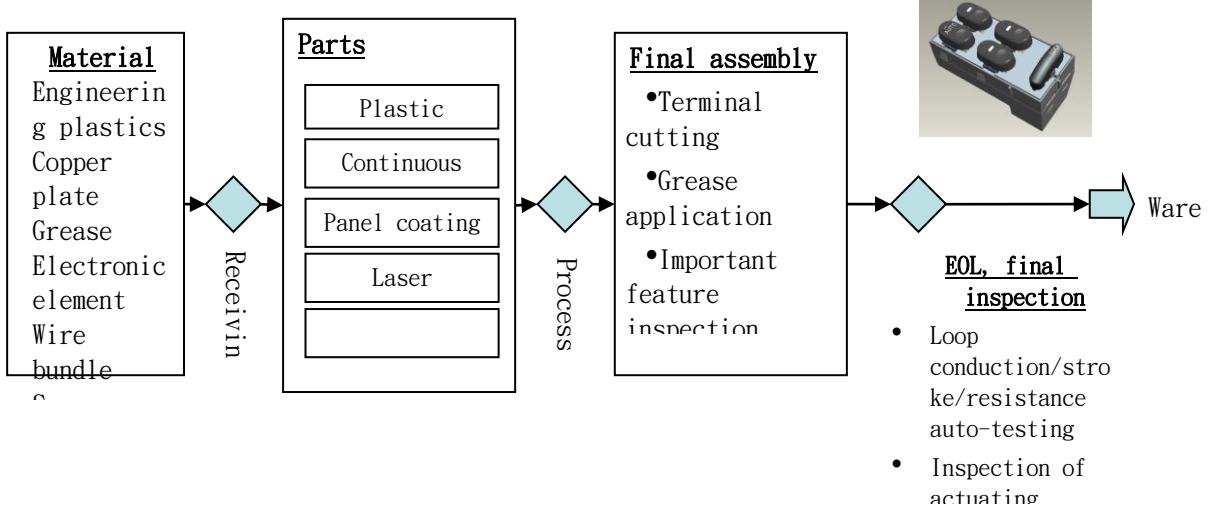
### (3) Head lamp switch products



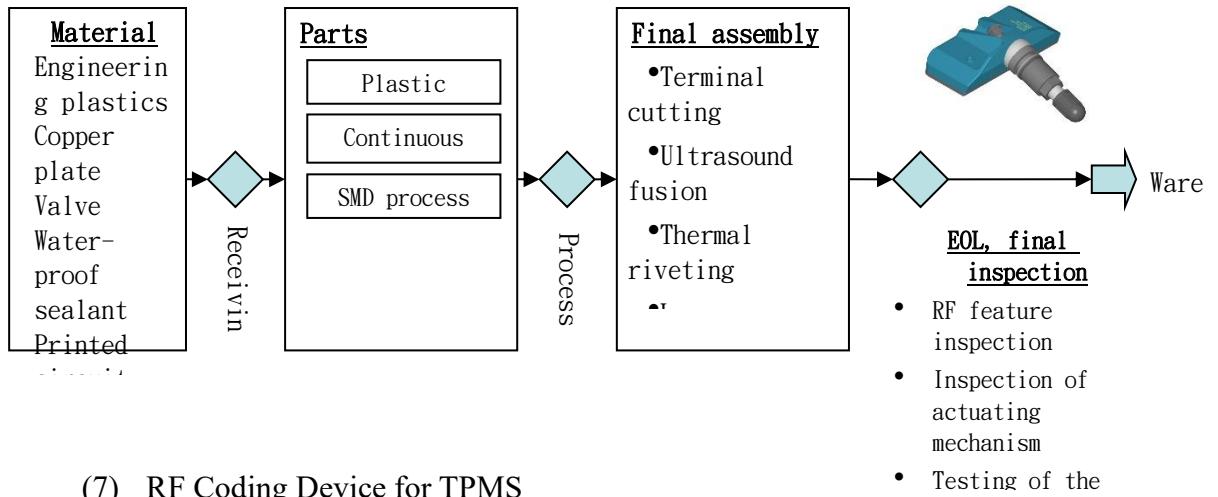
### (4) Sensor products



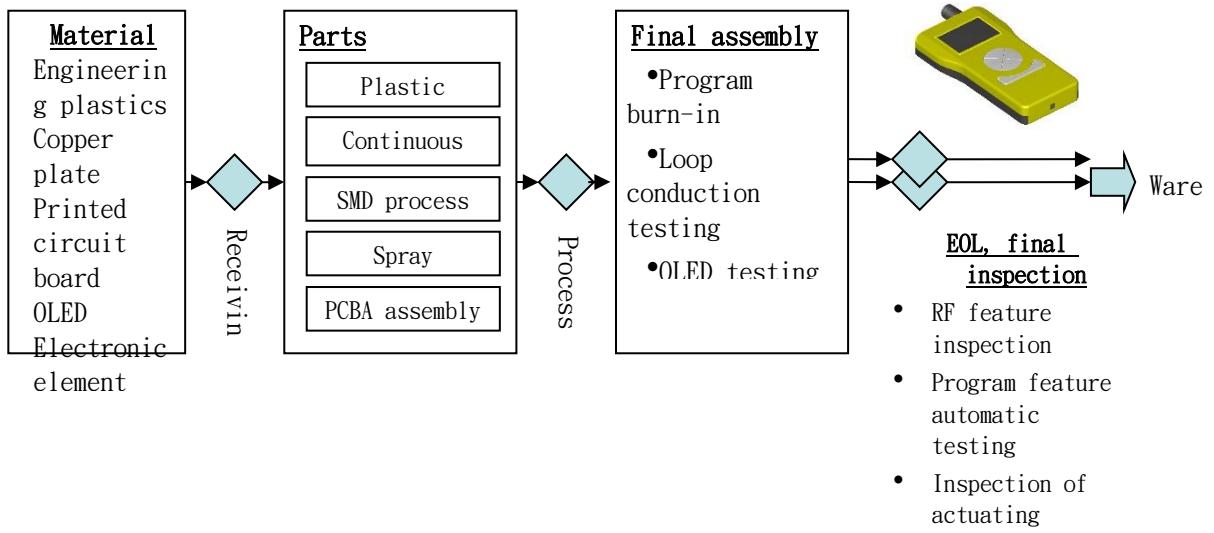
### (5) Power Windows Switch



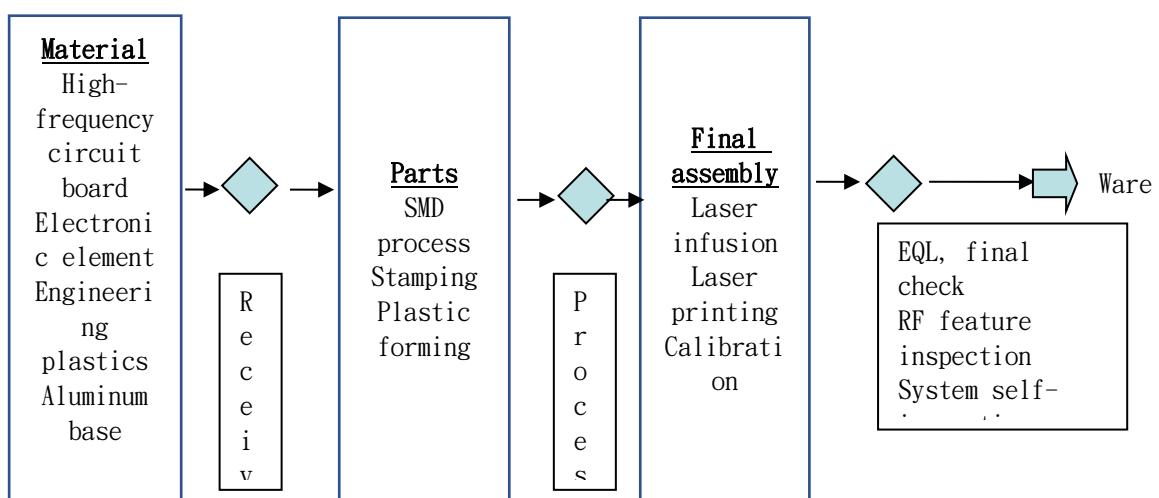
### (6) Tire Pressure Sensor



### (7) RF Coding Device for TPMS



### (8) ADAS



(III) Supply of main raw materials

Main raw material	Source of supply	Supply status
TPMS-chip, MCU, IC, NXP	Taiwan Weikeng	Good
Plastic part	Chiufeng, Hechii, Bole, Chanchuan	Good
Wire set	Mingyi, Hsinsheng, Taiyu, Shanghe	Good
Punching parts	Shenyang, Yineng, Rongsheng, Minghuan	Good
Automotive engine cylinder cover, cylinder	Changdedongding	Good

(IV) In the past two years, any customer who accounted for more than ten percent of the total purchase (sales) amount in any one year, including their name, purchase (sales) amount, proportion, and explanation of the reasons for the increase or decrease in their transactions.

1. List of suppliers accounting for more than 10% of total procurement in any of the two most recent years, and the reasons for any increase or decrease:

Unit: NTD thousand

Item	Year 2023				2024			
	Name	Amount	As a percentage of net imports for the year (%)	Relationship with the issuer	Name	Amount	As a percentage of net imports for the year (%)	Relationship with the issuer
1	Weikeng Industrial Co, Ltd	200,537	10.28	No	Baolong Industrial	404,251	15.31	No
					Weikeng Industrial Co, Ltd	183,312	6.94	No
	Others	1,636,908	89.72		Others	2,053,430	77.75	
	Net purchases	1,950,659	100.00		Net purchases	2,640,993	100.00	

Description of changes: The Company has purchased from suppliers accounting for more than 10% of the total purchase in the last two years. The Group is engaged in the research and development, production and sales of spare parts for the after-sales maintenance and repair of automotive. The main products are electric switch for cars, automotive safety parts and communication equipment engineering. Due to the diversity of products, the suppliers are quite dispersed. In the last two years, only Weikeng Industrial Co., Ltd. and Baolong Industrial Co., Ltd. have become suppliers accounting for more than 10% of the net purchase amount.

2. List of customers accounting for more than 10% of total sales in any of the two most recent years, and the reasons for any increase or decrease:

Unit: NTD thousand

Item	Year 2023	2024
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m	Name	Amount	Percentage in the net sales throughout the year [ % ]	Relationship with the issuer	Name	Amount	Percentage in the net sales throughout the year [ % ]	Relationship with the issuer
1	Group 31	177,451	4.04	No	Yu Hong Technology	548,615	11.74	No
2	Taiwan Railway	758,442	17.25	No	Group 31	291,981	6.25	No
3	Company A	492,013	11.19	No	Company A	165,779	3.54	No
	Others	2,969,688	67.52		Others	2,969,688	67.52	
	Net sales	4,397,594	100.00		Net sales	4,670,759	100.00	

Description of changes: The Group's main business items are the production and sales of automotive parts and components, and automotive electrical and mechanical switches, and project engineering. Group 31 is a customer of automotive parts and components. In 2023 and 2024, it was the top ten customer of the Company. The increase in sales value of Group 31 in 2024 was mainly due to the economic recovery in the US, the adjustment of inventory in 2023, and the increase in sales in 2024. In addition, Yu Hong Technology is a business of construction projects. The sales value is easily affected by the number of tenders and the size of the projects in the year. Company A is a subsidiary of the Company, and a customer of the advanced driver assistance system (ADAS). The customer has adjusted its delivery speed due to the tariff issues in China.

### III. Profile of employees over the past two years

Item	Year		
		2023	2024
Number of employees	Managers	40	44
	Direct employees	154	154
	Indirect employees	697	645
	Total	891	843
Mean age		39.16	39.27
Mean number of years in service		6.31	7.41
Ratio of education distribution	Post-graduate school	0.79%	1%
	Graduate school	13.92%	14%

Item	Year	Year 2023	2024
	Bachelor (College)	58.69%	59%
	Below college/universit y	26.60%	26%
	Total	100.00%	100.00%

