

NAN JUEN INTERNATIONAL CO., LTD. 2024 Annual Report

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



1. Company Spokesperson and Deputy Spokesperson:

Spokesperson Name: Jen-Shan Wu

Position: General Manager

Phone: (03) 364-2777

Email: vincent.jen@repon.com.tw

Deputy Spokesperson Name: Chung-Jen Jen

Position: Special Assistant to the General Manager

Phone: (03) 364-2777

Email: vincent.jen@repon.com.tw

Company Address and Phone Number:

Head Office: 6th Floor, No. 202 Xingfu Road, Taoyuan District, Taoyuan City

Taoyuan Plant Address: No. 3, Wenhua Lane, Shanying Road, Guishan District, Taoyuan City

Phone: (03) 364-2777

Yunke Plant 1 Address: No. 40, Kegong 7th Road, Douliu City, Yunlin County

Yunke Plant 2 Address: No. 8, Kegong 18th Road, Douliu City, Yunlin County

Yunke Plant 3 Address: No. 38, Kegong 7th Road, Douliu City, Yunlin County

Phone: (05) 557-6161

2. Stock Transfer Agency:

Name: KGI Securities Co., Ltd. Stock Transfer Agency Department

Address: 5th Floor, No. 2, Section 1, Chongqing South Road, Zhongzheng District, Taipei City

Website: <http://www.KGIeWorld.com.tw>

Phone: (02) 2389-2999

3. Most Recent Financial Report Certifying Accountants and Firm:

Accountants: Lin Hengsheng, Xu Mingfang

Firm Name: KPMG

Address: 68th Floor, No. 7, Section 5, Xinyi Road, Taipei City (Taipei 101 Building)

Website: <http://www.kpmg.com.tw>

Phone: (02) 8101-6666

4. Trading Venue for Overseas Listed Securities: None.

5. Company Website: <http://www.repon.com.tw>

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1. Letter to Shareholders

Looking back on the past year, as end customers completed inventory digestion in 2024 (ROC Year 113), industry demand gradually recovered. In addition, the Company's diversification strategy for new server-related products began to yield results. The proportion of sales contributed by high value-added products—such as server rails and other functional slide rails—continued to rise, leading to a significant improvement in overall profitability compared to the previous year. Net income after tax for the year reached NT\$192.21 million.

Looking ahead to this year, with global inflation easing gradually and the U.S. economy demonstrating continued resilience, major U.S.-based cloud service providers (CSPs) are expected to maintain significant capital expenditures in response to the AI boom. In light of this, the Company has planned the mass production and shipment of various new AI server rail products. Optimization of the product mix and ongoing improvements in automation processes are expected to boost the overall average selling price (ASP) and product gross margins. Profitability performance is anticipated to advance to an even higher level.

The Company remains committed to its core philosophy of “management with sincerity,” “creating a happy enterprise,” and “people-oriented development for the betterment of all.” Guided by the principles of integrity, honesty, and innovation, we strive to create maximum balanced value for society, employees, customers, and shareholders, while dedicating ourselves to sustainable manufacturing. We would like to extend our sincere appreciation to all our customers, suppliers, shareholders, and employees for your continued support and trust. Thank you!

I. 2024 Business results

(I) Business plan implementation results:

	Unit: NTD			
	<u>The Company</u>		<u>The Company and consolidated subsidiaries</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Sales revenue	1,829,535	1,202,636	1,924,498	1,324,276
Cost of goods sold	1,342,547	992,123	1,422,176	1,085,424
Unrealized Profit (Loss) on Sales	(4,627)	876	-	-
Gross profit	482,361	211,389	502,322	238,852
Operating expenses	269,464	205,890	298,916	229,360
Net operating profit	212,897	5,499	203,406	9,492
Non-operating income (expenses)	25,851	(3,559)	36,853	(4,771)
Net gains (losses) before tax	238,748	1,940	240,259	4,721
Income tax expenditure (interest)	46,538	(6,388)	48,049	(3,607)
Net income (loss)	192,210	8,328	192,210	8,328

(II) Budget implementation: The Company's budget is only used for internal performance management and is not disclosed to the public.

(III) Analysis of financial income, expenditure and profitability

	Analysis Items	2024	2023
Financial structure	Liabilities to assets ratio (%)	43.39%	44.97%
	Long-term capital to property, plant and equipment (%)	135.66%	109.46%
Solvency	Current ratio (%)	174.33%	117.25%
	Quick ratio (%)	125.49%	85.32%
	Times interest earned (times)	9.50	1.19
Profitability	Return on assets (%)	5.78%	0.79%
	Return on equity (%)	9.25%	0.48%
	Net profit margin (%)	9.99%	0.63%
	Earnings per share (NT\$)	2.94	0.13

(IV) Research and development

The Company's R&D expenses in 2024 and 2023 were NT\$61,165 thousand and NT\$41,833 thousand, respectively, accounting for 3.18% and 3.16% of operating revenues, respectively. This is mainly due to the continuous development of a variety of heavy-duty thin steel balls by the Company for large-scale data center customers type server slides and thin friction server slides, a new generation of hidden high-end cabinet slides, low-profile three-section buffer slides, and a variety of high-load functional slides.

II. Summary of the 2025 business plan

(I) Business policy

1. Development of high-value products
2. Smart and lean production
3. Digital cost control
4. Precision Craftsmanship and Rigorous Manufacturing Processes
5. ESG Sustainability Management Philosophy

(II) Expected sales volume and basis

The Company expects that in 2025, the U.S. economy will remain resilient. As concerns over trade protectionism ease and the Federal Reserve begins a rate-cut cycle, increases in business investment and private consumption are anticipated to stimulate a recovery in domestic market demand. This, in turn, will boost real demand for various consumer durables, such as building materials, furniture, hardware tools, and household appliances—fostering a rebound in demand for ball bearing slides in the North American region.

According to the latest research report by DIGITIMES Research, global server shipments are projected to grow at a compound annual growth rate (CAGR) of 4% from 2024 to 2029. However, in 2025, the server market is expected to face multiple challenges, including global macroeconomic uncertainty, potential tariff threats under former President Trump, and intensifying U.S.-China geopolitical tensions. As a result, the growth in server shipments is forecasted to be limited, with a projected increase of only 3.94% in 2025. Additionally, DIGITIMES forecasts that global shipments of high-end AI servers will rise from 639,000 units in 2024 to 1,323,000 units in 2025. While U.S.-based hyperscale data center operators (i.e., cloud service providers, or CSPs) will remain the primary customers, the growing capacity of the supply chain is expected to support other customers as well, gradually increasing their share.

The Company anticipates that beginning in 2025, AI servers equipped with NVIDIA GB200 and

CSPs' proprietary ASICs will begin volume shipments on a quarterly basis. Alongside the ongoing recovery in shipments of general-purpose servers, this will help expand the Company's global market share in the server slide rail segment, optimize its product mix, and improve both the average selling price (ASP) and product gross margin.

Taking into consideration the business development strategies for each product category, customer order feedback and forecasts, planned mass production timelines for new products, and available production capacity, the Company estimates that both the average selling price and sales volume of its products in 2025 will show significant growth compared to the same period in the previous year.

(III) Important production and marketing policies

1. Production policy

- (1) Strengthen coordination mechanisms between production and sales, supported by planned production to achieve economies of scale.
- (2) Implement leveled and stable production, complemented by data-driven management and plans for digital transformation.
- (3) Promote lean manufacturing to enhance production efficiency and reduce manufacturing costs.
- (4) Enhance new product development and production capabilities to offer customized development services, thereby increasing customer dependence.
- (5) Strengthen vertical integration capabilities in mechanism R&D, mold development, and equipment design to shorten the time-to-market for new products.
- (6) Expand patent barriers and improve technological content to raise industry entry thresholds.

2. Marketing policy

- (1) Server Slide Rail Products: Actively develop and mass-produce various AI server slide rails and general-purpose server slide rails for major server clients to optimize product mix and improve overall product gross margins.
- (2) Home Appliance Slide Rail Products: Increase sales penetration with existing major international home appliance brand customers while seeking to enter the supply chains of other leading appliance manufacturers.
- (3) Office Furniture Slide Rail Products: Promote the sales of functional new products to enhance added value and create product differentiation.
- (4) Residential Cabinet Slide Rail Products: Drive mass production plans for next-generation concealed slide rail products, strengthen cost-performance ratios, and build brand value.
- (5) Tool Cabinet Slide Rail Products: Leverage customized services and innovation advantages to serve long-term customer needs and increase the sales ratio of high value-added products, avoiding competition in low-end markets.

III. Future development strategies of the Company

(I) Short-term development strategy

1. With the mass production and shipment of friction ball bearing slides for data center servers, the Company's development, design, and production capabilities of various high-load thin steel ball slides and thin friction slides are becoming more and more mature. The large US Cloud Service Providers (CSPs) plan to expand or replace data centers and collaborate on the development of next-generation server products at the early design stage to provide highly customized services to meet customers' special specifications. This will help to deepen the company's institutional development capabilities and gradually complete various product specifications, thereby greatly shortening the development and design process, and quickly responding to customer needs. In addition, with the spillover effects from the mass production of new server slides for large data center customers in the United States, the Company will strive to participate in new product development plans for other large data center customers and international server brand customers in order to optimize product sales portfolios.

2. Continue to develop various functional products such as high-end concealed cabinet slides and heavy-duty slides to increase the proportion of high value-added products in the sales portfolio and increase the overall average selling price of products.
3. Actively invest R&D resources to strengthen the ability and speed of R&D design and mechanism development to quickly meet customization needs and increase customer dependence.
4. Integrate some product specifications to simplify the manufacturing process and improve production efficiency, continue to promote equipment automation and start the digital transformation plan, increase the output value of each plant to reduce the unit manufacturing cost amortization, and optimize costs to accelerate the recovery of capital expenditures.
5. Strengthen the marketing function of the subsidiaries in the US, provide local real-time services, and strengthen customer relationship management, in order to expand the business scale in the North American market.
6. Implement the quality control plan, establish a quality brand image, and increase market share.

(II) Long-term development strategy

1. Continue to promote the development strategy of high value-added products to avoid the red sea competition of low-end products and reduce the risk of global operation.
2. Establish an R&D center, train key talents, build design and development capabilities, and lay the cornerstone of the Company's long-term development.
3. Introduce the digital transformation plan, plan the establishment of an intelligent production model, and implement lean production.
4. Build an international brand image, establish a distribution network in major markets around the world, increase market penetration, and diversify market risks.
5. Expand into the development and manufacturing of other functional hardware products and use existing sales channels and brand advantages to provide comprehensive solutions for products and increase customers' willingness to purchase.
6. Seek cross-industry strategic alliances and combine existing advantages in other industries to enhance the Company's long-term competitiveness.

IV. Impacts from the external competitive environment, regulatory environment, and overall business environment

With the general improvement of people's living standards, the application of slide products has become increasingly widespread in recent years, and the penetration level in various application industries has gradually increased, which helps the long-term market demand. Additionally, slides are a technology-intensive and R&D-intensive industry. Precision manufacturing technology, vertically integrated manufacturing processes, patent thresholds, and brand recognition are the core competitiveness of the industry's development, contributing to a significant industry threshold and relatively low market competition. However, the competition in the low-end standard product market in China has been fierce in recent years. The Company continues to invest in R&D resources, increase the proportion of various functional products, enhance product added value, and optimize customized services to differentiate in the market.

In light of the continued deterioration in technological and trade tensions between the U.S. and China, the ongoing global supply chain restructuring toward regionalization, and heightened geopolitical risks—such as the unresolved Russia-Ukraine war, escalating Israel-Palestine conflict, and rising tensions in the Taiwan Strait and South China Sea—coupled with the uncertainties brought by extreme climate conditions, the overall business environment remains highly unpredictable. In addition, persistent inflation has delayed a clear timetable for interest rate cuts by the U.S. Federal Reserve, thereby affecting interest and exchange rate volatility in financial markets. The Company closely monitors macroeconomic developments in key global markets and domestic and international policy trends, responding to changes in the market environment through diversified geographic deployment, enhanced process flexibility, localized services, and improved

supply chain management capabilities, thereby strengthening our adaptability and risk control mechanisms.

The company constantly monitors the technological changes and developments in the relevant industries, keeping abreast of the dynamic trends in the application industries of various products. We continue to invest in research and development resources to meet the timelines for customer's new product development and complete the mass production process, complemented by equipment automation and implementation of data management mechanisms. Simultaneously, we apply for patents for various design and development achievements to raise industry entry barriers and enhance the company's long-term competitiveness.

Finally, we wish all shareholders

Healthy, Joyful and All the Best

NAN JUEN INTERNATIONAL CO., LTD.

Chairman: Chin-Lan Lee

3. Corporate Governance Report

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

(I) Directors and supervisors

1. Information on directors and supervisors

April 30, 2025

Job Title	Nationality or place of registration	Name	Gender and Age	Date of Election (Inauguration)	Term of office	Date of initial election	Shareholding at the time of appointment		Current shareholding		Shares held by spouse and minor		Shares held through nominees		Main experience and academic qualifications	Positions in the Company and other companies	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job Title	Name	Relationship	
Chairperson	Republic of China	He Ying Investment Co., Ltd.	Not applicable	2022.6.2	3 years	2016.9.6	8,825,525	15.09%	8,843,525	13.41%					Not applicable	None	Not applicable			
	Republic of China	He Ying Investment Co., Ltd. Representative: Chin-Lan Lee	Female 71-80	2022.6.2	3 years	2016.9.6	4,195,965	7.17%	4,195,965	6.36%	2,858,920	4.33%			Chairman, REPON INDUSTRIAL CO., LTD. Supervisor, Repon Technology Co., Ltd. Graduated in commerce	Chairperson & CEO, Nan Juen International Co., Ltd. Chairman, SUZHOU NAN JUEN TRADE CO., LTD. Chairman, Suzhou Repon Industrial Co., Ltd. Chairman, He Ying Investment Co., Ltd. Chairman, AWESON TEK INVESTMENTS LIMITED	President Director Director	Jen-Shan Wu Yi-Shan Wu Hsin-Cheng Wu	Mother and Son Mother and Daughter Uncle and Sister-in-law	(Note1)
Director	Republic of China	He Ying Investment Co., Ltd.	Not applicable	2022.6.2	3 years	2016.9.6	8,825,525	15.09%	8,843,525	13.41%					Not applicable	None	Not applicable			
	Republic of China	He Ying Investment Co., Ltd. Representative: Hsin-Cheng Wu	Male 61-70	2022.6.2	3 years	2016.9.6	3,020,131	5.22%	3,051,131	4.63%	570,724	0.87%			Vice President of the Company Director, REPON INDUSTRIAL CO., LTD. Director, Repon Technology Co., Ltd. Vice President, Suzhou Repon Industrial Co., Ltd. Elementary school graduate	Chairman, He Hung Investment Co., Ltd. Director, He Ying Investment Co., Ltd.	Chairperson	Chin-Lan Lee	Uncle and Sister-in-law	(Note2)
Director	Republic of China	Junyi Investment Co., Ltd.	Not applicable	2022.6.2	3 years	2016.9.6	7,411,030	12.67%	7,411,030	11.24%					Not applicable	None	Not applicable			
	Republic of China	Junyi Investment Co., Ltd. Representative: Jen-Shan Wu	Male 41-50	2022.6.2	3 years	2016.9.6	2,513,521	4.3%	2,543,521	3.88%					Executive Vice President of the Company Director, Repon Technology Co., Ltd. Executive Vice President, Suzhou Repon Industrial Co., Ltd. Master of Business Administration, National Central University	President of the Company President, SUZHOU NAN JUEN TRADE CO., LTD. Chairman and President, REPON (USA), INC. Chairman & President, REPON TECH (VIETNAM) COM., LTD Chairman, Junyi Investment Co., Ltd. Chairman, UNITED FORTUNE INVESTMENT LIMITED COMPANY Director, He Ying Investment Co., Ltd. Director, AWESON TEK INVESTMENTS LIMITED	Chairperson Director	Chin-Lan Lee Yi-Shan Wu	Mother and Son Siblings	(Note1)
Director	Republic of China	Junyi Investment Co., Ltd.	Not applicable	2022.6.2	3 years	2016.9.6	7,411,030	12.67%	7,411,030	11.24%					Not applicable	None	Not applicable	Not applicable	None	
		Junyi Investment Co., Ltd. Representative: Yi-Shan Wu	Female 41-50	2023.6.2	2 years	2023.6.2	2,535,293	3.85%	2,535,293	3.84%	102,500	0.16%			Staff Member, Nan Juen International Co., Ltd. Master of Finance, National Central University	Director, UNITED FORTUNE INVESTMENT LIMITED COMPANY	Chairperson President	Chin-Lan Lee Jen-Shan Wu	Mother and Son Siblings	

Job Title	Nationality or place of registration	Name	Gender	Date of Election (Inauguration)	Term of office	Date of initial election	Shareholding at the time of appointment		Current shareholding		Shares held by spouse and minor		Shares held through nominees		Main experience and academic qualifications	Positions in the Company and other companies	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job Title	Name	Relationship	
Director	Republic of China	Gui-Ying Wu	Female 71-80	2022.6.2	3 years	2016.9.6									Vice President of RSM Taiwan Department of Accounting, Soochow University	Director & Consultant, Guang Yi Management Consulting Co., Ltd.				
Independent Director	Republic of China	Rui-Chu Lee	Female 71-80	2022.6.2	3 years	2016.9.6									Deputy Chairman of the Labor Funds Supervisory Committee Manager, Finance Division, Bureau of Labor Insurance Financial Investigator, Department of Supervisory Investigation Division, Control Yuan Chairman, Pension Fund Association, R.O.C. MBA, National Taiwan University	Independent Director, Da Hui Limited Independent Director of Walsin Technology Corporation				
Independent Director	Republic of China	Tung-Hsiung Hong	Male 41-50	2022.6.2	3 years	2016.9.6									Partnership Lawyer, Chien Yeh Law Offices Passed the Republic of China Bar Examination Bachelor, Department of Law, National Taiwan University	Attorney-at-Law, Li Dong Law Firm Independent Director, EDISON OPTO CORPORATION Independent Director, POTENS SEMICONDUCTOR CORP.				
Independent Director	Republic of China	Shang-Hsien Yang	Male 51-60	2022.6.2	3 years	2016.9.6									Partnership Accountant, Baker Tilly Clock & Co Partnership Accountant, Lan-Jai CPAs Firm Passed the Republic of China CPA Examination Bachelor, Department of Accounting, Tamkang University	Partnership Accountant, Cheng Yang & Co. CPAs Independent Director, YEEDEX ELECTRONIC CORPORATION Independent Director, Da Hui Limited Independent Director, JARLLYTEC CO., LTD. Supervisor, A Shine Biotech Corp. Director, YesHealth Agri-Biotechnology Co., LTD.				
Independent Director	Republic of China	Tsun Cheng	Male 51-60	2023.6.2	2 years	2023.6.2									Auditing Officer, Deloitte Taiwan Manager, Listing Department I, Taiwan Stock Exchange Master of Business, National Taiwan University	Independent Director, Foxwell Power Co., Ltd.				

Note1 : President Jen-Shan Wu was appointed to this temporary position due to his extensive business experience and more than 20 years of service to the organization and affiliated companies. At present, the Chairman and the President are relatives within one degree of kinship, and no more than half of the directors concurrently serve as employees or managers. The Company has also elected one additional independent director at the general shareholders' meeting on June 2, 2023.

Notes2: Vice President Hsin-Cheng Wu retired on April 30, 2025.

2. Major shareholders of corporate shareholders:

April 30, 2025

Name of corporate shareholder	Major shareholders of corporate shareholders
He Ying Investment Co., Ltd.	Chin-Lan Lee (40%), Hsin-Cheng Wu (35%)
Junyi Investment Co., Ltd.	Jen-Shan Wu (100%)

3. Major shareholders of corporate shareholders who are corporate bodies: None.

4. Disclosure of professional qualifications of directors and supervisors, and independence of independent directors: April 28, 2024

<div>Qualification</div> <div>Name</div>	Professional qualifications and experience	Status of independence	Number of independent directors in other public companies
Chin-Lan Lee	<ol style="list-style-type: none"> At least five years of work experience required for the Company's business, and the main experience: Chairman, REPON INDUSTRIAL CO., LTD. Supervisor, Repon Technology Co., Ltd. Positions in the Company and other companies: Chairperson & CEO, Nan Juen International Co., Ltd. Chairman, SUZHOU NAN JUEN TRADE CO., LTD. Chairman, Suzhou Repon Industrial Co., Ltd. Chairman, He Ying Investment Co., Ltd. Chairman, AWESON TEK INVESTMENTS LIMITED Not applicable under Article 30 of the Company Act. 	<ol style="list-style-type: none"> CEO of the Company. Chairman of the Company's affiliates. Concurrently serves as the Chairman of Shareholder He Ying Investment Co., Ltd., who holds 10% or more of the issued shares of the Company. Ranking among the top ten natural person shareholders of the Company. Is a relative within the second degree of kinship to Directors Jen-Shan Wu, Yi-Shan Wu, and Hsin-Cheng Wu. The rest have been verified in accordance with the requirements of independence listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission, and still meet the relevant independence requirements. 	None
Hsin-Cheng Wu	<ol style="list-style-type: none"> At least five years of work experience required for the Company's business, and the main experience: Vice President of the Company Director, REPON INDUSTRIAL CO., LTD. Director, Repon Technology Co., Ltd. Vice President, Suzhou Repon Industrial Co., Ltd. Positions in the Company and other companies: Chairman, He Hung Investment Co., Ltd. Director, He Ying Investment Co., Ltd. Not applicable under Article 30 of the Company Act. 	<ol style="list-style-type: none"> Concurrently serves as the Director of Shareholder He Ying Investment Co., Ltd., who holds 10% or more of the issued shares of the Company. Ranking among the top ten natural person shareholders of the Company. Are relatives within the second degree of kinship of Chairperson Chin-Lan Lee. The rest have been verified in accordance with the requirements of independence listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission, and still meet the relevant independence requirements. 	None

Jen-Shan Wu	<ol style="list-style-type: none"> At least five years of work experience required for the Company's business, and the main experience/academic background: Executive Vice President of the Company Director, Repon Technology Co., Ltd. Executive Vice President, Suzhou Repon Industrial Co., Ltd. Master, National Central University Positions in the Company and other companies: President of the Company President, SUZHOU NAN JUE TRADE CO., LTD. Chairman and President, REPO (USA), INC. Chairman, Junyi Investment Co., Ltd. Chairman, UNITED FORTUNE INVESTMENT LIMITED COMPANY Director, He Ying Investment Co., Ltd. Director, AWESON TEK INVESTMENTS LIMITED Chairman & President, REPO TECH (VIETNAM) COM., LTD Not applicable under Article 30 of the Company Act. 	<ol style="list-style-type: none"> Concurrently the President of the Company. Chairman of the Company's affiliates. Concurrently serves as the Director of Shareholder He Ying Investment Co., Ltd., who holds 10% or more of the issued shares of the Company. Concurrently serves as the Chairman of Shareholder Junyi Investment Co., Ltd., who holds 10% or more of the issued shares of the Company. Ranking among the top ten natural person shareholders of the Company. Is a relative within 2nd degree of kinship to Chairperson Chin-Lan Lee and Director Yi-Shan Wu. The rest have been verified in accordance with the requirements of independence listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission, and still meet the relevant independence requirements. 	None
Yi-Shan Wu	<ol style="list-style-type: none"> At least five years of work experience required for the Company's business, and the main academic background: Staff Member, Nan Juen International Co., Ltd. Master of Finance, National Central University Positions in the Company and other companies: Director, UNITED FORTUNE INVESTMENT LIMITED COMPANY Not applicable under Article 30 of the Company Act. 	<ol style="list-style-type: none"> Ranking among the top ten natural person shareholders of the Company. Relatives within the second degree of kinship to Chairperson Chin-Lan Lee and President Jen-Shan Wu. The rest have been verified in accordance with the requirements of independence listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission, and still meet the relevant independence requirements. 	None

Gui-Ying Wu	<ol style="list-style-type: none"> At least five years of work experience required for the Company's business, and the main academic background: Director and Vice President, Guang-Yi Management Consulting Co., Ltd. Department of Accounting, Soochow University Concurrent positions in other companies: Director & Consultant, Guang Yi Management Consulting Co., Ltd. Not applicable under Article 30 of the Company Act. 	<ol style="list-style-type: none"> The person, spouse, or second-degree relative does not serve as a director, supervisor, or employee of the Company or any of its affiliates. 0 shares are held by the shareholder, a spouse, or a relative within the second degree of kinship (or through nominees). He/she does not serve as a director, supervisor or employee of any company specifically related to the Company (refer to Subparagraphs 5-8, Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). The amount of remuneration for providing commercial, legal, financial, accounting services to the Company or its affiliates in the past two years is NT\$0. The rest have been verified in accordance with the requirements of independence listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission, and still meet the relevant independence requirements. 	None
Rui-Chu Lee (Independent Director)	<ol style="list-style-type: none"> At least five years of work experience required for the Company's business, and the main experience/academic background: Deputy Chairman of the Labor Funds Supervisory Committee Manager, Finance Division, Bureau of Labor Insurance Financial Investigator, Department of Supervisory Investigation Division, Control Yuan Chairman, Pension Fund Association, R.O.C. MBA, National Taiwan University Concurrent positions in other companies: Independent Director, Da Hui Limited Independent Director of Walsin Technology Corporation Not applicable under Article 30 of the Company Act. 	In accordance with the Company's Articles of Incorporation and the "Corporate Governance Best Practice Principles", directors are elected under a candidate nomination system. The Company has obtained written statements, work experience, current position To verify the independence of the Company, himself/herself, his/her spouse and his/her relatives within three degrees of kinship from the Company. The Company has verified that the 4 independent directors, prior to their appointment and during their term, all meet the qualification requirements set forth by the Financial Supervisory Commission's "Regulations Governing Appointment of	2

Tung-Hsiung Hong (Independent Director)	<ol style="list-style-type: none"> At least five years of work experience required for the Company's business, and the main experience/academic background: Partnership Lawyer, Chien Yeh Law Offices Passed the Republic of China Bar Examination Bachelor, Department of Law, National Taiwan University Concurrent positions in other companies: Attorney-at-Law, Li Dong Law Firm Independent Director, EDISON OPTO CORPORATION Independent Director, POTENS SEMICONDUCTOR CORP. Not applicable under Article 30 of the Company Act. 	Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of the Securities and Exchange Act. Additionally, the independent directors have been granted the authority to fully participate in decision-making and express their opinions in accordance with Article 14-3 of the Securities and Exchange Act, and they independently execute relevant duties.	2
Shang-Hsien Yang (Independent Director)	<ol style="list-style-type: none"> At least five years of work experience required for the Company's business, and the main experience/academic background: Partnership Accountant, Baker Tilly Clock & Co Partnership Accountant, Lan-Jai CPAs Firm Passed the Republic of China CPA Examination Bachelor, Department of Accounting, Tamkang University Concurrent positions in other companies: Partnership Accountant, Cheng Yang & Co. CPAs Independent Director, YEEDEX ELECTRONIC CORPORATION Independent Director, Da Hui Limited Independent Director, JARLLYTEC CO. , LTD. Supervisor, A Shine Biotech Corp. Director, YesHealth Agri-Biotechnology Co., LTD. Not applicable under Article 30 of the Company Act. 		3
Tsun Cheng (Independent Director)	<ol style="list-style-type: none"> At least five years of work experience required for the Company's business, and the main experience/academic background: Auditing Officer, Deloitte Taiwan Manager, Listing Department I, Taiwan Stock Exchange Master of Business, National Taiwan University Concurrent positions in other companies: Independent Director, Foxwell Power Co., Ltd. Not applicable under Article 30 of the Company Act. 		1

5. Board diversity policy and independence

(1) Board diversity policy:

The Company's Regulations Governing Election of Directors has stipulated the diversity guideline for the election of directors, and the implementation is as follows:

Name		Core Diversification	Nationality	Basic composition				Professional knowledge and skills					Knowledge, skills and literacy									
				Gender	With employee status	Age				Laws	Accounting	Industry	Finance	Marketing	Operational judgment	Accounting and financial analysis	Operation and management	Crisis management	Industry knowledge	International market perspective	Leadership	Decision-making
						41 - 50 years old	51 - 60 years old	61 - 70 years old	71 - 80 years old													
Director	Chin-Lan Lee	Republic of China	Female	V				V		V	V	V		V	V	V	V	V	V	V	V	
	Hsin-Cheng Wu		Male	V				V					V		V	V	V	V	V	V		
	Jen-Shan Wu		Male	V	V						V		V	V	V	V	V	V	V	V		
	Yi-Shan Wu		Female		V					V		V		V	V	V	V	V	V	V		
	Gui-Ying Wu		Female					V		V		V		V	V	V	V	V	V	V		
Independent Director	Rui-Chu Lee		Female					V		V		V		V	V	V	V	V	V	V	V	
	Tung-Hsiung Hong		Male		V				V					V		V	V	V	V	V	V	
	Shang-Hsien Yang		Male			V				V		V		V	V	V	V	V	V	V	V	
	Tsun Cheng		Male			V				V		V		V	V	V	V	V	V	V	V	

Note 1: The current Board consists of nine directors, including four independent directors. All members have strong expertise in leadership, management, industry knowledge, and international markets. The independent directors bring legal, accounting, and financial backgrounds, while the remaining directors have experience in finance, industry, and marketing. Board diversity supports effective governance and performance.

Note 2: Director nominations follow the Company's Articles of Incorporation and adopt a candidate nomination system. Selection considers candidates' qualifications, the Company's operational needs, and stakeholder input. The process complies with the "Director Election Rules" and "Corporate Governance Best Practice Principles" to ensure board diversity and independence. Four of the current directors are women (44.44%). The Company will continue to promote gender diversity. All four independent directors were elected on June 2, 2022, or June 2, 2023, and none have served more than three consecutive terms.

(2) Independence of the Board of Directors:

The Company currently has 9 board members, including 4 independent directors and 1 outside director. Independent directors account for 44.44% of all board members. The total number of seats represented by independent directors plus outside directors exceeds half of all board members. As of the end of 2023, the Company's independent directors had all complied with the independent director requirements set forth by the Securities and Futures Bureau, Financial Supervisory Commission, and there were no requirements set forth by Article 26-3, Paragraph 3 and 4 of the Securities and Exchange Act among directors and independent directors.

All independent directors meet the requirements set by the Financial Supervisory Commission on independent directors, and their independence is stated as follows:

Name	The person, their spouse, or a relative within the second degree of kinship serve as a director, supervisor, or employee of the Company or its affiliated companies	Number and percentage of shares held by the person, spouse, relatives within the second degree of kinship (or in the name of another person)	Serving as a director, supervisor, or employee of a company specifically related to the Company	Amount of remuneration received for providing commercial, legal, financial, accounting services to the Company or its affiliates in the last 2 years
Rui-Chu Lee	No	No such situation	No	No such situation
Tung-Hsiung Hong	No	No such situation	No	No such situation
Shang-Hsien Yang	No	No such situation	No	No such situation
Tsun Cheng	No	No such situation	No	No such situation

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

April 30, 2025

Job Title	Nationality	Name	Gender	Date of Election (Inauguration)	Shareholding (Note 2)		Shares held by spouse and minor children		Shares held through nominees		Main experience and academic qualifications	Concurrent positions in other companies	Managers who are a spouse or a relative within the second degree of kinship			Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job Title	Name	Relationship	
President	Republic of China	Jen-Shan Wu	Male	2016.1.1	2,557,021	3.88%					Executive Vice President of the Company Director, Repon Technology Co., Ltd. Executive Vice President, Suzhou Repon Industrial Co., Ltd. Master of Business Administration, National Central University	President, SUZHOU NAN JUEN TRADE CO., LTD. Chairman and President, REPON (USA), INC. Chairman & President, REPON TECH (VIETNAM) COM., LTD. Chairman, Junyi Investment Co., Ltd. Chairman, UNITED FORTUNE INVESTMENT LIMITED COMPANY Director, He Ying Investment Co., Ltd. Director, AWESON TEK INVESTMENTS LIMITED				(Note 1)
Assistant Vice President	Republic of China	Shun-Ru Tsai	Female	2019.6.1	107,221	0.16%					Senior manager of the Company MBA, National Central University	None				
Assistant Vice President	Republic of China	Jian-hong Chen	Male	2019.6.1	35,000	0.05%					Manager of the Company Bachelor, Department of International Trade, Chinese Culture University	None				
Assistant Vice President	Republic of China	Yi-Hsiang Chiu	Male	2023.2.1	44,429	0.07%					Senior manager of the Company Master, National Taiwan University of Science and Technology	None				
Assistant Vice President	Republic of China	Long-Chang Lee	Male	2022.6.1	234,000	0.35%					Manager of the Company Assistant sales manager of Fast Technologies Inc. Bachelor, Department of Business Administration, National Chung Hsing University	Supervisor, SUZHOU NAN JUEN TRADE CO., LTD.				
Assistant Vice President	Republic of China	Chun-Wei Lin	Male	2023.8.1	30,200	0.05%					Assistant Vice President, Production Business Division, Suzhou Repon Industrial Co, Ltd Bachelor's, Department of Mechanical Engineering, Lunghwa University of Science and Technology	None				
Assistant Vice President	Republic of China	Zhi-Yuan Deng	Male	2025.3.1	21,300	0.03%					Senior manager of the Company Bachelor's Degree in Applied Statistics, Ming Chuan University	None				
Finance and Accounting Officer and Corporate Governance Officer	Republic of China	Chung-Jen Jen	Male	2022.1.1	123,744	0.19%					Supervisor, KPMG Taiwan Assistant Vice President, EVERTOP WIRE CABLE CORPORATION Master of Business Administration, National Chengchi University	None				

Note 1: President Jen-Shan Wu was appointed to this temporary position due to his extensive business experience and more than 20 years of service to the organization and affiliated companies. The current Chairman and President are relatives within the first degree of kinship, primarily as a phased measure for management succession. Currently, there is no majority of directors concurrently serving as employees or managers. One additional independent director was elected at the general shareholders' meeting on June 2, 2023.

Note 2: The shares held do not include the number of RSAs delivered to trust.

II. Remuneration paid to directors, supervisors, President and Vice President in the most recent year

(I) Remuneration of general directors and independent directors

2024

Unit: NT\$ thousand

Job Title		Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company
			Remuneration (A)		Retirement pay and pension (B)		Director profit sharing remuneration (C) (Note 1)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee remuneration (G) (Note 2)						
			The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
																	Cash amount	Amount of shares	Cash amount	Amount of shares			
Director	Chairperson	Chin-Lan Lee	4,185	4,719			3,846	3,846	18	18	8,049 4.19%	8,583 4.47%									8,049 4.19%	8,583 4.47%	None
	Director and President	Jen-Shan Wu					1,846	1,846	18	18	1,864 0.97%	1,864 0.97%	3,389	5,360	108		626		626		5,987 3.11%	5,365 4.14%	None
	Director and Vice President	Hsin-Cheng Wu					985	985	18	18	1,003 0.52%	1,003 0.52%	1,960	1,960			165		165		3,128 1.63%	3,128 1.63%	None
	Director	Yi-Shan Wu					492	492	18	18	510 0.27%	510 0.27%									510 0.27%	510 0.27%	None
	Director	Gui-Ying Wu					615	615	18	18	633 0.33%	633 0.33%									633 0.33%	633 0.33%	None
Independent Director (Note 3)		Rui-Chu Lee	600	600					48	48	648 0.34%	648 0.34%									648 0.34%	648 0.34%	None
		Tung-Hsiung Hong	600	600					45	45	645 0.34%	645 0.34%									645 0.34%	645 0.34%	None
		Shang-Hsien Yang	600	600					48	48	648 0.34%	648 0.34%									648 0.34%	648 0.34%	None
		Tsun Cheng	600	600					18	18	618 0.32%	618 0.32%									618 0.32%	618 0.32%	None

Note 1: The allocation of NT\$7,785 thousand in directors' remuneration for fiscal year 2024 (113th year) was approved by the Board of Directors on March 11, 2025. The actual distribution has not yet been made, and individual directors' remuneration amounts are not yet estimable. The proposed amounts are estimated based on the distribution ratio for fiscal year 2024.