#### IV. Information on Environmental Protection Expenditure

1. If the Company is required by law to apply for a permit for the construction of pollution facilities, or a permit for pollution discharge, or to pay for pollution prevention expenses, or to set up a dedicated unit for environmental protection, the status of the application, payment, or establishment must be explained:
 

The Company, being a professional manufacturer and distributor of automotive electrical products, no pollutants subject to regulatory control are generated during production or manufacturing. As such, there is no need for the Company to apply for a permit for setting up polluting facilities or discharging pollutants or pay pollution control and prevention fees or set up exclusive units or staff to take charge of environmental protection as required by law.
2. The report shows the Company's investment in the main equipment for pollution prevention, the purpose of use, and the possible effects:
 

The Company, being a professional manufacturer and distributor of automotive electrical products, no pollutants subject to regulatory control are generated during production or manufacturing. As such, it is no applicable.
3. Explain the Company's efforts to improve environmental pollution in the most recent two years and up to the date of publication of the annual report, the handling process for the environmental pollution disputes shall be explained: The Group did not have environmental pollution disputes in the most recent two years and up to the publication date of the annual report.
4. In the most recent two years and the date of report publication, the losses suffered by the Company due to environmental pollution (including compensation and violations of the laws and regulations in environmental protection inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the content of the legal violations, and the content of the dispositions), and disclosing the current and possible estimated amounts and countermeasures. If it is impossible to make a reasonable estimate, the facts of why it is impossible should be stated: In the most recent two years and up to the date of publication of the annual report, the Group has not suffered any losses due to environmental pollution.
5. The current pollution and the impact of improvement on the Company's earnings, competitive position and capital expenditure, and the expected significant capital expenditure on environmental protection in the next two years: None.

## V. Labor-Management Relations

(I) The Company's employee welfare measures, continuing education, training, retirement system and their implementation, as well as the agreements between labor and management, and various measures to protect the rights and interests of employees:

### 1. Employee welfare measures

- (1) The Company has established the Employee Welfare Committee and has been allocating funds to the welfare fund as required by law.
- (2) The Company's Welfare Committee provides various welfare systems, including three festivals, gifts, birthday gifts, education and training, hospitalization and other irregular social activities.
- (3) The Company will distribute bonuses depending on the operating situation, and implement employee bonus system to enhance employee morale.
- (4) The subsidiary provides various employee welfare measures in accordance with local laws and regulations and business results.

### 2. Continuing training and education system

To boost employee attainments and skills for a win-win situation of the employees and the company, the Company and its subsidiaries conduct various types of educational trainings regularly and as needed, including the newcomer training, in-service training, and external training:

- (1) New employee training: When new employees report to the Company, they are required to undergo orientation training to familiarize with the Company's rules, policies and culture.
- (2) On-the-job training: Before the end of each year, each unit submits an education and training plan for the next year based on the personnel training requirements of the unit. After the management department compiles and submits it, it is used as the basis for implementing the Company's education and training plan.
- (3) External training: For special personnel, external training applications can be filed (e.g. professional certification training, on-the-job training, etc) due to work requirements. After the completion of the training, the personnel will be issued a certificate or report as a reference for education and training.