Note 2: The allocation of NT\$12,975 thousand in employees' remuneration for fiscal year 2024 (113th year) was approved by the Board of Directors on March 11, 2025. The actual distribution has not yet been made, and individual employees' remuneration amounts are not yet estimable. The proposed amounts are estimated based on the distribution ratio for fiscal year 2024.

Note 3: The Company's independent directors are paid a fixed remuneration and are paid a fixed monthly remuneration regardless of the profit or loss, and do not participate in the distribution of directors' remuneration. The Board of Directors may renegotiate the decision every year based on the degree of participation of each independent director in the Company's operations, the value of their contribution, and the number of times the number of meetings attended, and by taking into account the general standards of the industry.

Remuneration table

Breakdown of remuneration to directors of the Company	Name of Director			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company	All consolidated entities	The Company	All consolidated entities
Less than NT\$1,000,000	Yi-Shan Wu, Gui-Ying Wu, Rui-Chu Lee, Tung-Hsiung Hong, Shang-Hsien Yang, Cun Cheng	Yi-Shan Wu, Gui-Ying Wu, Rui-Chu Lee, Tung-Hsiung Hong, Shang-Hsien Yang, Cun Cheng	Yi-Shan Wu, Gui-Ying Wu, Rui-Chu Lee, Tung-Hsiung Hong, Shang-Hsien Yang, Cun Cheng	Yi-Shan Wu, Gui-Ying Wu, Rui-Chu Lee, Tung-Hsiung Hong, Shang-Hsien Yang, Cun Cheng
NT\$1,000,000 (incl.) - NT\$2,000,000 (excl.)	Jen-Shan Wu, Hsin-Cheng Wu	Jen-Shan Wu, Hsin-Cheng Wu		
NT\$2,000,000 (incl.) - NT\$3,500,000 (excl.)			Hsin-Cheng Wu	Hsin-Cheng Wu
NT\$3,500,000 (incl.) - NT\$5,000,000 (excl.)				
NT\$5,000,000 (incl.) - NT\$10,000,000 (excl.)	Chin-Lan Lee	Chin-Lan Lee	Jen-Shan Wu , Chin-Lan Lee	Jen-Shan Wu , Chin-Lan Lee
NT\$10,000,000 (incl.) - NT\$15,000,000 (excl.)				
NT\$15,000,000 (incl.) - NT\$30,000,000 (excl.)				
NT\$30,000,000 (incl.) - NT\$50,000,000 (excl.)				
NT\$50,000,000 (incl.) - NT\$100,000,000 (excl.)				
Over NT\$100,000,000				
Total	9 people	9 people	9 people	9 people

(II) Remuneration to the President and Vice Presidents

2024

Unit: NT\$ thousand

Job Title	Name	Salary (A)		Retirement pay and pension (B)		Bonuses and allowances (C)		Employees' remuneration (D) (Note 1)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Cash amount	Amount of shares	Cash amount	Amount of shares			
President	Jen-Shan Wu	2,328	4,299	108	108	1,061	1,061	626		626		4,123 2.15%	6,094 3.17%	None
Vice President	Hsin-Cheng Wu	1,681	1,681			279	279	165		165		2,125 1.11%	2,125 1.11%	None

Note 1: The 2024 appropriation of employee remuneration NT\$12,975 thousand has been discussed and approved by the board of directors on March 11, 2025, and has not yet been actually distributed. It is not yet possible to estimate the remuneration to individual employees, but the proposed distribution amount is estimated based on the 2024 bonus distribution ratio.

Remuneration table

Breakdown of remuneration to the President and Vice Presidents of the Company	Name of President and Vice Presidents	
	The Company	All consolidated entities
Less than NT\$1,000,000		
NT\$1,000,000 (incl.) - NT\$2,000,000 (excl.)		
NT\$2,000,000 (incl.) - NT\$3,500,000 (excl.)	Hsin-Cheng Wu	Hsin-Cheng Wu
NT\$3,500,000 (incl.) - NT\$5,000,000 (excl.)	Jen-Shan Wu	
NT\$5,000,000 (incl.) - NT\$10,000,000 (excl.)		Jen-Shan Wu
NT\$10,000,000 (incl.) - NT\$15,000,000 (excl.)		
NT\$15,000,000 (incl.) - NT\$30,000,000 (excl.)		
NT\$30,000,000 (incl.) - NT\$50,000,000 (excl.)		
NT\$50,000,000 (incl.) - NT\$100,000,000 (excl.)		
Over NT\$100,000,000		
Total	2 people	2 people

(III) Names of managers distributing employee remuneration, and distribution:

2024

Unit: NT\$ thousand

	Job Title	Name	Amount of shares	Cash amount (Note 1)	Total	Total as a percentage of net income (%)
Managerial Officer	President	Jen-Shan Wu	-	2,313	2,313	1.20%
	Vice President	Hsin-Cheng Wu				
	Assistant Vice President	Shun-Ru Tsai				
	Assistant Vice President	Jian-hong Chen				
	Assistant Vice President	Yi-Hsiang Chiu				
	Assistant Vice President	Long-Chang Lee				
	Assistant Vice President	Chun-Wei Lin				
	Finance and Accounting Officer and Corporate Governance Officer	Chung-Jen Jen				

Note 1: The amount of NT\$12,975 thousand was appropriated for employee remuneration for the year 2024, and the appropriation was approved by the Board of Directors on March 11, 2025. The distribution has not yet been made, and individual remuneration amounts cannot be estimated at this time. The proposed allocation to individual employees is based on the distribution ratio applied in the prior year 2023.

(IV) Total remuneration paid to the Company's directors, supervisors, president, and vice presidents in the most recent two years by the company and all companies included in the consolidated financial statements as a percentage of after-tax net income in the parent company only or individual financial statements, and an explanation of the remuneration policy, criteria and packages, the procedure for determining remuneration, and its association with operating performance and future risks :

Job Title \ Year	Total remunerations as a percentage of net income (loss) after tax in the parent company only financial statements %			
	2023		2024	
	The Company	All consolidated entities	The Company	All consolidated entities
Director	142.10%	171.54%	10.86%	12.16%
President and Vice President				

The policies, standards, and components of remuneration, the procedures for determining remuneration, and their linkage to operating performance and future risks:

The Company's Articles of Incorporation and the "Regulations Governing the Payment of Remuneration to Directors and Functional Committee members" have clearly stipulated the standards for the payment of directors' remuneration and employees' remuneration. The distribution

is to be made until the resolution is passed, and shall be reported at the shareholders' meeting. On March 20, 2018, the Board of Directors passed the "Rules for Performance Evaluation of Board of Directors". Since 2018, the annual performance appraisal of individual directors will be conducted, and the appraisal results will be linked to the annual remuneration of individual directors to establish performance targets to enhance the operating efficiency of the board of directors.

Considering the extent of contributions to operations and the responsibilities assumed, and taking into account the salary levels in the same industry, the Company pays its President and Vice President reasonable remuneration based on the salary standards of their positions, the Company's operating performance and their personal performance, which is evaluated by the remuneration committee on a regular basis.

The company's remuneration for directors, President and Vice President is determined taking into account the company's future operational development and business risks. It also evaluates the positive correlation with operational performance to balance sustainable operation and risk management. The execution is approved by the board of directors after agreement by the Remuneration Committee. The Remuneration Committee and the Board of Directors regularly review the reasonableness of remuneration, and review the relevant regulations of remuneration from time to time depending on the actual business situation and relevant laws and regulations.

The directors of the company receive car and horse expenses for executing business, and independent directors receive a basic monthly fee. Director remuneration is distributed according to the company's profit situation, which does not pose a significant risk to the company. The President and Vice President, in addition to their fixed salaries, receive bonuses based on company performance, which also does not pose a significant risk to the Company.

III. Corporate governance

(I) The operation of the Board of Directors and the implementation of evaluation

1. Information on the operation of the Board of Directors

A total of 6 board meetings were held in 2024 (A). The attendance of directors is as follows:

Job Title	Name	Actual attendance rate (B)	Attendance by proxy	Attendance rate in person (%) (B/A)	Remarks
Chairperson	He Ying Investment Co., Ltd. Representative: Jin-lan Lee	6		100%	
Director	He Ying Investment Co., Ltd. Representative: Hsin-Cheng Wu	6		100%	
Director	Junyi Investment Co., Ltd. Representative: Jen-Shan Wu	6		100%	
Director	Junyi Investment Co., Ltd. Representative: Yi-Shan Wu	6		100%	
Director	Gui-Ying Wu	6		100%	
Independent Director	Rui-Chu Lee	6		100%	
Independent Director	Tung-Hsiung Hong	5	1	83.33%	
Independent Director	Shang-Hsien Yang	6		100%	
Independent Director	Tsun Cheng	6		100%	

Other information to be disclosed:

- I. For the matters listed in Article 14-3 of the Securities and Exchange Act and any other objections or qualified opinions of the independent directors that have been recorded or declared in writing, the date, session, contents of motions, the opinions of all independent directors and the Company's opinions and opinions shall be disclosed Handling of independent directors' opinions: No such situation.
- II. Other than the aforementioned matters, other resolutions of the Board of Directors with adverse or qualified opinions from independent directors and on the record or in written declaration: None.
- III. For implementation of a director's recusal due to a conflict of interest, the name of the director, the content of the proposal, the reason for recusal, and the participation in the voting shall be stated:

Date of meeting	Proposal Content	Names of Directors, Reasons for Recusal, and Participation in Voting
2024.01.22	Approval of the list of employees and the number of shares allotted under the 2023 Restricted Employee Shares Plan.	Chairperson Chin-Lan Lee, Directors Hsin-Cheng Wu, Jen-Shan Wu, and Yi-Shan Wu recused themselves from voting on this proposal due to a conflict of interest. The resolution was approved after discussion among the remaining directors present, as solicited by the acting chairperson.
	Approval of the year-end bonus proposal for the Company's Director Executing Business and Managers for 2023	
2024.11.13	Approval of the Directors' Remuneration for Fiscal Year 2023	Chairperson Chin-Lan Lee, Directors Hsin-Cheng Wu, Jen-Shan Wu, Yi-Shan Wu and Gui-Ying Wu recused themselves from voting on this proposal due to a conflict of interest. The resolution was approved after discussion among the remaining directors present, as solicited by the acting chairperson.
	Approval of the Minutes of the 7th Meeting of the 4th Remuneration Committee	

- IV. Information on the frequency and duration, scope, method and content of self-evaluation (or peer evaluation) of the Board of Directors:

The 2024 evaluation of the Board of Directors is as follows:

Evaluation Cycle	Once a year
Evaluation period	2024/01/01~2024/12/31
Scope and Method of Evaluation	1. Overall Board of Directors: Internal Self-Evaluation 2. Individual Board Members: Self-Evaluation 3. Functional committees: Internal Self-Evaluation
Evaluation	1. Overall performance evaluation of the Board of Directors:

Content	<p>(1) Level of participation in the Company's operations</p> <p>(2) Improving the quality of the board's decision-making</p> <p>(3) Composition and structure of the Board of Directors</p> <p>(4) Election and continuing education of directors</p> <p>(5) Internal control</p> <p>2. Performance evaluation items of individual directors:</p> <p>(1) Alignment of the Company's goals and mission</p> <p>(2) Awareness of the duties of directors</p> <p>(3) Level of participation in the Company's operations</p> <p>(4) Internal relationship management and communication</p> <p>(5) Directors' professionalism and continuing education</p> <p>(6) Internal control</p> <p>3. Performance evaluation items for the functional committee:</p> <p>(1) Level of participation in the Company's operations</p> <p>(2) Awareness of the duties of the functional committee</p> <p>(3) Improving the quality of decision making by functional committees</p> <p>(4) Composition of functional committees and election of members</p> <p>(5) Internal control</p>
Evaluation results	The performance evaluation results ranged from 95.23 to 97.11 points, which is considered good. No improvement recommendations were made.

V. Enhancements to the functionality of the Board of Directors in the current year and the most recent year (e.g. establishment of an Audit Committee, enhancement of information transparency, etc.) and implementation evaluations:

- (I) The company developed the "Rules for Performance Evaluation of Board of Directors" and "Directors and Functional Committee Remuneration Payment Measures," which were approved by the board of directors on March 20, 2018. Individual director annual performance evaluations will be conducted annually beginning with the fiscal year 2018, and the results will be linked to individual director annual remuneration, establishing performance goals to improve the board of directors' efficiency.
- (II) The Company has established "Corporate Governance Best Practice Principles", "Ethical Corporate Management Best Practice Principles" and "Rules and Procedures for Ethical Management and Code of Conduct" which have been approved by the Board of Directors to establish an effective corporate governance framework.
- (III) The Company established the position of Corporate Governance Officer on January 1, 2022 to provide more support to directors and improve the effectiveness of the Board of Directors.
- (IV) The Company established the Sustainable Development Committee on November 6, 2023, in order to implement the sustainable development goals such as environmental protection,

social responsibility and corporate governance, and strengthen the functions and management mechanism of the Board of Directors.

- (V) In accordance with Article 14-6 of the Securities and Exchange Act, the Company has formulated the "Remuneration Committee Charter" and appointed and appointed its members to assist the Board of Directors in executing and evaluating the Company's overall remuneration and benefit system.

3. Succession planning for the members of the board of directors and key management:

(1) The succession plan and operation of the members of the Board of Directors

The selection of directors in the Company is based on the "Articles of Incorporation" using a candidate nomination system. The selection criteria for directors, in addition to possessing the knowledge, skills, and qualities necessary for the performance of their duties, also adhere to the principles of diversity as stipulated in the "Corporate Governance Best Practice Guidelines" and the "Regulations Governing the Election of Directors and Independent Directors" (the selection criteria for board members are disclosed on the Company's website: Investor Relations>Corporate Governance>Important Regulations, website: <https://www.repongroupp.com/tw/rules>). This is to achieve the ideal goal of corporate governance, with many practices being implemented ahead of government regulatory requirements, gradually advancing the process of optimizing the effectiveness of the board of directors.

The company's board members should have not only professional backgrounds and skills, but also experience with business planning and operations. Continuous improvement should be emphasized, taking into account expertise that goes beyond each director's professional capabilities. Courses relevant to the industry should be selected, including finance, risk management, business, commerce, legal affairs, accounting, corporate social responsibility, internal control systems, and financial reporting responsibilities, to ensure that board members have a sufficient level of industry knowledge and improve their professional competence.

The Company has also stipulated the "Rules for Performance Evaluation of Board of Directors", which measures the performance evaluation to include the control of the company's goals and tasks, awareness of responsibilities, participation in the company's operations, internal relationship management and communication, professional functions and training, internal controls, and ability to express concrete opinions. This is done to ensure the effective operation of the board of directors, evaluate the performance of directors, and serve as a reference for future director selection.

(2) Succession planning and operation of key management personnel

The Company emphasizes that, in addition to the operation and management ability, professional ability and performance, the words and deeds of the important management should be highly in line with the Company's core values of "integrity, positive positivity, innovation, communication and continuous learning" and other business philosophy.

The company focuses on preparing key management personnel for leadership, management, professional skills, personal development plans, and corporate culture. Internal training courses, hands-on tasks, meeting participation, and job rotations all contribute to the development of comprehensive abilities and experiences. External experts also share examples of benchmarking companies that offer management and thinking training courses. Internal senior executives share their leadership experience, organizational culture, and practical management operations. The senior executives' strategy meeting was held to jointly formulate the

Company's future growth goals and strategies, including systems thinking, strategic thinking and planning, and leadership growth, performance management, talent development, and leadership inheritance, etc., to strengthen in a planned and targeted manner Future management team

(II) Operation of the Audit Committee

The 2024 Audit Committee held 6 meetings (A), with the attendance of independent directors as follows:

Job Title	Name	Actual attendance (B)	Attendance by proxy	Attendance rate in person (%) (B/A)	Remarks
Independent Director	Rui-Chu Lee	6	0	100%	
Independent Director	Tung-Hsiung Hong	5	1	83.33%	
Independent Director	Shang-Hsien Yang	6	0	100%	
Independent Director	Tsun Cheng	6	0	100%	

Operation of the Audit Committee:

The Audit Committee of the Company is composed of all four Independent Directors. Prior to each Board meeting, the Audit Committee convenes to review significant proposals and major financial or business matters to ensure proper oversight of the Company's operations and risk management. In 2024, the Audit Committee held a total of six meetings. The key matters reviewed and resolved included:

1. Establishment or amendment of internal control systems in accordance with Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. Establishment or amendment of procedures for the acquisition or disposal of assets, derivative transactions, lending of funds to others, and endorsements or guarantees for others, in accordance with Article 36-1 of the Securities and Exchange Act.
4. Matters involving directors' own interests.
5. Significant asset or derivative transactions.
6. Significant lending of funds, endorsements, or provision of guarantees.
7. Offering, issuance, or private placement of equity-type securities.
8. Appointment, dismissal, or compensation of the certified public accountant.
9. Appointment or dismissal of financial, accounting, or internal audit officers.
10. Annual and semi-annual financial reports.
11. Business reports and proposals for earnings distribution or loss offset.
12. Annual budgeted financial statements and capital expenditure plans.
13. Other significant matters as required by the Company or competent authorities.

Other information to be disclosed:

- I. The operation of the board of Directors' meeting shall state the date and period of the board meeting, the content of the motion, the opinions of all independent Directors and the Company's handling of the opinions of the independent Directors if any of the following circumstances apply:
 - (I) Matters listed in Article 14-5 of the Securities and Exchange Act: please refer to Item 4 of Other Required Information.
 - (II) Other matters not approved by the Audit Committee but agreed upon by two-thirds or

more of all directors: None.

II. For implementation of an independent director's recusal due to a conflict of interest, the name of the independent director, the content of the proposal, the reason for recusal, and the participation in the voting shall be stated: No such situation.

III. Communication between independent directors and internal auditing officers and CPAs:

(I) The Company's board of directors regularly invites certified public accountants to attend the meeting to conduct consultations on the proposals related to the financial reports of the board of directors, and provides a communication channel for independent directors and certified public accountants, so that audit members may consult at any time.