### 3. Retirement system

- (1) The Company established the Supervisory Committee of the Labor Retirement Reserve Fund in January 1998, and also defined the committee's organizational charter and the labor retirement regulations. The Company also appropriated the pension reserve to the dedicated account of the Bank of Taiwan for safekeeping.
- (2) Since July 1, 2005, the Company has been contributing 6% of employees' monthly salaries as pension reserve under the Labor Pension Act, which is deposited in the employees' individual pension account under the new labor pension system.
- (3) The subsidiary shall comply with the local laws and regulations, such as the Labor Act and the Social Insurance Act.

4. The agreements between labor and management: In order to promote labor-management relations, the Company and its subsidiaries hold regular or ad-hoc labor-management meetings, and establish an online communication platform as a channel for communication between the employer and employees, to ensure harmonious labor-management relations.
5. Employee rights protection measures: The Company and its subsidiaries operate in accordance with the Labor Standards Act to protect employees' rights and interests.

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

1. The Company did not violate the Labor Standards Act in the most recent year and as of the date of publication of the annual report.
2. In case of any occurrence, the Company will take preventive measures and strengthen the implementation of the professional manager management measures in each business unit, organize training and education on relevant laws and regulations, regularly promote the Labor Standards Act every quarter, and the Company has established a complaint management system, so that workers can report through the complaint channels.

## VI. Information and Communication Security Management

(I) Describe the information security risk management framework, information security policy, specific management plans, and resources invested in information security management, etc.:

1. Organizational structure:  
The IT unit is responsible for preparing and enforcing information security policies, communicating information security, promoting employees' awareness of information security, continuing to reinforce information security management, ensuring data, systems, and network safety, and collecting and improving technologies, products, or procedures for the performance and validity of organizational information security management systems.  
The audit unit inspects IT security of the internal control system circulation of electronic data (nine major cycles) each year to evaluate the validity of internal control for the company's IT operations.
2. Information security risk management mechanism:  
To enforce IT security management, the Company has the internal control system - electronic media management procedure in place to help strengthen the overall protection of IT security and form an IT security management system that realizes the timeliness and integrity in the reporting of IT security-related messages:
  - (1) Secure software and hardware deployment: Network management and server management ensure the continuous operation of the information system.

- (2) System software and hardware layout: information system software, user computer, equipment computer, computer peripherals, and spare parts.
- (3) Program maintenance and update: information system software program, form program, database.
- (4) Account permission permissions: Information system software account permissions, user computer account permissions, file folder permissions, mobile storage equipment permissions, and network usage permissions, to ensure that data access is in accordance with departmental function specifications and prevent unauthorized modification or use of data and systems.
- (5) Information peripheral equipment deployment: Office machines, printers, and projectors, to ensure the confidentiality and integrity of information assets.
- (6) Regularly review information security to ensure information security is properly implemented.

3. Information security policies:

- (1) Security goals:

To reinforce management of IT security, create various reliable IT application systems, improve information security and quality of service of the Company's operations, protect the security of the Company's IT assets against any internal or external intentional or incidental threat and destruction that results in alteration, disclosure, destruction, or loss of operational information for the sake of protecting the Company's interest and ensuring sustainable operations of IT systems at respective units.
- (2) Scope of security:
  - A. Staff management and IT security educational training.
  - B. Computer system security management
  - C. Network security management
  - D. System access control
  - E. System development and safety maintenance and management
  - F. IT assets security management
  - G. Physical and environmental safety management
  - H. IT system sustainable operation plan management
  - I. IT security audit.
- (3) Safety principles and standards:
  - A. Periodically hold IT security communication and educational trainings and drills to improve employees' awareness of IT security and help them abide by IT security requirements.
  - B. Install anti-virus software to detect and protect IT systems and files against computer viruses. Use MDR to keep off and protect against malicious attacks and invasions and ensure security of computer data.
- (4) Relevant regulations to be followed:

- A. Upon receipt of the application form for account access, the IT unit creates a “username” and sets up a sophisticated password and gives them to the applicant. They may not be used by anyone else.
- B. Computer data and equipment are set with the specific custodian. Use, dismantlement, and alteration of peripheral equipment at will is disallowed without prior authorization.
- C. It is disallowed to use unauthorized and unknown software/hardware.
- D. Screen saver is activated when the computer is inactive and the password needs to be entered again to use the computer.
- E. Important data shall be backed periodically and saved in the company's storage equipment.
- F. Use of unauthorized real-time communication software is disallowed.

4. Specific information security management plan:

Internet control	Data access control	Response recovery mechanism	Communication and review
<ul style="list-style-type: none"> <li>1. Firewall (highly usable).</li> <li>2. Periodic vulnerability detection and scanning and penetration testing of the network.</li> <li>3. Activity record and operation control.</li> <li>4. System log for tracking abnormal activities.</li> <li>5. Regularly review the computer network security control measures.</li> <li>6. Restrictions on network connection.</li> <li>7. Anti-virus software installation</li> </ul>	<ul style="list-style-type: none"> <li>1. Computer data and equipment are set up as safekeeping units/personnel.</li> <li>2. Give different access permissions to the respective users.</li> <li>3. Cancellation of access for transferred staff</li> <li>4. Confidential and sensitive data and copyrighted software will be deleted before the storage device is scrapped.</li> <li>5. The remote login management information system can only be used after approval.</li> <li>6. Establish a multi-factor authentication mechanism for</li> </ul>	<ul style="list-style-type: none"> <li>1. Regularly review the emergency response plan.</li> <li>2. Exercise system recovery regularly every year.</li> <li>3. Establish a system backup mechanism and perform backup operations regularly.</li> <li>4. Establish off-site backup equipment and perform backup operations regularly.</li> </ul>	<ul style="list-style-type: none"> <li>1. Regular announcements and promotion of information security to enhance employees' information security awareness.</li> <li>2. Conduct social engineering drills on a regular basis.</li> <li>3. Regularly conduct information security education and training.</li> </ul>

	the e-mail system.		
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5. Emergency notification procedures

When an IT security incident occurs, determine the type of event and find out the underlying problem according to the IT system major disaster emergency response procedure for immediate troubleshooting and keep record of it.

6. Execution status

(1) The Company has not had any significant IT security incident so far that resulted in operational damages.

(2) IT security management policies will continue to be enforced and the recovery plan-based rehearsals will take place periodically to protect the security of important systems and data of the company.

Information Security Unit: Information Management Department

Information Security Officer: Su, Chih-Yuan

Total employees with information security setup: 2

Date: December 30, 2024

Topic: 2024 Cyber Security Annual Summary

Conclusion:

- One information security risk management meeting in 2024
- 2 security fishing drills (first and second half)
- 18 employee education and training sessions (orientation for new recruits, social engineering, information security advocacy)
- Weakness scan once
- 1 external audit (counter-terrorism external audit)
- 1 backup and restore drill
- Renewal of contracts for information security related software and hardware, and continued protection
- Amendment to the Emergency Response Measures

(II) Losses suffered by the Company as a result of labor-management disputes over the past year up to the date when the Annual Report was printed. Disclose the estimated amounts and countermeasures now and those that occur in the future. If reasonable estimation is impossible, why is impossible shall be specified: None.