(II) The Company's chief audit officer submits the audit report and follow-up report to the independent directors for review on a regular basis, responds to the opinions of the independent directors in a timely manner, and attends the Board of Directors' meeting to report the status of the audit.

IV. According to Article 14-5 of the Securities and Exchange Act, the opinions or resolutions of independent directors on major issues for the year are as follows:

Audit Committee member Date of meeting	Proposal Content	Dissenting opinions, qualified opinions, or major recommendations of independent directors
3rd Term 14th meeting January 22, 2024	1. Approval of the capital expenditure budget for 2023. 2. Approval of the operating plan and financial budget for 2024. 3. Approval for the Chairman to be authorized to dispose of land in the Zhongli Industrial Zone. 4. Approval of setting the record date for the issuance of 2023 employee Restricted Stock. 5. Approval of the allocation list and number of shares for restricted stock dedicated to employees for 2023. 6. Approval of the assessment of the independence and competency of CPA. 7. Approval of the general principles for the company's pre-approved policy on non-assurance services. Resolution of Audit Committee: All Audit Committee members passed the motion unanimously. The Company's handling of the Audit Committee's opinions: Not applicable.	None
3rd Term 15th meeting March 15, 2024	1. Approved the resolution concerning employee remuneration and director remuneration for the fiscal year 2023. 2. Adopted resolutions pertaining to the individual	None

	<p>financial statements, consolidated financial statements, and business report for the fiscal year 2023.</p> <ol style="list-style-type: none"> 3. Ratified the resolution regarding profit distribution for the fiscal year 2023. 4. Passed the resolution concerning the distribution of cash from capital surplus for the fiscal year 2023. 5. Approval of the designation of the record date for capital reduction of restricted employee stock for the fiscal year 2020. 6. Approved the resolution to amend the list of employees granted new shares with restricted rights for the fiscal year 2023. 7. Approved the resolution regarding related-party transaction contracts of the company. 8. Adopted the resolution detailing accounts receivable overdue for more than three months as of December 31, 2023. 9. Adopted the resolution to issue the statement of internal control system. 10. Approved the resolution regarding the independent assessment of the company's appointed auditors' independence and suitability. 11. Ratified the amendment to the "Board Meeting Rules." 12. Ratified the amendment to the "Audit Committee Organization Regulations. <p>Resolution of Audit Committee: All Audit Committee members passed the motion unanimously.</p> <p>The Company's handling of the Audit Committee's opinions: Not applicable.</p>	
3rd Term 16th meeting May 8, 2024	<ol style="list-style-type: none"> 1. Approval of the first quarter consolidated financial report for the year 2024 of the company. 2. Approval of establishing the cut-off date for employee rights restriction on new share repurchase and cancellation. 3. Approval of amending the "Operating Procedures for Group Enterprises, Specific Companies, and Related Party Transactions". 4. Approval of amending the internal operating "Authority Decision Table". 5. Approval of the audit fees for the signing accountant. <p>Resolution of Audit Committee: All Audit Committee</p>	None

	<p>members passed the motion unanimously.</p> <p>The Company's handling of the Audit Committee's opinions: Not applicable.</p>	
<p>3rd Term 17th meeting June 26, 2024</p>	<p>1. Approval of the issuance of domestic convertible corporate bonds up to NT\$1 billion.</p> <p>Resolution of Audit Committee: All Audit Committee members passed the motion unanimously.</p> <p>The Company's handling of the Audit Committee's opinions: Not applicable.</p>	None
<p>3rd Term 18th meeting August 12, 2024</p>	<p>1. Approval of the Company's Consolidated Financial Statements for the Second Quarter of 2024.</p> <p>2. Approval of the Related Party Transaction Contracts.</p> <p>Resolution of Audit Committee: All Audit Committee members passed the motion unanimously.</p> <p>The Company's handling of the Audit Committee's opinions: Not applicable.</p>	None
<p>3rd Term 19th meeting November 13, 2024</p>	<p>1. Approval of the Company's Consolidated Financial Report for the Third Quarter of 2024.</p> <p>2. Approval of Related Party Transaction Contracts.</p> <p>3. Approval of the Company's 2025 Audit Plan.</p> <p>4. Approval of the Base Date for the Recall and Cancellation of Restricted Employee Shares.</p> <p>5. Approval of Land Use Rights Acquisition by the Vietnamese Subsidiary.</p> <p>6. Approval of the Addition of the "Sustainable Data Management Procedures."</p> <p>Resolution of Audit Committee: All Audit Committee members passed the motion unanimously.</p> <p>The Company's handling of the Audit Committee's opinions: Not applicable.</p>	None

Note: Other resolutions not approved by the Audit Committee but agreed upon by over two-thirds of all directors: None.

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

Evaluation Items	Implementation status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
I. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has established the "Corporate Governance Best-Practice Principles" in accordance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and disclosed it on the Market Observation Post System.	No significant difference
II. The Company's shareholding structure and shareholders' rights and interests				
(I) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	V		(I) The Company has fully implemented the spokesperson system, and set up a shareholder contact window on the Company's website, with dedicated personnel to handle shareholders' suggestions, questions, disputes and litigation matters, and hire legal consultants to take charge of litigation matters.	No significant difference
(II) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	V		(II) Directors and major shareholders report changes in shareholdings to the Company on a monthly basis, and maintain good communication channels with major shareholders.	No significant difference
(III) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	V		(III) The Company has formulated the "Procedures for Transactions between Group Enterprises, Specific Companies, Group Enterprises and Related Parties" and "Procedures for Handling Acquisition or Disposal of Assets". The designated personnel are responsible for the management of related enterprises.	No significant difference
(IV) Has the Company established internal rules	V		(IV) The Company has established the "Procedures for	No significant difference

Evaluation Items	Implementation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
prohibiting insider trading of securities based on undisclosed information?			Handling Material Inside Information and Prevention of Insider Trading" and "Procedures for Prevention of Insider Trading ," and disseminated relevant regulations to insiders in a timely manner to prohibit insiders from exploiting undisclosed Trading of securities with information.	
III. Composition and duties of the Board of Directors (I) Does the Board of Directors formulate and implement diversified policies, specific management goals?	V		(I) The Company's policy on composition diversity of the Board of Directors has been stipulated in the "Corporate Governance Best Practice Principles" and "Procedures for Election of Directors" and disclosed on the Company's website. The content are as follows: The composition of the board of directors shall take diversity into account, and appropriate policies shall be adopted for diversity in terms of its own operation, business model and development needs. It should include but not be limited to the following two major standards: 1. Basic conditions and values: gender, age, nationality and culture, etc. 2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience. Members of the board of directors should generally have the knowledge, skills, and self-cultivation. In order to achieve the ideal goal of	No significant difference

Evaluation Items	Implementation status (Note)			Deviations from the Corporate Governance BestPractice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
(II) In addition to establishing the Remuneration	V		<p>corporate governance, the board of directors as a whole should have the following capabilities:</p> <ul style="list-style-type: none"> a. Operational judgment. b. Accounting and financial analysis. c. Operation and management. d. Crisis management. e. Industry knowledge. f. International market perspective. g. Leadership h. Decision-making <p>The Company's current nine-seat board of directors includes four independent directors. In addition to four female directors (female directors account for 44.44% of the board of directors), all directors have industry practical experience, and work experience in commerce, finance, accounting and corporate business needs, the board members have different areas of expertise, which is in line with the Company's diversity policy. In addition to regular dissemination of various laws and regulations, the Company also encourages board members to participate in external training courses, and the Company will organize training courses when necessary. As of December 31, 2024, there were 5 directors aged between 41 and 60, and the rest are over 60 years old. The consecutive terms of each of the four independent directors shall not exceed three terms. Please refer to pages 6-7 of this annual report.</p> <p>(II) The Company has established the Remuneration Committee</p>	

Evaluation Items	Implementation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
Committee and the Audit Committee as required by law, has the Company established other functional committees voluntarily?			and Audit Committee in accordance with the law, and established the Sustainable Development Committee on November 6, 2023. In the future, other functional committees will be established depending on legal requirements or practical needs.	Re-planning will be made based on operational needs.
(III) Has the Company established rules and methods for evaluating the performance of the Board of Directors, and conducts annual performance evaluations regularly, and reports the results of the performance evaluations to the Board of Directors, and uses them as a reference for individual directors' remuneration and nomination?	V		(III) The Company has established the "Rules for Performance Evaluation of Board of Directors" Conduct annual performance appraisals, link the appraisal results to the annual remuneration of individual directors, and establish performance targets to enhance the operational efficiency of the Board of Directors and serve as a reference for nomination for reappointment.	No significant difference
(IV) Does the Company regularly assess the independence of the CPAs?	V		(IV) In accordance with Article 29, Paragraph 3 and 4 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and relevant provisions of the Company's "Corporate Governance Best Practice Principles", the Company evaluates the audit quality indicators (AQIs) at least once a year. Independence and appropriateness of the external auditors. Pursuant to this regulation, the Company referred to the evaluation items formulated by The Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10 "Independence of Audits and Reviews" and the AQIs provided by KPMG Taiwan, in order to review the performance of the CPAs appointed by the Company. All CPAs have issued a declaration of independence. It has	No significant difference

Evaluation Items	Implementation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			been confirmed that the Company's appointed CPAs have no other financial interests or business relationships other than the fees for certification and tax cases, and no family members of the CPAs violated independence. Meanwhile, reference AQIs indicator information to confirm that the audit experience and training hours of the CPAs and their subordinate firms are both better than the industry average, and we will continue to introduce digital audit tools to improve audit quality. The 2023 CPA Independence and Competency Evaluation Form was submitted to the Audit Committee and the Board of Directors for review and resolution on March 12, 2024.	
IV. Whether the listed company appoints competent and appropriate corporate governance personnel, and appoints a corporate governance officer to be responsible for corporate governance-related affairs (including but not limited to providing directors and supervisors with the information needed to perform their duties, assisting directors and supervisors in compliance laws, handling matters related to the Board of Directors and Shareholders' Meetings in accordance with the law, and preparing minutes of the Board of Directors and Shareholders' meetings)?	V		<p>The Company has established a Corporate Governance Supervisor on January 1, 2022, and Special Assistant to the President Office of the Company has been appointed as the person who has more than ten years of experience as a financial officer of the above-mentioned public companies engaged in finance-related matters to ensure the effective execution of their corporate governance duties without conflict of interest and violation of the internal control system.</p> <p>The Company's corporate governance personnel are mainly responsible for corporate governance-related matters, including taking out the liability insurance of directors and supervisors, handling the Board of Directors and Shareholders' Meetings and other stock affairs according to laws, improving and replying to the items instructed by the Board of Directors, and preparing the minutes of the Board of Directors and Shareholders' meetings,</p>	No significant difference

Evaluation Items	Implementation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			in order to increase support for directors and improve the effectiveness of the Board of Directors. The Company's Corporate Governance Officer completed 12 hours of professional training in 2024, as required by applicable laws and regulations.	
V. Does the Company create channels for communication with stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up a stakeholder section on the Company's website, and appropriately respond to important corporate social concerns of stakeholders responsibility issues?	V		The Company has implemented the spokesperson and deputy spokesperson systems, and has created a stakeholder section on the Company's website (https://www.repongroupp.com/tw/stakeholder) to contact stakeholders (including shareholders, employees, customers, financial institutions, suppliers and other stakeholders) to maintain good communication channels, dedicated personnel to respond appropriately to important corporate social responsibility issues that stakeholders are concerned about, and the Company upholds the principle of good faith to provide sufficient business information to properly protect the legitimate rights and interests of the stakeholders.	No significant difference
VI. Does the Company appoint a professional shareholder service agency to handle shareholders' meeting affairs?	V		The Company has appointed KGI Securities Co. LTD., Stock Agency Department, to handle shareholders' meeting affairs.	No significant difference
VII. Information Disclosure				
(I) Does the Company set up a website to disclose financial, business and corporate governance information?	V		(I) The Company has established a website to disclose the information of finance, business and corporate governance at http://www.repon.com.tw .	No significant difference
(II) Has the Company adopted other means of	V		(II) The Company has set up an English website, designated	No significant difference

Evaluation Items	Implementation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
<p>information disclosure (e.g. setting up an English website, appointing dedicated personnel to collect and disclose information on the Company, implementing a spokesperson system, posting the proceedings of investor conferences on the Company's website)?</p> <p>(III) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the financial statements for the first, second, and third quarters and the operating status of each month before the prescribed deadline?</p>		V	<p>dedicated personnel to be responsible for the collection and disclosure of company information, implemented the spokesperson system, and placed other information on shareholder services and institutional investor conferences on the Company's website.</p> <p>(III) The Company consistently announces and files its financial reports in advance of the statutory deadlines.</p>	Re-planning will be made based on operational needs.
VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	V		<p>1. Employee rights and employee care: The Company has always maintained a harmonious labor-management relationship. In addition to complying with the Labor Standards Act, the Company has established an Employee Welfare Committee that distributes gift vouchers for Labor Day, the Dragon Boat Festival, the Mid-Autumn Festival, as well as birthday gift vouchers for employees. The Company regularly organizes year-end parties and employee trips, and provides various benefits including group insurance coverage, company uniforms, lunch and dinner meals, and health management services. In 2023, the Company also obtained membership in the Responsible Business Alliance (RBA).</p>	No significant difference

Evaluation Items	Implementation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			<p>2. Investor relations: The Company discloses information through the Market Observation Post System and the Company's website to allow investors to understand the Company's operations, and has dedicated personnel to deal with investors' related questions.</p> <p>3. Supplier relations: The Company has always maintained a good cooperative relationship with its suppliers, and has signed relevant cooperation contracts or OEM contracts with major suppliers to protect the rights and obligations of both parties.</p> <p>4. Stakeholders' rights: The Company maintains open communication channels with banks and other creditors, employees, suppliers, communities, and stakeholders of the Company, and respects and safeguards their legal rights. When the legitimate rights and interests of the stakeholders are infringed, the Company will uphold the principle of good faith and take appropriate measures. Provide sufficient information to banks and other creditors, so that they can make credit decisions on the Company's operating and financial status.</p> <p>5. Continuing education of directors and supervisors: In addition to regular dissemination of various laws and regulations, the Company also encourages board members to participate in external training courses, and the Company will organize training courses when necessary.</p> <p>6. Implementation of risk management policies and risk</p>	

Evaluation Items	Implementation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			<p>measurement standards: The Company's major operating policies, investment projects, bank financing and other major proposals are evaluated and analyzed by the responsible departments, and implemented with the resolution of the board of directors. The Company adopts a precautionary policy for risk management. In addition to formulating an internal control system and various regulations pursuant to laws, and subjecting them to internal audits, the Company also underwrites relevant property insurance policies to hedge risks.</p> <p>7. Implementation of customer policies: The Company implements various product quality guidelines, provides customers with professional consultation and customized design, and has established a "Customer Complaint Operational Procedure" to focus on customer complaints and prompt handling to generate feedback. Product liability insurance is underwritten according to customer requirements. Conduct regular customer satisfaction surveys to continuously improve customer services.</p> <p>8. Liability insurance for directors and supervisors: The Company has purchased liability insurance for directors and managers.</p>	
IX. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement: Not Applicable.				

(IV) Profile, duties and operation of the Remuneration Committee members

1. Information on the members of the Remuneration Committee:

April 30, 2025

By position	Name / Qualification	Professional qualifications and experience	Status of independence	Number of other public companies serving as Remuneration Committee member concurrently
Independent Director (Convener)	Rui-Chu Lee	Refer to pages 9-12 for the professional qualifications of directors and supervisors, and Disclosure of Information on Independence of Independent Directors		1
Independent Director	Tung-Hsiung Hong			1
Independent Director	Shang-Hsien Yang			3

2. Responsibilities of the Remuneration Committee:

- (1) Regularly review the Remuneration Committee Charter and propose amendments.
- (2) Formulate and periodically review the performance evaluation standards, annual and long-term performance targets, and remuneration policies, systems, standards and structures of the Company's directors and managers, and disclose the content of the performance evaluation standards in the annual report.
- (3) Regularly evaluate the Company's directors and managers' achievement of performance targets, and determine the content and amount of their individual remunerations based on the results of the performance evaluation standards. The results of individual performance evaluations of directors and managers, as well as the content and amount of individual remuneration, and the relevance and reasonableness of the performance evaluation results should be disclosed in the annual report, and reported to the shareholders' meeting.

3. Information on the operation of the Remuneration Committee:

- (1) The Company's Remuneration Committee consists of 3 members.
- (2) The term of office of the current members: In 2024, the Remuneration Committee held 3 meetings (A). The qualifications and attendance of members are as follows:

Job Title	Name	Actual attendance (B)	Attendance by proxy	Attendance rate in person (%) (B/A)	Remarks
Convener	Rui-Chu Lee	3	0	100%	
Committee member	Tung-Hsiung Hong	3	0	100%	
Committee member	Shang-Hsien Yang	3	0	100%	

4. Other information to be disclosed:

- (1) If the Board of Directors does not adopt or amend the suggestions of the Remuneration Committee, the date and term of the Board meeting, the contents of the motions, the resolutions of the Board of Directors, and the Company's handling of the Remuneration Committee's opinions shall be disclosed (e.g. Committee's suggestions, shall state the deviation and reasons): In 2024 and as of the printing date of this annual report, there is no such situation that the Board of Directors does not adopt or amend the suggestions of the Remuneration Committee.
- (2) For resolutions adopted by the Remuneration Committee, to which a member has a dissenting or qualified opinion that is on record or stated in a written statement, state the date and session of the Remuneration Committee, contents of motions, opinions of all members, and the handling of such opinions: In 2024 and up to the date of publication of the annual report, no objections or qualified opinions were raised by members.
- (3) Contents of the motions and resolutions of the Remuneration Committee in the most recent year, and the Company's handling of the opinions of the Remuneration Committee:

Remuneration Committee meeting	Proposal content and follow-up treatment	Resolution	The Company's handling of the opinions of the Remuneration Committee
4th Term 5th meeting 2024/1/22	1. Approval of the list of employees and the number of shares to be allotted under the 2023 Restricted Employee Shares Plan. 2. Approval of 2023 year-end bonuses for the Executive Director and managerial officers of the Company.	Approved by all committee members	2024/1/22 Approved by all attending directors unanimously
4th Term 6th meeting 2024/3/15	1. Proposal for 2023 Employees' and Directors' Remuneration. 2. Report on the Actual Distribution of 2023 Year-End Bonuses for the Executive Director and Managerial Officers.	Approved by all committee members	2024/3/15 Approved by all attending directors unanimously
4th Term 7th meeting 2024/11/13	1. Proposal for Directors' Remuneration for the Year 2023. 2. Review of Policies, Systems, Criteria, and Structure for Directors' and Managers' Compensation.	Approved by all committee members	2024/11/13 Approved by all attending directors unanimously

(V) Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation Items	Implementation status (Note)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		In order to implement the sustainable development goals of environmental protection, social responsibility and corporate governance, and strengthen the functions and management mechanism of the Board of Directors, the Company established the Sustainable Development Committee under the Board of Directors on November 6, 2023, and the Chairperson Ms. Chin-Lan Lee, serves as the Chairperson. President Mr. Jen-Shan Wu served as the CEO, and the committee members were elected by the board of directors as the chairman and two independent directors . Under the Committee, three functional groups, namely corporate governance, social responsibility and environmental protection, have been established. They are responsible for formulating sustainable development policies, goals, and promoting related activities. A meeting is convened at least once every six months and report to the Board of Directors on a regular basis.	No significant difference.
II. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?		V	The Company has not yet conducted risk assessments on environmental, social and corporate governance issues related to corporate operations, and has not yet formulated relevant risk management policies or strategies.	Re-planning will be made based on operational needs

Evaluation Items	Implementation status (Note)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
III. Environmental Issues (I) Has the Company established an appropriate environmental management system based on the characteristics of its industry?	V		<p>The Labor Safety Office of the Company is responsible for the environment, safety and health related operations. It promotes compliance with relevant domestic and foreign environmental protection laws and regulations, and has obtained ISO 14001 and ISO 45001 environmental safety and health management system certification, as well as RoHS certification.</p> <ul style="list-style-type: none"> ● The certification period for ISO 14001 is from August 21, 2024, to August 20, 2027. ● The certification period for ISO 45001 is from August 21, 2024, to August 20, 2027. <p>The company joined the Taiwan Climate Partnership in July 2022. The alliance, initiated by the Taipei Computer Association and eight major enterprises (DELTA/PEGATRON/TSMC/ASUS/AUO/Microsoft/Acer/ LITE-ON), aligns with international climate advocacy organizations. It requires the supply chain to conduct greenhouse gas inventories and set carbon reduction commitments. The alliance guides the supply chain towards a zero-carbon trend to achieve these goals.</p>	No significant difference.
(II) Is the Company committed to improving energy efficiency and using recycled materials with low impact on the environment?	V		<p>1. In accordance with the ISO 14001 and ISO 45001 environmental safety and health management systems, the Company actively promotes energy and resource conservation, continues to improve the efficiency of</p>	No significant difference.

Evaluation Items	Implementation status (Note)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>raw material use, reduces the amount of materials used for packaging and shipping, and strictly implements garbage sorting and resource recycling management.</p> <p>2. Yunke Plant I and Plant III have installed rooftop solar power generation, which can generate more than 2.2 million kWh of power each year.</p> <p>3. Introduced large-scale gearless direct-drive industrial ceiling fans to optimize airflow design, effectively reducing air conditioning electricity consumption by 55%. After implementing this project at YunTech Plant 3 in 2023, it was further introduced at Plant 2 in 2024. As a result of the project implementation, electricity consumption decreased by 3.6% compared to 2023, and water consumption of the chilled water chillers decreased by 17.2%.</p> <p>4. The Yunke Plant I and II have adopted the IE4 motor with the energy-saving logo.</p> <p>5. Continue to enhance the product mechanism design, improve product quality and service life, and reduce waste of resources on the earth.</p> <p>6. Cooperated with China Steel to introduce RC12 galvanized steel recycled rail materials.</p> <p>7. In 2024, participated in the Industrial Development Bureau project—"Smart Upgrade and Transformation</p>	

Evaluation Items	Implementation status (Note)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>Plan for Large, Medium, and Small Manufacturing Enterprises.” The total planned investment amount is NT\$58,577,000, with approximately NT\$17,479,000 capital expenditure invested in smart equipment upgrades in 2024 to improve efficiency. By introducing automation equipment and IoT technologies to connect production information to servers, the project enhances process data visibility, equipment utilization rate, production efficiency, and capacity utilization. This improves management effectiveness and shortens product lead times, reduces raw steel waste, and saves electricity consumption during processes, thereby lowering operating costs and achieving carbon reduction. After implementation, the project is expected to increase production capacity by 50% and reduce carbon emissions by approximately 94.8 tons in 2025 compared to 2024.</p> <p>8. To actively expand solar power generation and acquire renewable energy at the plant, a capital expenditure of approximately NT\$13,500,000 was approved in 2024 for installing additional solar panels in Zhongli. The project is expected to be completed in 2025, with an estimated annual power generation increase of about 1200 kWp.</p>	

Evaluation Items	Implementation status (Note)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons									
	Yes	No	Summary description										
(III) Does the Company evaluate the potential risks and opportunities posed by climate change to the Company at present and in the future, and take relevant countermeasures?	V		In the face of the risks and opportunities of climate change, the Company continues to pay attention to international management issues and regulatory trends related to climate change, and refers to the management methods of large benchmark enterprises in response to climate change issues. Risk management measures to avoid production capacity interruption or supply chain interruption causing operational impact.	No significant difference.									
(IV) Has the Company kept statistics on the amount of greenhouse gas emission, water consumption and total weight of waste in the past two years, and formulated policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	V		<div> <div>In 2024, the Company conducted a carbon inventory for the parent company. The subsidiaries, Suzhou Nanjuen Trading Co., Ltd. and REPON (USA), INC, are both trading companies and their scale is not significant in the consolidated results. The Vietnam subsidiary was established in July 2024 and thus was not included in the inventory. Since the parent company accounts for over 90% of revenue, the greenhouse gas emissions, water usage, and total waste weight statistics are based solely on the parent company as follows:</div> <table> <tr> <th>Item</th> <th>Year 2023</th> <th>Year 2024</th> </tr> <tr> <td>CO2 Emissions (metric tons CO2e) (Scope 1-2)</td> <td>3,793.6339</td> <td>4,489.8231</td> </tr> <tr> <td>Water Usage (thousand cubic meters)</td> <td>74.88</td> <td>91.32</td> </tr> </table> </div>	Item	Year 2023	Year 2024	CO2 Emissions (metric tons CO2e) (Scope 1-2)	3,793.6339	4,489.8231	Water Usage (thousand cubic meters)	74.88	91.32	No significant difference.
Item	Year 2023	Year 2024											
CO2 Emissions (metric tons CO2e) (Scope 1-2)	3,793.6339	4,489.8231											
Water Usage (thousand cubic meters)	74.88	91.32											

Evaluation Items	Implementation status (Note)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons			
	Yes	No	Summary description				
			<table><tr><td>Industrial Waste (metric tons)</td><td>1,331.60</td><td>270.39</td></tr></table> <p>Note: There was no greenhouse gas verification information for 2023 and 2024. The Company plans to disclose the verified greenhouse gas data of the parent company for 2027 (FY 2026) and the consolidated company for 2028 (FY 2027) in accordance with the "Securities and Futures Institute of Taiwan's Guidelines for the Preparation and Submission of Sustainability Reports for OTC Companies" and the Financial Supervisory Commission's "Sustainability Development Roadmap for Listed Companies."</p> <p>Relevant policy implementations are as follows:</p> <p>1. The Yunke Plant I and II have been designed based on the nine major green building indicators. The physical environment of the building is controlled, and the energy-saving design of the SRC structural shell is combined to achieve the effect of natural ventilation and daylighting. Renewable energy, air conditioning, and lighting energy-saving systems are supplemented to reduce power consumption in the plants.</p> <p>2. The Surface Treatment Division of Plant II has installed equipment to reduce the amount of harmful sludge produced. The facility produces 600 kg of</p>	Industrial Waste (metric tons)	1,331.60	270.39	
Industrial Waste (metric tons)	1,331.60	270.39					

Evaluation Items	Implementation status (Note)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>hazardous sludge per day. The facility was used to reduce 400 kg of sludge per day, or 67%.</p> <p>3. The surface treatment section of Yunke Plant II has set up process wastewater recycling and process water recycling for process reuse, with a recycling rate of 30%.</p> <p>4. Set up a rainwater recycling system for landscape irrigation to strengthen the reuse of water resources.</p> <p>5. The 21,104-square-meter green space around the adopted plant site was organically planted with 781 green trees to reduce pesticide pollution and carbon emissions.</p>	
<p>IV. Social Issues</p> <p>(I) Has the Company established relevant management policies and procedures in accordance with applicable laws and International Bill of Human Rights?</p>	V		<p>1. The Company has formulated work rules in accordance with the labor laws and regulations, approved by the competent authority, and announced them to employees.</p> <p>2. The Company actively complies with the social responsibility requirements of major international corporations for downstream supply chains and has obtained membership in the Responsible Business Alliance (RBA).</p> <p>3. To uphold the principle of corporate respect for human rights, the Company strictly adheres to labor and related regulations in the regions where it</p>	No significant difference.

Evaluation Items	Implementation status (Note)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			operates. In 2022, the Company established the "Human Rights Management Procedure," which was approved by the responsible authorities and publicly announced. This document serves as the highest guiding principle for Nanjue's human rights governance efforts. The Company supports and follows the principles and spirit outlined in international human rights conventions, including the United Nations' Universal Declaration of Human Rights, the UN Global Compact, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. These efforts are part of the Company's commitment to implementing its ESG policies and mission. The scope of application covers all members of the Company, as well as its suppliers and business partners.	
(II) Does the Company formulate 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?	V		The Company has established the "Work Rules", "Regulations Governing Salary", "Regulations Governing Employee Promotion and Transfer", "Regulations on Performance Bonus," "Regulations on Sales Bonus", and "Procedures for Ethical Management and Guidelines for Conduct" in accordance with relevant laws and regulations. The Company's salary policy is based on individual ability, contribution to the Company, performance, and there is a positive correlation with operating performance; in addition, in order to enable employees to share operating	No significant difference.

Evaluation Items	Implementation status (Note)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>results with the Company, the Company's Articles of Incorporation provides that the annual If there is a net profit after the final accounting, no less than 3% of the net profit shall be set aside as employee remuneration, which shall be distributed in shares or cash by resolution of the board of directors.</p> <p>Competitive salary and compensation conditions: By referencing the annual consumer price index, military and civil service benefits, and annual salary market survey data, along with the company's operational target growth rate, as the basis for a comprehensive salary review and adjustment, examine or formulate a reasonable salary and compensation policy, and various measures to incentivize employees. The overall remuneration includes the salary, allowances, bonuses and employee bonuses. Competitive remuneration levels are paid in accordance with the job duties, core functions, education experience, performance, market conditions, the Company's future development, retention of high-performance colleagues and shareholders' equity. There is no discriminatory treatment based on gender, age, race, religion, political affiliation, marital status, etc., and salary adjustments are made every year based on the overall operating conditions and industry standards.</p> <p>The main incentive bonus items for employees include: (1) Employee remuneration: To acknowledge employees' contributions to the company and share in its success, the company will allocate not less than 3% of its annual</p>	

Evaluation Items	Implementation status (Note)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>profits, as stipulated in the company's Articles of Incorporation, as employee remuneration. This is to recognize employees' contributions to the company in the previous year and share in its success.</p> <p>(2) Year-end bonus: Year-end bonus is paid based on the Company's annual business goals and profitability, and an individual's annual work performance.</p> <p>(3) Diversified incentive bonuses: bonuses such as incentives, proposals, and recognition given by the professional skill assessment.</p> <p>The Company issues new shares of restricted stock to employees in 2021 and 2023 (with a term of three years) in order to retain talent, attract top professionals, incentivize long-term performance, and enhance their sense of belonging and commitment. This initiative aims to achieve a philosophy of shared management between labor and management.</p> <p>The company has an Employee Welfare Committee that gives out gift certificates for Labor Day, Dragon Boat Festival, and Mid-Autumn Festival, as well as employee birthdays. The company regularly organizes year-end parties and outings, as well as providing group insurance coverage, company uniforms, lunch and dinner meals, health management, and other benefits.</p>	
(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?	V		1. The Company has established environment-friendly, safe and healthy workplaces in accordance with environmental protection, occupational safety and health and fire safety regulations. All factories have	No significant difference.

Evaluation Items	Implementation status (Note)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>been inspected by Bureau Veritas Certification, and have also obtained ISO 14001 and ISO 45001 environmental safety and health management system certifications.</p> <p>2. The Company implements various safety and health management related operations, organizes annual employee health examinations, and implements various labor safety and health promotions, health education trainings, and smoking cessation promotions.</p> <p>3. The employee cafeteria has adopted the Mediterranean cuisine for many years to ensure the food safety and health of employees.</p> <p>4. Participated in the counseling program for high-risk business units of the Occupational Safety and Health Administration, Central District Occupational Safety and Health Center - safety and health projects to continuously improve the occupational safety environment.</p> <p>5. A certified occupational physician provides on-site services every month to monitor the health status of workers engaged in specific operations. The physician also implements maternity protection programs, overwork prevention plans, ergonomic hazard prevention, and workplace violence prevention</p>	

Evaluation Items	Implementation status (Note)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			measures. The annual number of follow-up cases reaches 240. Additionally, in-house occupational health nurses are employed to conduct health monitoring to ensure employee well-being.	
(IV) Does the Company establish an effective career ability development training program for employees?	V		The Company has formulated internal education and training methods, which are divided into new recruit training, functional training and labor safety training, and conducts assessments based on education and training, and cooperates with the promotion system. The Company also organizes internal and external education and training from time to time based on employees' actual work needs to improve their work skills. In 2024, a total of 274 training sessions were conducted.	No significant difference.
(V) Does the Company comply with relevant laws and regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of products and services, and establish relevant policies and complaint procedures to protect consumers' or customers' rights and interests?	V		The Company's product marketing complies with domestic and foreign regulations and international standards, and a consumer complaint mechanism has been established. There is a stakeholder section on the Company's website to provide complaint channels and an email address, and product liability insurance has been purchased to protect consumer rights.	No significant difference.
(VI) Does the Company have a supplier management policy defined to require suppliers to comply with relevant	V		The Company has established a procurement management procedure, which includes requirements prohibiting the use of conflict minerals and restricted substances, supplier	No significant difference.

Evaluation Items	Implementation status (Note)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
regulations on environmental protection, occupational safety and health, or labor human rights, and the implementation status thereof?			social responsibility management, and declarations of environmental, safety, and health policies. An annual supplier conference is held, during which the Company distributes a Supplier Code of Conduct to ensure all suppliers are informed. The Code covers topics such as anti-corruption, customer requirements, energy conservation and carbon reduction, and relevant regulatory information. Supplier feedback is collected, and industry requirements are communicated to support supplier development. In 2024, a total of 28 supplier participations were recorded.	
V. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	V		In accordance with the Taipei Exchange's "Guidelines for the Preparation and Filing of Sustainability Reports by TPEX-listed Companies" and the Financial Supervisory Commission's "Sustainability Development Roadmap for TWSE/TPEX Listed Companies," the Company plans to publish its 2024 Sustainability Report (for the year 2024) in August 2025.	No significant difference.
VI. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations: There is no significant deviation between the Company's planned operation direction and the "Corporate Sustainable Development Best Practice Principles".				

VII. Other important information to facilitate better understanding of the company's promotion of sustainable development:

The Company has made ESG one of the Company's development goals, and established the ESG Sustainable Development Committee on November 6, 2023. The Committee's main functions and powers are to propose policies or systems to promote corporate governance, develop a sustainable environment, and maintain social welfare. We will continue to promote sustainable development.

The Company's implementation of sustainable development is as follows:

1. G, Governance

In order to implement corporate governance and establish an effective internal control system, the Company has independent directors and an audit committee. By taking advantage of the professionalism of independent directors and increasing the practical experience of the management team, the Rules and Procedures of Shareholders' Meeting, the Rules for Performance Evaluation of Board of Directors, and the responsibilities of insured directors are established to strengthen the functions of the Board of Directors. In order to protect the rights and interests of shareholders and enhance information transparency, the Company has appointed a spokesperson and an acting spokesperson to disclose all material information of the Company in a timely manner. Communication with shareholders has also been assigned to specific personnel. In addition, the Company upholds the principle of ethical corporate management, actively strengthens internal management, follows relevant laws and regulations, improves quality and performance, continues to optimize product portfolios, enhances core competitiveness, and strives to maintain a good corporate image to increase customers' trust in the Company's products and services recognition and demonstrate the determination of sustainable operation.

2. E, Environmental

- (1) The Company has obtained the ISO14001:2015 certification, which is valid from May 6, 2023 to May 20, 2026, issued by Bureau Veritas Certification (hereinafter referred to as BVC). Annual audits are conducted to ensure the effectiveness of the management system.
- (2) The company joined the Taiwan Climate Partnership in July 2022. The alliance, initiated by the Taipei Computer Association and eight major enterprises (DELTA/PEGATRON/TSMC/ASUS/AUO/Microsoft/Acer/ LITE-ON), aligns with international climate advocacy organizations. It requires the supply chain to conduct greenhouse gas inventories and set carbon reduction commitments. The alliance guides the supply chain towards a zero-carbon trend to achieve these goals.
- (3) The Company collaborated with the Department of Energy, Refrigeration and Air Conditioning Engineering of the National Chin-Yi University of Technology for the "Energy-saving Project Study on the Application of Water Chiller and Industrial Fans" to provide energy consumption data and energy-saving solutions to reduce energy consumption.
- (4) In 2024, the Company invested approximately NT\$17,479 thousand in capital expenditures for smart equipment upgrades aimed at improving operational efficiency. These efficiency enhancements are expected to result in a carbon reduction of approximately 94.8 metric tons in 2025.