VII. Important contracts:

Nature of contract	Parties to the contract	Start/End dates of contract
Business contract	AutoZone	August 12, 2024 until both parties agree to terminate the contract
Business contract	Airlift	From 2024/8/1 to 2029/7/31
Business contract	Jing Hui	2025/1/1 - 2027/12/31
Equipment procurement	Stark	2024/7/3 - 2025/9/25
Equipment procurement	Vicomm	March 15, 2024 - July 15, 2024
Software Authorization	Ting Heng	2024/11/5 - 2026/12/31
Contractual Agreement	Daya	45 working days after the license is obtained from 2024/6/12
Contractual Agreement	Kuang Tsai	2024/7/20 - 2025/6/30

一、 Committee's Review Report of Financial Statements of the Past Year

The Board of Directors prepared the Company's 2024 financial statements, business report, and proposal for earnings distribution. The 2024 financial statements were audited by KPMG, which has issued an audit report. The above-mentioned 2024 financial statements, business report and earnings distribution proposal have been reviewed by the Audit Committee, and it is believed that there is no inconsistency. Therefore, the reports are submitted in accordance with the relevant provisions of the Securities and Exchange Act and the Company Act. Please review.

To  
2025 General Shareholders' Meeting

CUB ELECPARTS INC

Convener of the Audit Committee: Chang Chuan-Li



March 7, 2025

## Five. Analysis and Review of the Financial Condition and Operating Results, and Risk Factors

### I. Financial standing

Item	Year	Year 2023	2024	Difference	
				Amount	%
Current assets		6,129,828	7,193,788	1,063,960	17.36
Real estate, plants, and equipment		2,549,077	2,731,673	182,596	7.16
Intangible asset		737,041	716,332	(20,709)	(2.81)
Other assets		837,873	1,173,605	335,732	40.07
Total assets		10,253,819	11,815,398	1,561,579	15.23
Current liability		2,430,926	4,687,990	2,257,064	92.85
Non-current Liabilities		2,571,314	1,511,616	(1,059,698)	(41.21)
Total liabilities		5,002,240	6,199,606	1,197,366	23.94
Share capital		1,409,176	1,409,176	-	-
Additional paid-in capital		703,436	413,397	(290,039)	(41.23)
Retained earnings		2,150,518	2,480,508	329,990	15.34
Other equities		(45,976)	(7,491)	38,485	(83.71)
Equity belonging to the owner of the parent company		4,217,154	4,295,590	78,436	1.86
Non-controlling interests		1,034,425	1,320,202	285,777	27.63
Total equities		5,251,579	5,615,792	364,213	6.94

1. Main reasons for the major changes (analysis and clarification for a change ratio of 20% and above and an absolute amount involved in the change reaching NTD 10 million) in the assets, liabilities, and equity over the past two years and the impacts:
  - (1) Other assets: Mainly due to the long-term receivables from the sale of equipment by the subsidiary Shanghai Cub Automotive Parts.
  - (2) Current liabilities and non-current liabilities: Mainly due to the parent company's issuance of corporate bonds that will mature within one year to ITM Autoparts International, resulting in the transfer of non-current liabilities to current liabilities.
  - (3) Total liabilities: The parent company is still continuing to draw down the syndicated loan to support the construction of the factory, and the subsidiaries, Harbinger Technology and 3S System Technology, still have new tender projects, resulting in an increase in capital demand.
  - (4) Capital reserve: Mainly due to the distribution of earnings in 2023 amounted to \$281,835 thousand, which was due to payment of cash dividends from capital

Item	Year	Year 2023	2024	Difference	
				Amount	%
reserve.					
				(5) Other equity: Mainly affected by the cumulative translation adjustment.	
				(6) Non-controlling interests: Mainly due to the subsidiary CUBTEK INC.'s capital increase in cash.	
2.				2. If the impact is significant, future response plans should be described: None.	

## II. Financial Performance

### (I) Comparison Analysis Table of Operating Results

Unit: NTD thousand

Item	Year	Year 2023	2024	Increase (decrease) in amount	Change ratio (%)
Net operating income		4,397,594	4,670,759	273,165	6.21
Operation		2,649,478	3,135,319	485,841	18.34
Operating gross profits		1,748,116	1,535,440	(212,676)	-12.17
Operating expenditures		1,290,599	1,222,457	(68,142)	-5.28
Operating profits		457,517	312,983	(144,534)	-31.59
Non-operating income and expenditures		19,924	376,791	356,867	1791.14
Net profit before tax		477,441	689,774	212,333	44.47
Income tax		143,906	170,365	26,459	18.39
Net profit of current term		333,535	519,409	185,874	55.73
Other combined gains or losses (net amount)		(20,944)	40,350	61,294	-292.66
Total combined gains or losses for the current term		312,591	559,759	247,168	79.07

The analysis and clarifications are provided below for those with a change ratio of 20% and above and an absolute amount involved in the change reached NTD 10 million:

1. Non-operating income and expenses: Mainly due to the appreciation of the U.S. dollar in the current period, resulting in an increase in net foreign exchange gains, and the profit from the sale of land by the subsidiary CUBTEK INC.
2. Operating profit: Mainly due to the increase in revenue contribution from the subsidiaries, 3S System Technology and Harbinger Technology, and the large-scale projects with low gross profit margins, which reduced operating profit.
3. Net profit before tax, net profit for the period, other comprehensive income (net), comprehensive income (net): Mainly due to the appreciation of the U.S. dollar in the period, which led to an increase in net foreign exchange gains, and the profit from the sale of land by the subsidiary CUBTEK INC., which increased non-operating income and expenses.

### (II) Expected sales volume and its basis

The sales for the coming year are estimated according to the overall industrial outlook, the estimated number of purchase orders from customers, and the throughput. With the COVID-19 pandemic easing, it is expected that the demand for self-owned cars will gradually climb during the post-pandemic era and respective heavyweight automobile manufacturers will have increased demand for parts and components,

which will accordingly drive the overall revenue and performance of the Company and its subsidiaries. In addition, the Company and its subsidiaries will continue to devote R&D resources to improving their technical capabilities and advancing the production process and quality of products, satisfying customer demand, and maintaining amicable relations with suppliers to make their products more forward-looking, cost-effective, competitive, and accordingly help the Group grow in the future in terms of revenue and profitability.

(III) Potential impact on the company's future finances and response plans: None.

### III. Cash flow

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

Item	Year	Year 2023	2024	Difference	
				Amount	%
Net cash inflow (outflow) from operating activities		-601,290	29,255	630,545	(104.87)
Net cash inflow (outflow) from investing activities		-827,377	321,351	1,148,728	(138.84)
Net cash inflow from financing activities		282,334	871,731	589,397	(208.76)
For those with a change ratio of 20% and an absolute amount involved in the change reaching 1% of the total assets for the specific year:					
1.	The increase in net cash outflow from operating activities was mainly due to the increase in net profit before tax in 2024.				
2.	The increase in net cash inflow from investing activities was mainly due to the subsidiary CUBTEK INC.'s sale of land in 2024.				
3.	The increase in net cash inflow from financing activities was mainly due to the increase in long-term borrowings from the syndicated loan in 2024.				

(II) Improvement plan for insufficient liquidity: No insufficient cash liquidity.

(III) Cash liquidity analysis for the next year (individual)

Unit: NTD thousand

Balance of cash at the start of the term (1)	Net cash flows from operating activities throughout the year (2)	Net cash flows associated with other activities throughout the year (3)	Cash surplus (deficiency) amount (1)+(2)+(3)	Remedial Measures for Cash Shortages	
				Investment plan	Wealth management plan
966,553	871,539	(3,000,000)	(1,161,908)	—	—

1. Analysis of Annual Cash Flow Changes:

- (1) The cash inflow from operating activities: It is expected that in 2025, domestic and foreign auto markets will be active due to the easing of the pandemic in various countries, the recovery of the U.S. economy, and the increasing demand for private transportation will drive the AM market to actively replenish inventory. With the strong demand for private vehicles and the low inventory levels of major brands, the sales performance will continue to grow, which will help to generate net cash inflow from operating activities.
- (2) Investing and financing activities: It is expected that the construction of factories, purchase of machinery and equipment, and distribution of cash dividends will result in net cash outflows from investing and financing activities in 2025.