3. S, Social

- (1) The Company has obtained the ISO45001:2018 certification, issued by Bureau Veritas Certification (hereinafter referred to as BVC). Annual audits are conducted to ensure the effectiveness of the management system.
- (2) The Company has officially obtained membership in the Responsible Business Alliance (RBA).
- (3) In line with the RBA principles, the Company employs foreign migrant workers under a “zero recruitment fee” policy, whereby recruitment costs are fully borne by the employer. The Company provides living accommodations above industry standards, respects employees’ diverse religious beliefs, and has set up a prayer room in the dormitory for Indonesian workers. Vegetarian and pork-free meals are available in the cafeteria. A total of 113 employees benefited from these measures. Additionally, the Company organizes Eid al-Fitr celebrations annually with approval from relevant authorities, with approximately 60 participants each year.
- (4) To promote work-life balance, the Company participated in the 2024 Yunlin County Government’s annual migrant workers volleyball tournament. Three teams consisting of 22 Indonesian employees represented the Company. Among 14 teams in the tournament, the Company’s teams achieved both first and second place.
- (5) To promote employee well-being, the Company organized two sessions of a “Comprehensive Aerobic Exercise Program” in 2024 at its facilities. Each session lasted six weeks, with 15 to 20 participants per session. The program aimed to improve cardiovascular health and relieve stress.
- (6) The Company established a joint laboratory with National Kaohsiung University of Science and Technology, providing annual funding of NT\$2 million to support research talent development. The program includes scholarships for master’s and doctoral students, attracting talents to join the Company’s R&D department. To date, more than 10 individuals have joined the R&D team through this initiative.
- (7) The Company’s Yuntech Plant collaborates with National Yunlin University of Science and Technology and Tungshih Industrial High School on an industry-academia partnership program. Since 2023, 10 high school students have participated in this five-year program, which includes on-site learning and skills development in areas such as machining and product design.
- (8) The Company’s Yuntech Plant also collaborates with the Yunlin Science and Technology Service Center Manufacturer Association to retain local vocational high school talent in Yunlin. The "Leadership Talent Program" was established to offer scholarship opportunities to local students from schools such as Beigang Agricultural & Industrial, Xiluo Agricultural & Industrial, and Huwei Agricultural & Industrial High Schools. The program also incorporates resources from the College of Engineering at National Formosa University. Four students have participated in the Company’s program to date.
- (9) In line with the government’s New Southbound Policy, the Company launched a special training program in 2025 in cooperation with Hua Der Vocational High School and National Chin-Yi University of Technology. The program includes 17 overseas students and spans seven years. Students receive mechanical processing training at the Company’s facilities to prepare them for future leadership roles at the Vietnam plant. The initiative also supports student recruitment for technical high schools and universities.

- (10) The Company provides local employment opportunities. At the Yuntech Plant, 458 of 519 employees are locally hired (88.25%). At the Taoyuan Plant, 69 of 117 employees are locally hired (58.97%). The lower ratio at the Taoyuan Plant is due to the relocation from New Taipei City to Taoyuan in 2023, resulting in the transfer of original employees from New Taipei City.
- (11) The Company holds an annual Supplier Conference and distributes the Supplier Code of Conduct, which covers topics such as anti-corruption, customer requirements, energy saving and carbon reduction, and regulatory compliance. The Company collects supplier feedback and communicates industry requirements as part of supplier development efforts. In 2024, the Company achieved a 100% coverage rate of signed Corporate Social Responsibility Commitment Letters from suppliers.
- (12) The Company's Yuntech Plant adopted local green areas, paying a fixed monthly fee to collaborate with local residents, especially senior agricultural workers, for landscaping maintenance and organic vegetable cultivation used in the employee cafeteria. Fruits harvested from the green area are also used as low-carbon souvenirs for international visitors, promoting local Yunlin agriculture.
- (13) In accordance with regulations, the Company has established a Category 1 Occupational Safety and Health unit under the direct supervision of the General Manager. The unit includes certified occupational safety personnel and supervisors (Class A and Class B), as required by law. A specialized occupational physician visits the site monthly to monitor the health of employees in high-risk roles and implements programs such as maternity protection, overload prevention, ergonomic hazard prevention, and workplace violence prevention. Annual monitoring involves up to 240 employee visits. On-site occupational health nurses are also employed to ensure continuous health tracking and employee well-being.

(V-1) Climate-Related Information Implementation Status

Items	Implementation Status
1. Describe the supervision and governance of climate-related risks and opportunities by the Board and management.	<p>Climate Governance Framework of the Company</p> <p>The Company has established a climate governance framework as follows:</p> <p>Board of Directors (responsible for oversight of climate-related issues and major decision-making) → Sustainability Development Committee (responsible for setting climate-related targets, formulating strategies, planning and executing action plans, and managing progress tracking).</p> <p>Board of Directors</p> <p>The Board of Directors serves as the highest supervisory body for climate-related matters at Nanjuen International. Its responsibilities include reviewing climate strategies, annual targets, action plans, budgets, and the performance of related major financial expenditures. The Board also provides guidance based on performance reports submitted by the Sustainability Development Committee and advises on improvements and adjustments when necessary.</p>

	<p>Management Level</p> <p>The Sustainability Development Committee is the highest executive body for managing climate-related matters at Nanjue International. The Committee is chaired by the Chairman of the Board, with the General Manager serving as the Chief Executive Officer and the Office of the General Manager acting as Executive Secretary.</p> <p>Under the Committee, three functional subcommittees have been established:</p> <ul style="list-style-type: none"> ● Environmental Protection Subcommittee ● Social Responsibility Subcommittee ● Corporate Governance Subcommittee <p>The Committee conducts annual identification of climate-related risks and opportunities. For those with significant financial or strategic impact, the Committee formulates response strategies, sets targets, and delegates the implementation of climate-related action plans to the appropriate functional subcommittees.</p> <p>The Sustainability Development Committee convenes at least once every six months to review the risk response plans and performance submitted by the functional subcommittees. It reports on the progress of target achievement, current status, and effectiveness of action plans. The Committee also reports climate-related management progress, performance status, and action plan outcomes to the Board of Directors for decision-making and guidance.</p>		
2. Describe how the identified climate risks and opportunities impact your business, strategy and finances (short, medium and long term).	Risk Category	Physical Risks	
	Risk Aspect	Acute Risk	Chronic Risk
	Risk Description	Increased Severity of Typhoon Events	Rising Average Temperatures
	Timeframe of Impact	Short-term (1–3 years)	Long-term (5–10 years)
3. Describe the financial impact of extreme weather events and actions for transformation.	Impact on Company Strategy, Operations, and Finance	Typhoons may cause operational disruptions, affect employees' lives, and interrupt suppliers' component deliveries. The associated recovery costs and delays in product delivery will increase management expenses and reduce sales. Since monthly production and sales fluctuate, the estimated loss from one day of production and shipment disruption—calculated based on the average daily revenue of Year 2024—is approximately NT\$8 million.	Extreme high temperatures and increased number of summer days will lead to higher air conditioning energy costs.
	Mitigation Strategy	<ul style="list-style-type: none"> ● During typhoon events, promptly communicate work 	A Sustainability Development Committee has been

		<p>attendance or suspension regulations and alert information to ensure employee safety.</p> <ul style="list-style-type: none"> • Key supply chains and suppliers maintain safety stock levels in advance to prevent production disruption caused by supply chain interruptions. 	<p>established, led by senior management to drive carbon reduction initiatives. Through carbon footprint assessments, the company understands its own carbon emissions and sets reduction targets for key emission hotspots, implementing strategies to achieve these reductions.</p>
	Financial Impact of Mitigation Measures	<p>If employees are required to work during typhoon periods or work overtime to make up for capacity after disaster-related shutdowns, the employer must pay overtime wages, which will increase operating costs.</p>	<p>Investing in low-energy, low-carbon equipment and energy-saving carbon reduction technologies will increase capital expense</p>
	2024 Results and Achievements	<ul style="list-style-type: none"> • In 2024, there were no supply chain disruptions caused by typhoons. Moving forward, we will continue to strengthen supply chain and supplier management to maintain safety stock levels and prevent production disruptions. • In 2024, insurance premiums related to fire and earthquake coverage amounted to approximately NT\$548,000, excluding losses caused by floods and typhoons. 	<p>In collaboration with the Department of Energy and Refrigeration Air Conditioning Engineering at Chin-Yi University of Technology, we conducted an "Energy-saving Project on Chilled Water Units and Industrial Fans," providing energy usage data and energy-saving solutions to reduce energy consumption. After implementing the project at Yunke Plant 3 in 2023 (Year 112), it was extended to Plant 2 in 2024 (Year 113). The project resulted in a 3.6% reduction in electricity consumption compared to 2023 and a 17.2% decrease in water usage by the chilled water units.</p>

	Opportunity Type	Resource Efficiency	Energy Source
	Opportunity Description	Use more efficient production and distribution processes	Investment in renewable energy creates carbon assets and opportunities to reduce emissions
	Impact Timeframe	Long-term (5-10 years)	
	Impact of Opportunity on Company Strategy, Operations, and Finance	Through more efficient low-carbon manufacturing equipment, reduce energy consumption, increase capacity, lower costs, and boost revenue, resulting in positive impact	Continuously increase the proportion of low-carbon renewable energy usage to avoid carbon taxes and meet customer demands
	Mitigation Strategy	<ul style="list-style-type: none"> Implement energy-saving and carbon reduction initiatives, such as participating since 2024 in the Industrial Development Bureau's project on smart upgrading and transformation for large, medium, and small manufacturers. By introducing automation equipment and IoT technology to connect production data to servers, we enhance process visibility, equipment utilization, production efficiency, and capacity utilization. This improves management efficiency and shortens delivery times, reduces raw steel waste, and saves process electricity consumption, lowering operating costs and achieving carbon reduction. After project implementation, capacity is expected to increase by 50% in 2025 compared to 2024, with a carbon reduction of 94.8 tons. 	Actively expanding solar power installations on the plant site to acquire renewable energy.
	Financial Impact of Mitigation Measures	In 2024, participated in the Industrial Development Bureau's project for smart upgrading and transformation of large, medium, and small manufacturers, with a total planned investment of NT\$58,577,000	In 2024, a capital expenditure of approximately NT\$13.5 million was approved for the installation of additional solar panels in Zhongli.
	2024 Results and Achievements	In 2024, capital expenditure of approximately NT\$17,479,000 was invested in upgrading smart equipment to improve efficiency. The expected efficiency improvement is projected to reduce carbon emissions by 94.8 tons in 2025.	The solar panel installation project in Zhongli is currently under construction and is expected to be completed in 2025, with an estimated annual power generation increase of approximately 1,200 kWp.

<p>4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.</p>	<p>Climate change is one of Nanjue International's key focus areas. Climate-related risks are managed by the Sustainability Development Committee, which holds regular meetings to identify, assess, and analyze potential risks posed by climate change. Once significant climate-related risks are identified, the committee evaluates the timing of risk occurrence and the potential financial impacts on Nanjue International. Based on the nature and severity of the risk impact, possible response strategies are proposed, prioritized as mitigation first, followed by control, transfer, and lastly acceptance. Functional teams are assigned to promote and implement related action plans, with regular monitoring of execution and target achievement.</p> <p>The Sustainability Development Committee reports the current status of climate risk management performance to the Board of Directors at least once annually. The Board serves as the highest risk management authority for the company, bearing ultimate responsibility for risk management. It regularly reviews and oversees the overall risk management execution, including significant climate-related risks, to ensure Nanjue International maintains sufficient resilience and responsiveness when facing climate change challenges.</p>
<p>5. Where situational analysis is used to assess resilience to climate change risks, the scenario, parameters, assumptions, analysis factors and key financial impacts used should be described.</p>	<p>The Company has not yet adopted scenario analysis for assessment but plans to continue developing and implementing relevant scenario analyses in the future.</p>
<p>6. Where there is a transformation plan to address climate-related risks, describe the content of the plan and the indicators and targets used to identify and manage physical and transformation risks.</p>	<p>The Company has not yet established specific transition plans or set related indicators and targets for climate-related risk management. However, the Company has begun planning renewable energy initiatives at the group level and is collecting carbon emission data through a carbon management platform. Moving forward, we will continue collaborating with our supply chain to reduce emissions, implementing carbon reduction management across all stages—from product development, manufacturing, transportation, usage to disposal—committed to achieving our long-term net-zero emission goals.</p>
<p>7. If internal carbon</p>	<p>The Company has not yet established an internal carbon pricing mechanism. In response to the global net-zero trend, we</p>

pricing is used as a planning tool, the basis for price setting should be stated.	will continue to monitor government carbon fee regulations and implement practical reduction measures to lower our carbon emissions.
8. If climate-related targets have been set, information such as the activities covered, the scope of greenhouse gas emissions, planning schedules, progress achieved each year; if carbon credits or renewable energy certificates (RECs) are used to achieve the targets, the source and quantity of carbon credits or the quantity of renewable energy certificates (RECs) to be offset should be stated	In 2024, no climate-related targets were set, nor was there any execution of carbon offsetting through the purchase of renewable energy certificates.
9.Greenhouse gas inventory and reliability (fill in 1-1).	Please refer to the explanations below in sections 1-1 and 1-2.

1-1 Greenhouse Gas Inventory and Assurance for the Most Recent Two Years

1-1-1 Greenhouse Gas Inventory Information

A summary of greenhouse gas (GHG) emissions (in metric tons CO₂e), emission intensity (metric tons CO₂e per NT\$ million), and data coverage for the most recent two years is provided in the table below.

1-1-2 Greenhouse Gas Assurance Information

A summary of GHG assurance status as of the date of this annual report, including assurance scope, assurance provider, assurance standards, and assurance opinions for the most recent two years, is provided in the table below.

Scope 1	Total Emissions in FY 2024 (metric tons CO ₂ e)	Total Emissions in FY 2023 (metric tons CO ₂ e)	Assurance Provider	Description of Assurance Status
Parent Company	465.4175	499.7895	There is no greenhouse gas assurance information for 2024 and 2023. In accordance with the Taipei Exchange's "Guidelines for the Preparation and Filing of Sustainability Reports by TPEX-Listed Companies" and the Financial Supervisory Commission's "Sustainable Development Roadmap for TWSE and TPEX Listed Companies," the Company plans to disclose the parent company's standalone greenhouse gas assurance information for fiscal year 2027 in the 2028 report, and the consolidated greenhouse gas assurance information for fiscal year 2028 in the 2029 report.	
Subsidiary	-	-		
Total	465.4175	499.7895		
Emission Intensity (metric tons CO ₂ e / NT\$ million of consolidated revenue)	0.24	0.38		
Scope 2	Total Emissions in FY 2024 (metric tons CO ₂ e)	Total Emissions in FY 2023 (metric tons CO ₂ e)		
Parent Company	4,024.4056	3,293.8444		
Subsidiary	-	-		
Total	4,024.4056	3,293.8444		
Emission Intensity (metric tons CO ₂ e / NT\$ million of consolidated revenue)	2.09	2.49		

Note 1: In both 2024 and 2023, only the parent company conducted a carbon inventory. The subsidiaries—Suzhou Nanjuen Trading Co., Ltd. and REPON (USA), INC.—are trading companies and were not considered material to the consolidated operations. The Vietnam subsidiary was established in July 2024 and was therefore excluded from the inventory. As the parent company accounted for over 90% of the consolidated revenue, the current statistics are based solely on the parent company.

Note 2: The consolidated revenue in 2024 (Year 113) was NT\$1,924.5 million.

Note 3: The consolidated revenue in 2023 was NT\$1,324.28 million.

1-2 Greenhouse Gas (GHG) Reduction Targets, Strategies, and Action Plans

The Company will disclose the base year and corresponding data for greenhouse gas reduction, along with reduction targets, strategies, action plans, and progress toward achieving these targets, in accordance with the Taipei Exchange's "Guidelines for the Preparation and Filing of Sustainability Reports by TPEX-Listed Companies" and the Financial Supervisory Commission's "Sustainable Development Roadmap for TWSE and TPEX Listed Companies." The base year will be set no later than 2026, with disclosure of the 2027 reduction targets, strategies, and specific action plans.

(VI) Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation Items	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
I. Establishment of ethical corporate management policies and plans				
(I) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	V		(I) In order to establish a corporate culture of ethical management and sound development, the Company has established the "Ethical Corporate Management Best Practice Principles" and the "Ethical Corporate Management Best Practice Principles and Guidelines for Conduct" in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies." The Board of Directors resolved to pass a resolution on December 22, 2016 that all members of the Company's Board of Directors and the management shall exercise the duty of care of a good administrator and exercise their powers with a high degree of prudence when conducting business.	No significant difference.
(II) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and	V		(II) The Company has clearly stipulated the procedures and preventive measures in the "Procedures for Ethical Management and Guidelines for Conduct"	No significant difference.

Evaluation Items	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
<p>evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?</p> <p>(III) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?</p>	V		<p>and "Code of Ethical Conduct" for business activities with a higher risk of unethical conduct. Subparagraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles"; ad hoc meetings to advocate the Group's personnel to abide by the business activities within the scope of business, to ensure the continued effectiveness of the design and implementation of the system.</p> <p>(III) The Company has clearly defined operating procedures, codes of conduct, disciplinary measures for violations, and a grievance mechanism in its "Operational Procedures and Guidelines for Ethical Management" and "Code of Ethical Conduct." To ensure the effective implementation of work rules and to proactively prevent unethical behavior, these practices are incorporated into the annual audit plan, supplemented by regular internal self-assessments to evaluate their effectiveness. The Company also promotes the spirit of ethical business conduct through ad-hoc meetings and awareness campaigns. In 2024, 100% of employees signed the Statement of Ethical Conduct.</p>	No significant difference.

Evaluation Items	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
II. Implementing ethical corporate management				
(I) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	V		(I) When the Company conducts business transactions, it will evaluate the legitimacy of the counterparties and their ethical management policies, and require suppliers to sign a "Corruption Protection Policy Agreement" to comply with business ethics before the transaction. Except for claims, the contract may be terminated at any time and it is included in the objection of rejected customers.	No significant difference.
(II) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	V		(II) The Company has the President's Office as the dedicated unit. It regularly reports unethical conduct, its handling and follow-up review and improvement measures to the Board of Directors, as necessary, and has established an internal audit plan for implementation, and regularly reports to the Board of Directors for implementation circumstances.	No significant difference.
(III) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such	V		(III) The Company's "Procedures for Ethical Corporate Management Best Practice Principles and Guidelines for Conduct" specify the policies for preventing conflicts of interest, provide	No significant difference.