2. Remedies for estimated insufficient cash capital and liquidity analysis: Plan to conduct cash capital increase and credit financing.

IV. Impacts of major capital expenditures on financial operations over the past year

- (I) Usage of Significant Capital Expenditures and Sources of Funds: None.
- (II) Expected Benefits: None.

V. Main reasons for profits or losses from reinvestment policies over the past year, the improvement plan, and the investment plan for the coming year

Unit: NTD 1,000/USD 1,000

Re-invested business	Investment gains/losses	Recognition of Investment Gains and Losses	Main Reasons for Profit or Loss	Improvement Plans
Silver Cub Inc.	Investment holding	(32,734)	Normal operation	No
Golden Cub Inc.	Investment holding	USD (1,019)	Normal operation	No
Shanghai Cub Automotive Parts Co., Ltd.	Manufacturing, processing, and trading automobile parts and motorcycle switches	(32,734)	Normal operation	No
Royal Cub Inc.	Investment holding	(14,266)	Normal operation	No
Ever Cub Inc.	Investment holding	USD (634)	Normal operation	No

Re-invested business	Investment gains/losses	Recognition of Investment Gains and Losses	Main Reasons for Profit or Loss	Improvement Plans
ITM Engine Components Inc.	Auto parts trading	USD (634)	Normal operation	No
ITM AUTOPARTS INTERNATIONAL INC	International Trade	3,029	Normal operation	No
Harbinger Technology Corporation	Telecommunication electronics and government projects	105,414		
Harvest Optoelectronics Co, Ltd	Controlled Telecommunications Radio-Frequency Devices and Materials Imports	20	Normal operation	No
CUBTEK INC	Motor Vehicles and Parts Manufacturing	15,881	Normal operation	No
Globe Cub Inc.	Investment holding	(147,304)	Normal operation	No
Glory Cub Inc.	Investment holding	USD (4,585)	Normal operation	No
CUBTEK INC (Shanghai)	Motor Vehicles and Parts Manufacturing	(75,420)	Normal operation	No
3S System Technology Inc	R&D, production, distribution, and service of monitoring technologies, equipment, and their applications	(12,723)	Normal operation	No

## VI. Risk matters and assessment for the past year

### (I) Effects of Interest Rate Changes, Exchange Rate Fluctuations, and Inflation on the Company's Profit, Loss, and Future Response Measures

#### 1. Interest Rate Changes:

##### (1) Impact on the Company and its Subsidiaries:

The Company's interest expenses were NT\$57,578 thousand and NT\$73,561 thousand in 2023 and 2024, respectively, accounting for 1.31% and 1.57% of the net operating revenue, respectively. As the current market capital continues to be relaxed, the overall interest rate remains low, so changes in interest rates will not have a significant impact on the Company.

##### (2) Future Response Measures:

The Company and its subsidiaries periodically evaluate the interest rates for borrowings from banks and stay in close contact with banks in order to obtain preferred rates to bring down expenditures on interest. The company continuously monitors market interest rate trends and makes use

of various financing tools to minimize the impact of interest rate fluctuations on profitability.

## 2. Exchange Rate Changes:

As the Company and its subsidiaries are mainly engaged in export sales, and most of the sales are denominated in US dollar, changes in exchange rates have a certain impact on the Company's and its subsidiaries' profit and loss. In 2023, the exchange rate of US dollar against New Taiwan dollar showed a range of fluctuations. The Group recognized an exchange gain of NT\$1,491 thousand, accounting for 0.03% and 0.33% of the net revenue and operating profit, respectively. This indicated that exchange rate fluctuations had a certain impact on the Group's profit. In 2024, the exchange rate of US dollar against New Taiwan dollar showed a range of fluctuations. The Group recognized an exchange gain of NT\$76,139 thousand, accounting for 1.63% and 24.33% of the net revenue and operating profit, respectively.

Countermeasures: Main sales income of the Company and its subsidiaries are calculated in USD while purchases of main raw materials and supplies are calculated in NTD. Therefore, natural hedging that can be accomplished between international currency income and expenditures is limited. Should the USD-NTD exchange rate fluctuate significantly, it will impact the earnings of the Company and its subsidiaries to a certain extent. In order to effectively reduce the impacts of change in exchange rates on the overall profitability of the Company and its subsidiaries, we have come up with substantial countermeasures as follows:

- ① The Company will maintain close contact with financial institutions to keep track of the trend of exchange rate changes, and appropriately adjusts foreign currency asset positions to reduce exchange risk.
- ② The Company will continue to monitor the trend of US dollar to fully grasp market information, and estimate the long-term and short-term exchange rate trends. In addition, when the exchange rate fluctuates significantly, we will appropriately renegotiate transaction prices with our customers to mitigate the impact of exchange rate fluctuations on the Company's revenue and profit.
- ③ The Company has established relevant regulations on foreign exchange hedging in the "Regulations Governing the Acquisition or Disposal of

Assets". The products traded should be selected to avoid the risks arising from the Company's business operations. The responsible person shall take appropriate hedging operations and strictly control the hedging positions to reduce the risk of exchange rate fluctuations.

3. Impact of Inflation on the Company's Profit, Loss, and Future Response Measures:

The company closely monitors market price fluctuations and maintains good interactions with customers and suppliers, thus the impact of inflation on the company and its subsidiaries is limited.

(II) Policies, Profits, or Losses, and Future Response Measures for High-Risk, High-Leverage Investments, Lending to Others, Endorsements, Guarantees, and Derivative Transactions:

1. As of the publication date of the annual report, the Company and its subsidiaries have not engaged in high-risk and high-leverage investments and derivatives transactions. If they are engaged in the above-said transactions in the future, applicable requirements under the "Regulations for Acquisition or Disposal of Assets" approved through the shareholders' meeting will be followed by the Company and its subsidiaries.
2. The Company has established the "Operational Procedures for Loaning Funds to Others". As of the date of publication of the annual reports in 2023 and 2024, the Company and its subsidiaries have not loaned funds to others that have not been recovered.
3. The company has established an "Endorsement and Guarantee Procedure". The group provides endorsements and guarantees in response to the operational needs of its subsidiaries, which have no adverse effect on the group.

(III) Future Research and Development Plans and Expected Research and Development Expenses:

The Company and its subsidiaries have been exporting its products for a long time. Therefore, the Company has adopted high standards for the timeliness of mold development, product quality requirements and delivery accuracy. In addition, the Company has also maintained a strong attitude towards strengthening the product design capabilities, mold design and development capabilities, and electrical and mechanical integration capabilities of research and development personnel, and constantly improved the quality of related technologies. The Company and its subsidiaries have also increased their own research and development capabilities by recruiting outstanding talent from related technical fields. In addition, in view of the diversification of the Company's and its subsidiaries' products, we need to be more cautious in investing in and developing dies, and we will analyze the actual sales situation to select hot-selling products or models with potential for focused development and maintenance in order to maintain a highly competitive advantage.