Evaluation Items	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
<p>policies?</p> <p>(IV) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?</p> <p>(V) Does the company provide internal and external ethical corporate management training programs on a regular basis?</p>	V		<p>appropriate channels of expression, and require relevant units to implement them.</p> <p>(IV) The Company has established the accounting system and internal control system in accordance with the relevant laws and regulations. The internal audit unit performs various audit operations according to the audit plan. In case of special circumstances, special audits will be arranged.</p> <p>(V) The Company promotes the philosophy of ethical corporate management in internal meetings from time to time, and does not regularly organize educational training on ethical corporate management.</p>	<p>No significant difference.</p> <p>Re-planning will be made based on operational needs.</p>
<p>III. Implementation of Complaint Procedures</p> <p>(I) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-</p>		V	<p>(I) The Company has not yet established a specific whistle-blowing and reward system. At present, for violations of ethical corporate management regulations, the Company's internal employees can</p>	<p>Re-planning will be made based on operational needs.</p>

Evaluation Items	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers?			report not only the supervisors of their direct departments, but also the President's Office directly. Upon confirmation of the occurrence, the Company will issue a warning or punishment depending on the severity of the circumstances and the impact.	
(II) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?		V	(II) The Company has not yet established standard operating procedures for the investigation of reported matters. Currently, it provides proper reporting channels, and keeps the identity of the whistleblower and the content of the report confidential.	Re-planning will be made based on operational needs.
(III) Has the company adopted proper measures to protect whistleblowers from retaliation for filing complaints?		V	(III) The Company has not yet established specific whistleblowing and reward systems and relevant standard operating procedures. However, the information of whistle-blowers is fully protected and they are not improperly handled due to whistle-blowing.	Re-planning will be made based on operational needs.
IV. Strengthening information disclosure Does the company disclose its ethical corporate management policies and the results of their implementation on its website	V		The Company has a corporate website that provides relevant information about the Company. The Company's financial and business information are disclosed on the Market Observation Post System in accordance with the laws and regulations, and	No significant difference.

Evaluation Items	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
and the Market Observation Post System (MOPS)?			information related to ethical management and the implementation of ethical management are disclosed in the annual report and prospectus. The Company plans to disclose the information related to the Ethical Corporate Management Best Practice Principles on its website and the Market Observation Post System.	
VI. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation: There is no significant deviation between the Company's planned operation and the "Ethical Corporate Management Best Practice Principles".				
VI. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles): <ol style="list-style-type: none"> 1. The Company complies with the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, relevant regulations governing public companies, and other laws and regulations governing business conduct, as the basis for the implementation of ethical management. 2. The Company's "Rules of Board of Directors Meetings" stipulates the conflict of interest system for directors shall avoid discussion and voting during discussion and voting, and shall not exercise voting rights on behalf of other directors. 3. The Company has established the "Procedures for the Handling of Material Inside Information and Management for Prevention of Insider Trading", which clearly stipulate that directors, managers and employees shall not disclose material information that they know to others, and shall not disclose to any person who knows material inside information of the Company Investigate or collect undisclosed internal and material information of the Company that is not related to one's job duties. The undisclosed internal information of the Company known by others due to the performance of business shall not be disclosed to others. 4. The Company has always insisted Integrity The Company follows relevant laws and regulations and the internal control system for sound management, and strictly prohibits unethical or illegal behaviors. There is also a neutral unit as the basis for necessary consultation and review. 5. The Company has purchased director and manager liability insurance for directors, managerial officers and important employees, which can reduce the risk to the Company caused by the performance of duties by relevant personnel, in order to protect the rights and interests of investors. 				

(VII) Any other important information that may enhance understanding of the Company's corporate governance practices may also be disclosed.

For details regarding the Company's corporate governance operations and related disclosures, please refer to the Corporate Governance section on the Company's website.

Website: <https://www.repongroupp.com/tw/directors>

(VIII) Implementation of the internal control system

1. Declaration of internal control: Please refer to the Internal Control Statement disclosed on the Market Observation Post System (MOPS). (Index Path: MOPS > Listed Companies > Corporate Governance > Corporate Rules/Internal Control > Internal Control Statement Announcement)

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

2. A CPA is commissioned to review the internal control system: Not applicable.

(IX) Important resolutions of the shareholders' meeting and the board of directors in the most recent year and up to the date of publication of the annual report :

1. Contents and implementation of important resolutions of the 2024 General Shareholders' Meeting:

Date	Contents of important resolutions and implementation
2024.06.26	<ul style="list-style-type: none"> Approval of the 2023 Business Report and Financial Statements Execution Status: Approved as proposed. Approval of the 2023 Earnings Distribution Proposal Execution Status: Approved as proposed. On August 12, 2024, the Board of Directors resolved to set September 2, 2024 as the ex-dividend date. Cash dividends were distributed on September 18, 2024. Discussion and Approval of the 2023 Capital Surplus Cash Distribution Proposal Execution Status: Approved as proposed. On August 12, 2024, the Board of Directors resolved to set September 2, 2024 as the ex-dividend date. Cash distributions were completed on September 18, 2024.

2. Important resolutions of the board of directors in the most recent year and up to the date of publication of the annual report

Date	Meeting	Resolutions
2024.01.22	17th Board 15th meeting	<ol style="list-style-type: none"> Approval of the capital expenditure budget for 2023. Approval of the operating plan and financial budget for 2024. Approval for the Chairman to be authorized to dispose of land in the Zhongli Industrial Zone. Approval of setting the record date for the issuance of 2023 employee Restricted Stock. Approval of the allocation list and number of shares for restricted stock dedicated to employees for 2023. Approval of the assessment of the independence and competency of CPA. Approval of the general principles for the company's pre-approved policy on non-assurance services. Approval of the application for extending the credit and transaction limits with Chang Hwa Bank. Approval of the application for extending the credit and transaction limits with Shanghai Bank. Approval of the year-end bonuses for executive directors and managers for 2023. Approval of the minutes from the 5th meeting of the company's 4th Compensation Committee.

2024.03.15	17th Board 16th meeting	<ol style="list-style-type: none"> 1. Approved the resolution concerning employee remuneration and director remuneration for the fiscal year 2023. 2. Adopted resolutions pertaining to the individual financial statements, consolidated financial statements, and business report for the fiscal year 2023. 3. Ratified the resolution regarding profit distribution for the fiscal year 2023. 4. Passed the resolution concerning the distribution of cash from capital surplus for the fiscal year 2023. 5. Approval of the designation of the record date for capital reduction of restricted employee stock for the fiscal year 2020. 6. Approved the resolution to amend the list of employees granted new shares with restricted rights for the fiscal year 2023. 7. Approved the resolution regarding related-party transaction contracts of the company. 8. Adopted the resolution detailing accounts receivable overdue for more than three months as of December 31, 2023. 9. Adopted the resolution to issue the statement of internal control system. 10. Approved the resolution regarding the independent assessment of the company's appointed auditors' independence and suitability. 11. Ratified the amendment to the "Board Meeting Rules." 12. Ratified the amendment to the "Audit Committee Organization Regulations." 13. Approved the resolution to convene the 2024 annual general meeting of shareholders and to allow electronic voting. 14. Adopted the resolution on the minutes of the 6th meeting of the 4th session of the Compensation Committee of the Company.
2024.05.08	17th Board 17th meeting	<ol style="list-style-type: none"> 1. Approval of the first quarter consolidated financial report for the year 2024 of the company. 2. Approval of establishing the cut-off date for employee rights restriction on new share repurchase and cancellation. 3. Approval of amending the "Operating Procedures for Group Enterprises, Specific Companies, and Related Party Transactions". 4. Approval of amending the internal operating "Authority Decision Table". 5. Approval of the audit fees for the signing accountant.
2024.06. 26	17th Board 18th meeting	<ol style="list-style-type: none"> 1. Approval of the issuance of domestic convertible corporate bonds up to NT\$1 billion. 2. Approval of applying for a guarantee facility with Chang Hwa Bank.

2024.08.12	17th Board 19th meeting	<ol style="list-style-type: none"> 1. Approval of the Company's Consolidated Financial Statements for the Second Quarter of 2024. 2. Approval of the Record Date for the Distribution of Cash Dividends. 3. Approval of the Related Party Transaction Contracts. 4. Approval of the Extension of Credit Line and Derivative Financial Product Transaction Limits with Mega International Commercial Bank.
2024.11.13	17th Board 20th meeting	<ol style="list-style-type: none"> 1. Approval of the Company's Consolidated Financial Report for the Third Quarter of 2024. 2. Approval of Related Party Transaction Contracts. 3. Approval of the Company's 2025 Audit Plan. 4. Approval of the Base Date for the Recall and Cancellation of Restricted Employee Shares. 5. Approval of Land Use Rights Acquisition by the Vietnamese Subsidiary. 6. Approval of the Credit Line and Transaction Limit Application with O-Bank. 7. Approval of the Credit Line Application with Far Eastern Bank. 8. Approval of the Credit Line Application with Taiwan Cooperative Bank. 9. Approval of the Credit Line Application with the Export-Import Bank of China. 10. Approval of the Addition of the "Sustainable Data Management Procedures." 11. Approval of Directors' Remuneration for 2023. 12. Approval of the Minutes from the Company's 4th Compensation Committee Meeting, Session 7.
2025.01.22	17th Board 21th meeting	<ol style="list-style-type: none"> 1. Approval of the Actual Execution Report for the Company's 2024 Capital Expenditures. 2. Approval of the Company's 2025 Operating Plan and Financial Budget. 3. Approval of the Assessment of the Independence and Competence of the Company's Certified Public Accountant. 4. Approval of the General Principles for Pre-Approval Policies Regarding Non-Assurance Services Provided by the Company's CPA Firm. 5. Approval of the Appointment of the Chief Executive Officer. 6. Approval of the Extension of Credit Facilities with Chang Hwa Bank. 7. Approval of the Extension of Credit Facilities with Shanghai Commercial & Savings Bank. 8. Approval of Year-End Bonuses for Executive Directors and Managers for 2024. 9. Approval of the Minutes from the Company's 4th Compensation Committee Meeting, Session 8.

2025.03.11	17th Board 22th meeting	<ol style="list-style-type: none"> 1. Approval of Employee and Director Compensation for the Fiscal Year 2024 2. Approval of the Individual Financial Statements, Consolidated Financial Statements, and Business Report for 2024 3. Approval of the 2024 Earnings Distribution Plan 4. Approval of Related Party Transaction Contracts 5. Approval of the Issuance of the Internal Control System Statement 6. Approval of Amendments to the Articles of Incorporation 7. Approval of the Definition of Entry-Level Employees within the Company 8. Approval of the Establishment of the "Manager Retirement Policy" 9. Approval of the Full Re-Election of Directors 10. Approval of the Waiver of Non-Compete Restrictions for Newly Elected Directors 11. Approval of Convening the 2025 Annual General Meeting of Shareholders and the Adoption of Electronic Voting 12. Approval of the Minutes from the 9th Meeting of the 4th Session of the Compensation Committee
2025.04.10	17th Board 23th meeting	<ol style="list-style-type: none"> 1. Proposed First Share Buyback Program
2025.04.23	17th Board 24th meeting	<ol style="list-style-type: none"> 1. Approval of the nomination of director and independent director candidates 2. Approval of the appointment of the Research and Development Officer 3. Approval of the appointment of the Accounting Officer 4. Approval of the amendment to the "2025 First Share Repurchase and Employee Transfer Plan" 5. Approval of the minutes of the 10th meeting of the 4th Compensation Committee

- (X) In the most recent year and up to the date of publication of the annual report, if a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, the main content thereof: None.

V. Information on CPA fees

Unit: NTD thousand

Name of CPA Firm	Name of CPA	Audit period	Audit fees	Non-audit fees (Note)	Total	Remarks
KPMG Taiwan	Jason Lin Celia Hsu	2024.1.1 - 2024.12.31	2,640	593	3,233	

(Note) Non-audit fees refer to the fees for specializing in tax certification, and employee salary checklist certification.

(I) Where the accounting firm is changed and the audit fees paid in the year of change are less than the audit fees paid in the previous year: No such situation.

(II) The audit fee is reduced by more than 10% from the previous year: No such situation.

VI. Information on replacement of CPA: None.

VII. Any of the Company's chairperson, general manager, or managers responsible for financial or accounting affairs being employed by the auditor's firm or any of its affiliated company in the last year : None.

VIII. Transfer of equity interests and change in equity pledge by a director, supervisor, managerial officer, or shareholder with a stake of more than 10% in the most recent year and up to the date of publication of the annual report:

(I) Changes in the shareholdings of directors, supervisors, managers and shareholders with a stake of more than 10%:

(1) Changes in Shareholding:

Please refer to the “Post-Event Declaration of Insider Shareholding Changes” available on the Market Observation Post System (MOPS).

Navigation path: MOPS > Listed Company > Shareholding Changes / Securities Issuance > Share Transfer Information > Post-Event Declaration of Insider Shareholding Changes

https://mops.twse.com.tw/mops/#/web/query6_1

(2) Changes in Pledged Shares:

Please refer to the “Insider Pledge and Release of Pledged Shares Announcements” available on the Market Observation Post System (MOPS).

Navigation path: MOPS > Listed Company > Shareholding Changes / Securities Issuance > Insider Pledge and Release of Pledge > Insider Pledge and Release Announcements

https://mopsov.twse.com.tw/mops/web/STAMAK03_1

(II) Information on the counterparty of the equity transfer being a related party: None.

(III) Information that the counterparty of equity pledge is a related party: None.

IX. Spouses or relatives within the second degree of kinship of another among the top ten shareholders:

April 30, 2025; unit: shares

Name	The owner Shareholding		Shares held by spouse and minor children		Total shares held through nominees		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
He Ying Investment Co., Ltd. (Representative: Chin-Lan Lee)	8,843,525	13.41%							
Junyi Investment Co., Ltd. (Representative: Jen-Shan Wu)	7,411,030	11.24%							
AWESON TEK INVESTMENTS LIMITED (Representative: Chin-Lan Lee)	4,596,000	6.97%							
Chin-Lan Lee	4,195,965	6.36%	2,858,920	4.33%			Hsin-Hsun Wu Jen-Shan Wu Yi-Shan Wu Yi-Lun Wu Hsin-Cheng Wu	Husband and Wife Mother and Son Mother and Daughter Mother and Daughter Uncle and Sister-in-law	
He Hung Investment Co., Ltd. (Representative: Hsin-Cheng Wu)	3,990,810	6.05%							
Hsin-Cheng Wu	3,053,131	4.63%	570,724	0.87%			Hsin-Hsun Wu Chin-Lan Lee	Brother Uncle and Sister-in-law	
Hsin-Hsun Wu	2,858,920	4.33%	4,195,965	6.36%			Chin-Lan Lee Jen-Shan Wu Yi-Shan Wu Yi-Lun Wu Hsin-Cheng Wu	Husband and Wife Father and son Father and daughter Father and daughter Brother	
Yi-Shan Wu	2,535,293	3.84%	102,500	0.16%			Hsin-Hsun Wu Chin-Lan Lee Jen-Shan Wu Yi-Lun Wu	Father and daughter Mother and Daughter Siblings Sister	
Jen-Shan Wu	2,557,021	3.88%					Hsin-Hsun Wu Chin-Lan Lee Yi-Shan Wu Yi-Lun Wu	Father and son Mother and Son Siblings Siblings	
Yi-Lun Wu	2,490,938	3.78%	16,263	0.02%			Hsin-Hsun Wu Chin-Lan Lee Jen-Shan Wu Yi-Shan Wu	Father and daughter Mother and Daughter Siblings Sister	

X. The number of shares of the same companies held by the Company, its directors, supervisors, managers, and enterprises directly or indirectly controlled by the Company, and their consolidated shareholding ratios:

April 30, 2025; unit: shares

Invested business	The Company's investment		Directors, Supervisors, Managers, and Directly or Indirectly Controlling Businesses		Comprehensive investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
SUZHOU NAN JUEN TRADE CO., LTD	(Note)	100%	-	-	(Note)	100%
REPON (USA), INC.	100	100%	-	-	100	100%
REPON TECH (VIETNAM) COM., LTD.	(Note)	100%	-	-	(Note)	100%

Note: The Company is a limited company without issuing shares.

II. Fundraising

I. Capital and shares of the Company

(I) Source of share capital

Unit: 1,000 shares/thousand

April 28, 2024

Year/month	Issuing price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Capital paid in by assets other than cash	Others
2011.08	10	20,000	200,000	20,000	200,000	Capitalization of capital reserve	None	Note 1
2014.09	10	40,000	400,000	40,000	400,000	Transfer of Earnings to Increase Capital	None	Note 2
2016.05	10	80,000	800,000	48,000	480,000	Transfer of Earnings to Increase Capital	None	Note 3
2016.05	50	80,000	800,000	52,000	520,000	Issue of shares	None	Note 4
2021.03	0	80,000	800,000	52,500	525,000	Issuance of new restricted employee shares	None	Note 5
2021.12	0	80,000	800,000	52,494	524,940	Recall of new restricted employee shares	None	Note 6
2022.02	36	80,000	800,000	58,494	584,940	Issue of shares	None	Note 7
2022.09	0	80,000	800,000	58,490	584,898	Recall of new restricted employee shares	None	Note 8
2023.05	20	80,000	800,000	65,810	658,098	Issue of shares	None	Note 9
2023.07	36	80,000	800,000	65,643	656,426	Recall of new restricted employee shares	None	Note 10
2023.12	36	80,000	800,000	65,641	656,406	Recall of new restricted employee shares	None	Note 11
2024.03	0	80,000	800,000	66,141	661,406	Issuance of new restricted employee shares	None	Note 12
2024.08	0	80,000	800,000	65,963	659,632	Recall of new restricted employee shares	None	Note 13
2024.12	0	80,000	800,000	65,955	659,552	Recall of new restricted employee shares	None	Note 14

Note 1: Approved by Letter Bei-Fu-Jing-Si-Zi No. 100505470 on August 16, 2011.

Note 2: Approved by Letter Bei-Fu-Jing-Si-Zi No. 1035175841 on September 1, 2014.

Note 3: Approved by Letter Jing-Shou-Shang-Zi No. 10501101610 on May 23, 2016.