In addition, we will deepen the research and development of Universal TPMSSs (tire pressure monitoring systems) and strengthen the decoding rate and simplification of tools for the replacement of European and American TPMS vehicles. For the models of automobiles manufactured in China and sold in Europe and the US, we have devoted R&D resources to researching and developing TPMSSs for the local models in China to gradually access the TPMS market in Taiwan effectively taking advantage of existing strengths of the Company and its subsidiaries. On the other hand, we explored the application of the TPMS in commercial vehicles and successfully developed the Hook and Go feature. Drivers do not need to worry about a shift in settings anymore. Together with the fleet management system, it enhances the overall management service value. Actively integrate radar modules from subsidiaries for ADAS-related automotive electronics applications and develop applications for RVs, drones, rail, public works, and other non-automotive applications.

The R&D plans of the Company and its subsidiaries in the future will be focused on the following:

- (1) Continue to increase the completeness of our product lineup and add new vehicle models (eg. Korean and European models) to reduce our customers' procurement costs and satisfy their needs in one purchase.
- (2) Related derivative applications of TPMS tire pressure monitoring system products
- (3) Gradually increase the launch of electronic products, develop towards higher margins, higher technology categories, and enhance the depth of products.
- (4) Develop parts for original manufacturers and take the initiative to launch more competitive products in the market.
- (5) Actively participate in the development of Tire Pressure Monitoring Sensors (TPMS) in the OEM market.
- (6) Development and application of ADAS-related sensors.
- (7) Applications of millimeter-wave radar in automotive and non-automotive uses.
- (8) Development of parts related to new energy vehicles.

In terms of R&D budget, related expenditures have been climbing over the past few years. The increase in R&D expenditures over the past few years is mainly because of the investments in R&D equipment, the application for patents, and the hiring of high-ranking R&D talent by the Company. The continued devotion of R&D budgets in the future will be focused more on the development of related core technologies reflective of the changes in the market and the R&D status of new products.

The Company's consolidated R&D expense in 2024 was NT\$522,009 thousand. In the future, the Company will continue to deploy advanced technologies, increase the added value of existing production capacity through new technologies and new applications, and strengthen its competitiveness in the high-end and new application product market. In addition, as of the end of 2024, up to 427 patent rights had been obtained. Among them, 89% are invention-related patents (excluding subsidiaries).

From 2022 to 2025, the Company is expected to invest approximately NT\$500 million in research and development expenses each year. However, it will be adjusted in a timely manner depending on the global market situation and the Company's actual operations. Main R&D plans of the Company in the future are as follows:

Title	Description	Status	Time to expected mass production
New-generation TPMS	The communication protocol and frequency band for TPMSs that come in new energy-driven vehicles have significantly changed. The next-generation MEMS chip will be used in combination with the novel communication module to secure business opportunities for next-generation TPMSs.	85%	2022 years
Original radar substitutes	Respective original radars now are incompatible with one another to result in the difficulty in building the inventory for service parts. We are currently researching and developing radars that can substitute original ones. Once the software is updated, they can be used in most models of vehicles to significantly bring down the inventory cost.	60%	2024 years
Automotive switch sensors capable of communication	Automotive switches and sensors have now entered the electronic age, with numerous communication protocols that are exclusive against one another. We have quite mature automotive switch/sensor modules now. By adding electronic control modules, we will be able to secure business opportunities associated with replacement of parts.	30%	2025 years
Detection-oriented radars	Currently, vehicles and machines are often bothered by blind spots while moving. mmWave Radars help precisely detect	90%	2024 years

	moving objects within the region without being affected by the weather conditions, illumination, or surroundings. They can be used to detect the difference in radius between inner wheels, railroad crossings, and geofencing.		
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**(IV) Effects of Important Domestic and International Policies and Legal Changes on the Company's Financial Operations and Response Measures**

The Company and its subsidiaries carry out their operations in compliance with applicable regulatory requirements of the competent authority and have not suffered significant impacts on their finance and business operation as a result of important changes in domestic and international policies and laws over the past years. In the future, the managements of the Company and its subsidiaries will pay close attention to important changes in domestic and international policies and laws at any time and adequately and spontaneously come up with countermeasures.

**(V) Impact of Technological Changes and Industry Changes on the Company's Financial Operations and Response Measures**

The products of the Company and its subsidiaries are automotive switches and sensors as well as the TPMS. For the time being, technological changes and changes in the sector do not have obvious impacts on their financial operations. The Company and its subsidiaries will continue to pay attention to changes in the auto sector and technical advancement and adequately adjust corresponding countermeasures.

**(VI) Impact of Changes in Corporate Image on Enterprise Crisis Management and Response Measures**

The Company and its subsidiaries adhere to their management beliefs, that is, honesty, robustness, return to society, with good corporate images. In the future, business operation and development will continue to be focused on proactive recruitment of talent in all fields and consolidation of the capabilities of the management in order to give back to the general public. Corporate image change to result in corporate crisis is not an issue.

**(VII) The expected benefits and possible risks of mergers and acquisitions**

Not applicable, as there is no M&A plan for the Company and its subsidiaries in the most recent year and as of the date of publication of the annual report.

**(VIII) Expected Benefits and Possible Risks of Factory Expansion**

The Company and its subsidiaries have not completed the factory expansion in the most recent year and as of the date of publication of the annual report. The

expected benefits are mainly derived from the introduction of new technologies, low-orbit satellite, and spherical TPMS production lines, etc., for which significant expectations have been made and there is no risk in the assessment.

Risks and Response Measures for Concentrated Purchases or Sales:

1. Sales aspect: The company and its subsidiaries are primarily engaged in the manufacturing and sale of automotive parts, including vehicle switches, sensors, and Tire Pressure Monitoring Sensors (TPMS), as well as various electrical and communication electronic products. As of the most recent prospectus publication date, no single customer accounted for more than 20% of sales, so there is no risk of sales concentration.
2. Purchasing aspect: As of the most recent fiscal year and the prospectus publication date, no single supplier accounted for 20% or more of the total purchase amount, so there is no risk of purchasing concentration. The Company and its subsidiaries main optimal relations with suppliers in order to keep flexibility in supply and proactively explore and nurture new suppliers to form a complete supply chain and to reduce the risk of focused purchases.

(IX) Impact and Risks of Significant Share Transfers or Changes in Share Ownership by Directors, Supervisors, or Shareholders Owning More Than 10% of the Shares

No transfer of shares in large quantities occurred over the past year up to the date when the Annual Report was printed among the Company's directors, supervisors, or shareholders with a holding ratio exceeding 10%.

(X) Impacts and risks of the change in the management on the Company and countermeasures:

The management was not changed over the past year up to the date when the Annual Report was printed so it is not applicable.

(XI) Litigation or non-litigation incidents

1. For the past two fiscal years and up to the date of publication of the annual report, the Company must disclose any finalized judgments or ongoing litigations, non-litigious cases, or administrative disputes that may significantly affect shareholders' equity or the price of securities. The disclosure should include the facts of the dispute, the target amount, the start date of the litigation, the main parties involved in the litigation, and the current handling status: None
2. For the company's directors, supervisors, general manager, actual responsible persons, shareholders holding more than 10% of shares, and subsidiary companies, any finalized judgments or ongoing litigations, non-litigious cases,

or administrative disputes in the last two fiscal years and up to the date of publication of the annual report that may significantly affect the company's shareholders' equity or the price of securities are relevant. The facts, target amount, start date of the lawsuit or dispute, main parties involved, and current status shall be disclosed: None.

3. For the company's directors, supervisors, managers, and shareholders holding more than 10% of shares, any incidents in the last two fiscal years and up to the date of publication of the annual report that fall under Article 157 of the Securities Transaction Law and the current handling situation by the company: None.

(XII) Other significant risks and response measures:

Information security assessments and measures:

With network and communication technologies being introduced one after another incessantly, CUB ELECPARTS are constantly examining and evaluating its cybersecurity regulations and programs to ensure their adequacy and effectiveness. Nevertheless, there is no guarantee that it will not be affected by new risks and attacks given the constantly changing nature of cybersecurity threats. How to reinforce IT security, particularly in terms of cybersecurity, it is crucial for the time being.

Measures that shall be reinforced include:

1. Review the overall network and system security, and track and improve the vulnerability tracking:
  - (1) The information unit inspects all servers and assigns security levels according to their characteristics.
  - (2) The setup of information systems is monitored by assigned administrators, who regularly record inspections based on security levels.
2. Establishment of the network security team: Define security levels for hosts and strengthen information security audits.
3. The information unit regularly conducts vulnerability scans, social engineering email drills, and penetration testing
  - (1) Conduct comprehensive vulnerability scans, social engineering email drills, and penetration testing at least once every quarter or every six months.
  - (2) For more serious specific vulnerabilities or viruses, scans are performed on an irregular basis as needed.
4. Enhance the awareness of information security among general public:
  - (1) Personal computers should be equipped with anti-virus software.
  - (2) Do not casually open unknown emails or download files from unknown sources.

5. Enhance the information security management skills of system administrators
  - (1) Establish system audit logs on hosts to prevent the installation of backdoors or Trojan programs.
  - (2) Promptly update operating systems and application patches.
  - (3) Stay informed about relevant security issues on the internet and take early preventive measures.
  - (4) Regularly analyze system log files.
  - (5) Enhance system administrators' ability to interpret host system logs (LOG).
6. Strengthening of network security management
  - (1) Use firewalls for protection.
  - (2) Isolate external and internal networks and prevent attackers from indirectly invading the internal network.
  - (3) Information systems that allow external connections should be accessed as much as possible through a proxy server.
7. Implement system access control
  - (1) The system access permissions should be strictly controlled.
  - (2) User account passwords should be regularly updated and must not use insecure passwords.
  - (3) Hosts maintained through remote login should have restricted access lists and enhanced control.
8. Computer hosts storing confidential or sensitive data should not be connected to the Internet.
9. Classify information system security levels, strengthen the setup of information and communication security hardware and software environments, and isolate important information systems or data from the Internet.

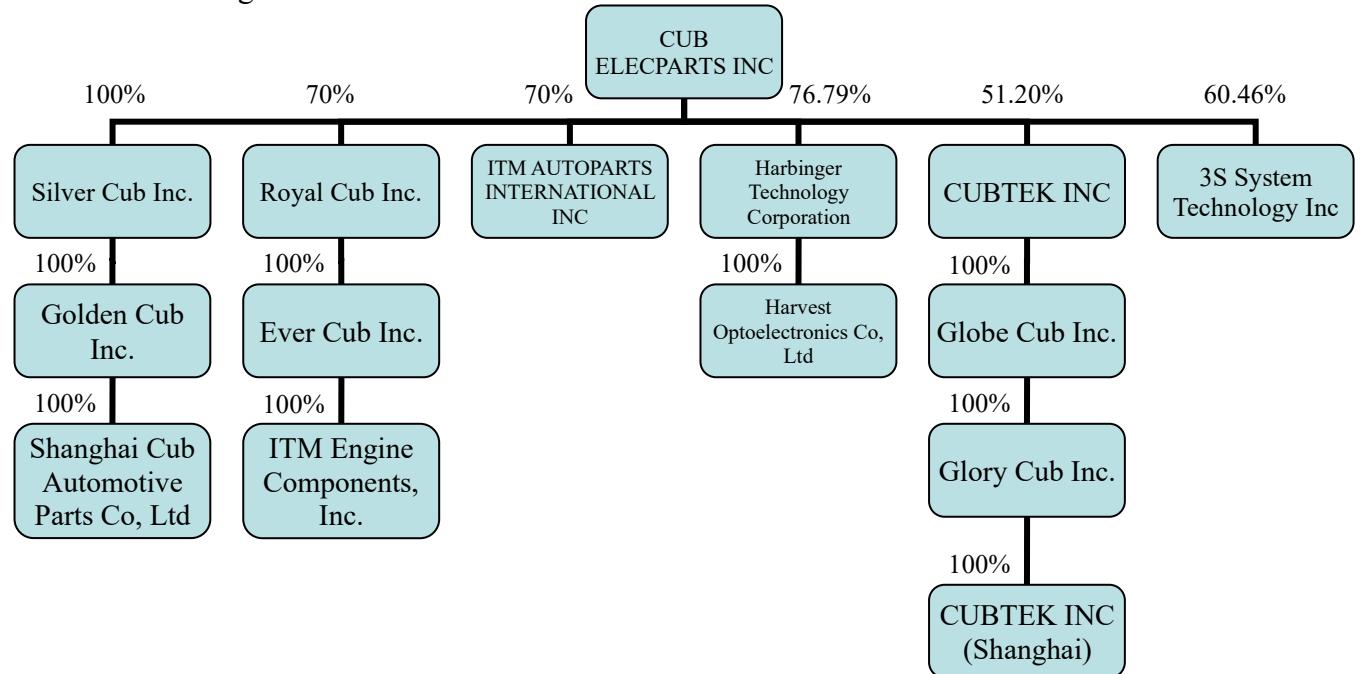
VII. Other important matters: None.

## Six. 6. Special Notes

### I. Information on affiliates

#### (I) Consolidated Business Report of Affiliates

##### 1. Organization structure of affiliates



Note: The affiliates mentioned above do not hold shares of the Company.

##### 2. Basic information of affiliates

December 31, 2024; Unit: NTD (USD) thousand

Name	Affiliation	Shares held by the Company or its subordinate in the affiliate			Shares held by the affiliate in the Company		
		Quantity	Ratio (%)	Amount of investment	Quantity	Ratio	Amount of investment
Silver Cub Inc.	The Company's subsidiary	7,110	100.00	233,066 (USD 7,110)	—	—	—
Golden Cub Inc.	The Company's second-tier subsidiary	7,110	100.00	USD 7,110	—	—	—
Shanghai Cub Automotive Parts Co, Ltd	The Company's second-tier subsidiary	(Note 1)	100.00	233,066 (USD 7,110)	—	—	—
Royal Cub Inc.	The Company's subsidiary	1,919	70.00	56,175 (USD 1,919)	—	—	—
Ever Cub Inc.	The Company's second-tier subsidiary	2,741	100.00	USD 2,741	—	—	—
ITM Engine Components Inc.	The Company's third-tier subsidiary	2,458	100.00	USD 2,807	—	—	—

Name	Affiliation	Shares held by the Company or its subordinate in the affiliate			Shares held by the affiliate in the Company		
		Quantity	Ratio (%)	Amount of investment	Quantity	Ratio	Amount of investment
ITM AUTOPARTS INTERNATIONAL INC	The Company's subsidiary	1,050	70.00	10,500	—	—	—
Harbinger Technology Corporation	The Company's subsidiary	44,534	76.79	1,500,485	—	—	—
Harvest Optoelectronics Co, Ltd	The Company's second-tier subsidiary	500	100.00	5,000	—	—	—
CUBTEK INC	The Company's subsidiary	54,593	51.20	1,015,759	—	—	—
Globe Cub Inc.	The Company's second-tier subsidiary	9,200	100.00	271,880 (USD 9,200)	—	—	—
Glory Cub Inc.	The Company's second-tier subsidiary	9,200	100.00	USD 9,200	—	—	—
CUBTEK INC (Shanghai)	The Company's second-tier subsidiary	(Note 1)	45.68	271,880 (USD 9,200)	—	—	—
3S System Technology Inc	The Company's subsidiary	36,767	60.46	781,090	—	—	—

3. The information on shareholders who are presumed to have a controlling and subordinate relationship: None.

4. Industries covered by the overall business of affiliates

Name	Main scope of operation
Silver Cub Inc.	Investment holding
Golden Cub Inc.	Investment holding
Shanghai Cub Automotive Parts Co, Ltd	Processing of auto parts
Royal Cub Inc.	Investment holding
Ever Cub Inc.	Investment holding
ITM Engine Components Inc.	Auto parts trading
ITM AUTOPARTS INTERNATIONAL INC	International Trade
Harbinger Technology Corporation	Telecommunication electronics and government projects
Harvest Optoelectronics Co, Ltd	Import/export of controlled telecommunications radio-frequency devices
CUBTEK INC	Motor Vehicles and Parts Manufacturing
Globe Cub Inc.	Investment holding
Glory Cub Inc.	Investment holding
CUBTEK INC (Shanghai)	Motor Vehicles and Parts Manufacturing

3S System Technology Inc	R&D, production, distribution, and service of monitoring technologies, equipment, and their applications
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5. Directors, supervisors and general managers of affiliated companies

December 31, 2024

Name	Position	Name or Representative	Shareholding	
			Share(s)	Shareholding ratio
Silver Cub Inc.	Director	Yu San-Chuan	-	-
Golden Cub Inc.	Director	Yu San-Chuan	-	-
Shanghai Cub Automotive Parts Co., Ltd.	Chairman	Yu San-Chuan	-	-
	Director	Huang Shu-Yuan	-	-
	Director	Yu Yu-Tao	-	-
	Supervisor	Yu Chin-Shu		
	President	Bing-Feng Liu	-	-
Royal Cub Inc.	Director	Yu San-Chuan	-	-
Ever Cub Inc.	Director	Yu San-Chuan	-	-
ITM Engine Components Inc.	Chairman	Yu San-Chuan	-	-
ITM AUTOPARTS INTERNATIONAL INC	Chairman and President	Yu San-Chuan	-	-
	Director	Huang Shu-Yuan	-	-
	Director	Hsiao Shih-Min	450,000	30%
	Supervisor	Hsiao Wen-Tai	-	-
Harbinger Technology Corporation	Chairman	Chou De-Xin	1,197,591-	2.06%
	Director	Yu San-Chuan Represented legal entity: CUBTEK INC.	-	-
	Director	Lee Cai-Rong Represented legal entity: CUBTEK INC.	-	-
	Supervisor	Chang Fu-Lang	-	-
Harvest Optoelectronics Co, Ltd	Liquidated (Xin-Bei-Fu-Jing-Si-Zi No. 1128062674 on August 30, 2023)			

Name	Position	Name or Representative	Shareholding	
			Share(s)	Shareholding ratio
CUBTEK INC	Chairman	Huang Shu-Yuan Represented legal entity: CUBTEK INC.	2,826,980	2.65%-
	Director	Hung Yuan-Tung Represented legal entity: CUBTEK INC.	233,090	0.22%
	Director	Ching-Wen Hsu Represented legal entity: CUBTEK INC.	-	-
	Director	Edward Huang	15,000	0.01%
	Independent director	Shih Yi-Fang	-	-
	Independent director	Chen Ling-Hsuan	-	-
	Independent director	Chiu Gui-Ling	-	-
3S System Technology Inc	Chairman	Chih-Chieh, Liang Represented legal entity: CUBTEK INC.	-	-
	Director	Lee Cheng-Hung	1,290,086	0.21%
	Director	Chen, Kuang-Lung Represented legal entity: CUBTEK INC.	-	-
	Director	Edward Huang Represented legal entity:	-	-

Name	Position	Name or Representative	Shareholding	
			Share(s)	Shareholding ratio
CUBTEK INC (Shanghai)		CUBTEK INC.		
	Director	Hong-Ren Shih Represented legal entity: CUBTEK INC.	-	-
	Supervisor	Chang Fu-Lang	-	-
	Supervisor	Wu Yong-Liang	-	-
	Chairman	Yu San-Chuan	-	-
	Director	Huang Shu-Yuan	-	-
	Director	Hung Yuan-Tung	-	-
	Supervisor	Lin Tung-Feng		
	President	Cong, Pei-Min	-	-

## 6. Overview of the operation of the affiliated companies

December 31, 2024 Unit: NTD (USD) thousand (earnings per share in NTD)

Name	Capital size	Total assets	Total liabilities	Net worth	Operating revenues	Operating gains (losses)	Gains (Losses) for the current term (after-tax)	Earnings per share (after tax)
Silver Cub Inc.	233,066 USD7,110	1,037,666 USD31,650	0	1,037,666 USD31,650	0	0	(32,734) USD(1,0 19)	(0.01)
Golden Cub Inc.	233,066 USD7,110	1,037,666 USD31,650	0	1,037,666 USD31,650	0	0	(32,734) USD(1,0 19)	(0.01)
Shanghai Cub Automotive Parts Co, Ltd	233,066 USD7,110	1,181,566 USD36,040	143,924 USD3,813	1,037,642 USD31,650	558,658 USD17,390	(187,524) USD(5,837)	(32,734) USD(1,0 19)	(0.01)
Royal Cub Inc.	80,250 USD2,741	50,589 USD1,543	4 USD -	50,585 USD1,543	0	0	(20,380) (USD634 )	(0.02)
Ever Cub Inc.	80,250 USD2,741	50,589 USD1,543	4 USD -	50,585 USD1,543	0	0	(20,380) (USD634 )	(0.02)
ITM Engine Components Inc.	75,497 USD2,458	102,508 USD3,127	93,144 USD2,841	9,364 USD286	83,240 USD2,692	(21,493) (USD669)	20,380 (USD634 )	(0.02)
ITM AUTOPARTS INTERNATIONAL INC	15,000	31,835	5,150	26,685	34,219	3,327	4,327	0.03
Harbinger Technology Corporation	580,504	2,188,222	550,353	1,637,869	809,498	69,073	139,592	0.02
CUBTEK INC	1,066,175	1,329,341	444,662	884,679	331,733	61,389	34,647	0.32
3S System Technology Inc	608,158	2,089,780	982,734	1,106,996	1,289,281	(464)	14,280	0.002
CUBTEK INC (Shanghai)	271,880 USD9,200	376,967	536,382	(159,415)	370,897	(134,779)	(147,304 ) USD(4,5 85)	(0.05)

### (II) Consolidated Financial Statement of Affiliates

The companies that should be included in the consolidated financial statements of affiliated companies of the Company in 2024 (from January 1, 2024

to December 31, 2024) under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those that should be included in the consolidated financial statements of the parent company and its subsidiaries prepared in conformity with the 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 the parent company and its subsidiaries. Hence, we do not prepare a separate set of consolidated financial statements of affiliates. (See page 207 of this annual report for details)

(III) Related report: Not applicable.

- II. Private placement of securities in the most recent fiscal year and up to the date of publication of the annual report: None.
- III. Holdings or disposals of the company's stocks by subsidiaries in the most recent fiscal year and up to the date of publication of the annual report: None.
- IV. Other necessary supplementary explanations: None.
- V. Incidents in the most recent fiscal year and up to the date of publication of the annual report that significantly affected shareholders' equity, or the price of securities as defined in Article 36, Paragraph 3, Subparagraph 2 of the Securities Transaction Law: None.

CUB ELECPARTS INC



Chairman: Yu-Shan Chuan



April 30, 2025