Note 4: Approved by Letter Jing-Shou-Shang-Zi No. 10501101610 on May 23, 2016.

Note 5: Approved by Letter Jing-Shou-Shang-Zi No. 11001040960 on March 18, 2021.

Note 6: Approved by Letter Jing-Shou-Shang-Zi No. 11001210800 on December 1, 2021.

Note 7: Approved by Letter Jing-Shou-Shang-Zi No. 11101014440 on February 10, 2022.

Note 8: Approved by Letter Jing-Shou-Shang-Zi No. 11101168160 on September 12, 2022.

Note 9: Approved by Letter Jing-Shou-Shang-Zi No. 11230095240 on June 2, 2023.

Note 10: Approved by letter Jing-Shou-Shang-Zi No. 11230109370 on July 4, 2023.

Note 11: Approved by letter Jing-Shou-Shang-Zi No. 11230233850 on December 20, 2023.

Note 12: Approved by letter Jing-Shou-Shang-Zi No. 11330040440 on March 21, 2024.

Note 13: Approved by letter Jing-Shou-Shang-Zi No. 11330132140 on August 1, 2024.

Note 14: Approved by letter Jing-Shou-Shang-Zi No. 11330213980 on December 17, 2024.

Unit: shares

April 28, 2024

Type of shares	Authorized share capital			Remarks
	Outstanding shares	Unissued shares	Total	
Registered common stock	66,140,600	13,859,400	80,000,000	Listed on the TPEX

Information on the issuer's approved offering of securities under the shelf registration system: Not applicable.

(II) List of major shareholders

Unit: shares
April 30, 2025

Shares	Number of shares held	Shareholding ratio
Name of major shareholder		
He Ying Investment Co., Ltd.	8,843,525	13.41%
Junyi Investment Co., Ltd.	7,411,030	11.24%
AWESON TEK INVESTMENTS LIMITED	4,596,000	6.97%
Chin-Lan Lee	4,195,965	6.36%
He Hung Investment Co., Ltd.	3,990,810	6.05%
Hsin-Cheng Wu	3,053,131	4.63%
Hsin-Hsun Wu	2,858,920	4.33%
Yi-Shan Wu	2,557,021	3.88%
Jen-Shan Wu	2,535,293	3.84%
Yi-Lun Wu	2,490,938	3.78%

(III) The Company's dividend policy and implementation:

1. Dividend policy stipulated in the Articles of Incorporation:

If the Company makes a profit in its financial report, it shall first pay tax and make up for past losses, and then appropriate 10% as legal reserve, and shall appropriate or reverse special reserve in accordance with the laws or regulations or the requirements of the competent authorities. If there is still any distributable earnings, the accumulated undistributed earnings of the previous years shall be added up, and the Board of Directors shall prepare a proposal for the distribution of shareholders' dividends and submit it to the shareholders' meeting for resolution. The Company is currently in the growth stage. The needs for business expansion such as capital expenditures and working capital are taken into account, as well as the steady development of the Company's short, medium and long-term financial structure, while the focus is on the stability and growth of dividends. In accordance with the preceding Article, 20% or more of the distributable earnings as stated in the annual financial statements shall be set aside for dividend distribution. However, if the accumulated unappropriated earnings of prior years are less than 30% of the paid-in capital, the Company may propose not to distribute such earnings. When the Company distributes stock dividends and cash dividends at the same time, the cash dividends shall not be less than 20% of the total dividends to shareholders for the year.

2. Dividend distribution proposed at the shareholders' meeting :

On March 11, 2025, the Board of Directors of the Company passed a cash dividend of NT\$1.5 per share from the distributable earnings, totaling NT\$98,932,800, and prioritized distribution from the 2024 earnings.

3. Significant changes in the expected dividend policy: None.

(V) Impacts of the proposed stock dividends on the Company's operating performance and earnings per share:

There is no proposed stock dividend in this annual shareholders' meeting, so there is no need to explain the impact.

(VI) Remuneration to employees, directors and supervisors:

1. The percentages or ranges with respect to the remuneration of employees, directors, and supervisors, as set forth in the Articles of Incorporation:

If there is profit in a year, the board of directors shall resolve to appropriate no less than 3% as employees' remuneration and no more than 3% as directors' remuneration. However, if the Company still has accumulated losses, the amount shall be reserved in advance to offset the losses. The employee compensation in the preceding paragraph may be distributed in the form of shares or cash, and the recipients of the remuneration may include the employees of the subordinate company who meet certain criteria, and the board of directors may decide on the matter.

2. The basis for estimating the amount of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure: The Company uses the pre-tax net profit for each period before deducting the remuneration of employees and directors, and the proportion of remuneration to employees and directors stipulated in the Articles of Incorporation of the Company as the basis of estimation, and reports it as operating costs and operating expenses of the current year. If there is a discrepancy between the actual distributed amount and the estimated figure, it shall be treated as a change in accounting estimate and recognized as profit or loss in the year of resolution.

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

The Board of Directors of the Company resolved on March 11, 2025 to allocate the profits for 2024 (the remaining net profit before tax for the distribution of employee and director remuneration) of NT\$238,748,803. An allocation of 5% for employee remuneration, totaling NT\$12,975,472, and an allocation of 3% for director remuneration, totaling NT\$63,249, both to be paid in cash. There is no difference between the amount allocated in the preceding paragraph and the amount of expenses recognized in 2024

4. Actual distribution of employees' remuneration and directors'/supervisors' remuneration for the previous year :

- (1) The Company appropriated NT\$105,416 and NT\$63,249 as remuneration to employees and directors, respectively, for 2024, which are not different from the actual amounts distributed.
- (2) If there is any difference between the aforementioned amount and the recognized remuneration of employees, directors and supervisors, the amount, reason and treatment of the difference should be stated: No difference.

(VII) Shares repurchased by the Company:

Status of the Company's Share Buyback Program (Ongoing)

April 30, 2025

Buyback Period	1st Buyback in 2025 (ROC Year 114)
Purpose of Buyback	Transfer of shares to employees
Type of Shares to Be Bought Back	Common shares
Maximum Buyback Amount	NT\$1,508,104 thousand
Scheduled Buyback Period	April 10, 2025 to May 9, 2025
Planned Number of Shares to Be Bought Back	1,300,000 shares
Buyback Price Range	NT\$112 to NT\$153 per share (The Company will continue to buy back shares even if the market price falls below the lower end of the range.)
Type and Quantity of Shares Already Bought Back	23,000 common shares
Total Amount Spent on Buyback	NT\$2,576,000
Percentage of Buyback Completed	1.77%

II. Corporate bonds:**(I) Outstanding and In-Process Corporate Bonds**

Types of Corporate Bonds (Note 2)		First Domestic Secured Convertible Bond	Second Domestic Unsecured Convertible Bond
Issuance (Processing) Date		October 29, 2024	October 30, 2024
Par Value		NT\$100,000	NT\$100,000
Place of Issuance and Trading		Not applicable	Not applicable
Issue Price		114.7% of par value	100.5% of par value
Total Amount Raised		NT\$802,915 thousand	NT\$301,500 thousand
Interest Rate		0% coupon rate	0% coupon rate
Term		3 years Maturity Date: October 29, 2027	3 years Maturity Date: October 30, 2027
Guarantor		Chang Hwa Commercial Bank, Ltd.	Not applicable
Trustee		KGI Commercial Bank Co., Ltd.	KGI Commercial Bank Co., Ltd.
Underwriter		KGI Securities (code: 920T)	KGI Securities (code: 920T)
Legal Counsel			
Certified Public Accountant		Not applicable	Not applicable
Repayment Method		Principal to be repaid in full at maturity	Principal to be repaid in full at maturity
Outstanding Principal		NT\$700,000 thousand	NT\$298,200 thousand
Redemption or Early Repayment Terms		Refer to Article 18 of the Company's First Domestic Secured Convertible Bond Issuance and Conversion Regulations	Refer to Article 18 of the Company's Second Domestic Unsecured Convertible Bond Issuance and Conversion Regulations
Covenants (Note 4)		None	None
Credit Rating Agency, Rating Date, and Rating Result		Not applicable	Not applicable
Other Rights	Amount Converted (Exchanged or Subscribed) into Common Shares, GDRs, or Other Securities as of the Date of Publication of the Annual Report	As of April 30, 2025, no conversion has occurred.	As of April 30, 2025, no conversion has occurred.
	Issuance and Conversion/Exchange/Subscribing Method	Please refer to the Company's First Domestic Secured Convertible Bond Issuance and Conversion Regulations	Please refer to the Company's Second Domestic Unsecured Convertible Bond Issuance and Conversion Regulations
Issuance and Conversion/Exchange/Subscription Methods, Potential Dilution from Issuance Terms, and Impact on Existing Shareholders' Rights		Based on the prospectus assessment, the impact on shareholder rights is expected to be limited.	Based on the prospectus assessment, the impact on shareholder rights is expected to be limited.
Custodian for Exchange Underlying Securities		Not applicable	Not applicable

(II) Convertible Bonds: None.

III. Preference shares: No such situation.**IV. Overseas depository receipts: No such situation.****V. Issuance of employee stock options: None.**

VI. Issuance of new restricted employee shares:

(I) Restricted shares issued for employees and the effect on shareholders' equity

April 30, 2024

Types of New Restricted Employee Shares	New restricted employee shares for 2023
Effective date of filing	2023.9.12
Date of issue	2024.4.1
Number of New Restricted Employee Shares Issued	500,000
Issuing price	NT\$0 per share, issued gratis
Percentage of New Restricted Employee Shares Issued to Total Shares Issued	0.76%
Vesting Conditions for Employee Restricted Stock Awards	<p>1. Seniority requirements (each vested period):</p> <ul style="list-style-type: none"> ●If the employee has held office for one year from the date of allotment, the vested shares shall be 30% of the number of allotted shares. ●If the Company has served for two years from the date of allotment, the vested shares will be acquired with 30% of the allotted shares. ●If the Company has held office for three years from the date of allotment, the shares acquired will be 40% of the number of allotted shares. <p>2. The Company's annual profit requirements: The net operating profit of the most recent year at the end of each vested period is over NT\$100 million, or the net operating profit of the previous year has grown by more than 5%. The net operating income is based on the consolidated financial statements of the most recent year at the end of each vesting period, which has been audited and certified by a CPA.</p> <p>3. Employee performance evaluation criteria: The individual's performance evaluation in the most recent year after the expiry of each vested period reaches the standard approved by the general manager of the current year.</p>
Restricted Rights of Restricted Stock Awards	<p>1. The RSAs may not be sold, pledged, transferred, given to others, created, or otherwise disposed of, and other rights are identical with the common shares already issued by the Company.</p> <p>2. Before the vested conditions are met, the RSAs issued under these Regulations shall be entrusted to a custodian institution for the exercise of all rights by the shareholders at the shareholders' meeting, including but not limited to the rights to propose proposals, the rights to attend, the right to speak, the rights to vote, and the rights to vote.</p> <p>3. Other rights in the RSAs issued under these Regulations before the vesting conditions are met, including but not limited to the distribution rights to earnings and capital reserves, and stock options for cash capital increase, etc, shall be the same.</p>
Custody of RSAs	Trust and custody
Measures to be taken if the vesting conditions are not met after the employees receive allotted or subscribed shares	Recovered in full and written off
Number of restricted employee shares retired or repurchased	22,050
New shares released from restrictions	137,050
New shares not released from restrictions	340,900
New shares not released from the restrictions as a percentage of total issued shares (%)	0.52%
Effect on shareholders' equity	The dilution of earnings per share is limited, so there is no significant impact on shareholders' equity.

(II) Names of managers who have acquired new restricted employee shares and top ten employees, and their acquisition status

April 30, 2025

	Job Title	Name	Number of new restricted employee shares acquired	Percentage of acquired RSAs to total issued shares	Restricted rights released				Restricted rights not released			
					Number of restricted shares released	Issuing price	Amount of issuance (NT\$ thousand)	Number of restricted shares released as a percentage of total shares issued	Number of restricted shares unreleased	Issuing price	Amount of issuance (NT\$ thousand)	Number of unrestricted shares released as a percentage of total shares issued
Managerial Officer	President	Jen-Shan Wu	214,000	0.32%	61,000	0	610	0.09%	149,800	0	1,498	0.23%
	Assistant Vice President	Shun-Ru Tsai										
	Assistant Vice President	Jian-hong Chen										
	Assistant Vice President	Yi-Hsiang Chiu										
	Assistant Vice President	Long-Chang Lee										
	Assistant Vice President	Chun-Wei Lin										
	Assistant Vice President	Chun-Wei Lin (Note 2)										
	Special Assistant	Chung-Jen Jen										
Employees	(Note 1)		126,000	0.19%	36,000	0	360	0.05%	88,200	0	882	0.13%

Note 1: Key employees who have acquired restricted new shares include: Senior Manager Liang Jing-Min, Manager Hsu Mei-Lan, Manager Lin Kao-Hsien, Manager Pan Hsiu-Ling, Assistant Manager Tsai Chia-Hung, Assistant Manager Chang Ya-Hui, Supervisor Chen Kai-Tze, Section Chief Wu Yi-Lun, Section Chief Huang Chin-Long, and Section Chief Lin Yu-Kai, totaling 10 individuals.

Note 2: The officer was inaugurated on 2025.3.1

VII. Issuance of new shares for mergers and acquisitions or acquisition of shares of other companies: None.

VIII. Implementation of the plan for utilization of funds: None.

IV. Operational overview

I. Business contents

(I) Business scope

1. The Company's main business activities:

CA02010 Manufacture of Metal Structure and Architectural Components*

CA02030 Screw, Nut and Rivet Manufacturing

CA02040 Spring Manufacturing

CA02070 Lock Manufacturing

CA02090 Metal Wire Products Manufacturing

CA02990 Other Metal Products Manufacturing

CB01990 Other Machinery Manufacturing

CC01080 Electronic Components Manufacturing

CD01030 Motor Vehicles and Parts Manufacturing

CD01040 Motorcycles and Parts Manufacturing

CN01010 Furniture and Decorations Manufacturing

CZ99990 Other Industrial Products Not Elsewhere Classified

F401010 International Trade

ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Distribution of main products

Production value of goods Service items	2023		2024	
	Turnover (NT\$ thousand)	Weight of business (%)	Turnover (NT\$ thousand)	Weight of business (%)
Ball Bearing Slide	1,289,201	97.35%	1,849,810	96.12%
Others	35,075	2.65%	74,688	9.88%
Total	1,324,276	100.00%	1,924,498	100.00%

3. The Company's current products (services):

- Various slides and peripheral cable management arm (CMA) for servers and their peripheral equipment.
- Slides for office furniture applications.
- Slides for household cabinet applications.
- Slides for tool cabinet applications.
- Slides for home appliance applications.
- Slides for automobile, medical cabinet, and ATM applications.
- ODM slides business for international brands.

4. New products (services) planned to be developed

- Office furniture: Development of a variety of functional products.
- Home cabinets: Development of new riding drawer system, hidden escalated return guides, two-way escalated return guides, tabletop translation guides, and central island tabletop swivel.
- Tool cabinet: Development of high-load functional slides.
- Home appliances: development of slides for heavy-duty home appliances with the synchronous slow return function.
- Server products: Development of several high-load and low-profile steel ball slides and low-profile friction slides for large-scale data center customers, while continuously enhancing multiple mechanical functions to meet the requirements of next-generation data centers..

- Automotive products and other industrial application products: Development of high-load slides for vehicles and machinery and equipment.

(II) Industry overview

1. Current status and development of the industry

Ball bearing slides are commonly used in home cabinets, office furniture, servers, tool cabinets, home appliances, medical cabinets, ATMs, POS, automobiles, and other diversified storage applications. It is closely related to the growth of ball bearing slides, and the penetration level in various application industries is gradually increasing, which is conducive to the long-term market demand for ball bearing slides.

As the needs of various application industries continue to innovate and upgrade, ball bearing slides are gradually developing towards functionalities, including smoothness and noise reduction, safety interlock, load carrying capacity, convenient construction, hidden appearance, regression buffers, press separation, and high and low temperature resistance functions. In addition, customized products are also one of the future development trends.

Global server shipments are anticipated to increase by nearly 5% in 2024 compared to the previous year, reaching over 15.5 million units, as a result of the substantial increase in demand for cloud services, including mobile devices, social networking sites, video streaming, 5G, Big Data Analytics, IoT (Internet of Things), and HPC (High Performance Computing). This forecast is based on DIGITIMES Research findings. This growth is expected to continue at a steady pace, surpassing 19.75 million units by 2028, with a compound annual growth rate (CAGR) of 6%. The continuous expansion of the server market scope is facilitated by this trend.

2. The correlation between the upstream, midstream, and downstream of the industry

Upstream: product raw materials	Midstream: Product processing and production	Downstream: Various storage and carrying applications
Steel coils, steel strips, stainless steel	Ball bearing slides and peripheral components	Rack servers and peripherals, office furniture, home cabinets, tool cabinets, medical cabinets, automobiles, home appliances, ATMs, and other product applications

3. Product development trends and competition

(1) Development trends of products

The product penetration in a variety of industries is also increasing, and the implementation of Ball Bearing Slides are becoming increasingly widespread. Ball Bearing Slides are progressively replacing the painted rails of early plastic wheels, and there is no uniform specification standard or regulation.

The demand for quality and convenience in home interiors has increased as a result of enhanced living standards and rapid economic development. Ball bearing slides are rapidly replacing conventional woodwork and home cabinet drawers that employ plastic wheels and painted tracks. The penetration and prevalence of slide products has experienced a substantial increase. Additionally, the application of ball bearing slides is expanding across a variety of industries, including office furniture, custom-designed kitchen and restroom cabinets, system furniture, steel tool cabinets, ATMs, and household goods. In recent years, ball bearing slides have been enhanced with a variety of additional functions, including noise reduction and smooth operation, safety interlocks, load carrying capacity, convenient and rapid release, hidden and aesthetically pleasing design, return buffers, push separation, high and low temperature limits, and LED auxiliary lighting to expedite the overall process. The slide industry is

experiencing significant growth.

In the electronic industry, the early mainframe architecture has undergone a transformation from a client/server architecture to a server-based computing cloud architecture with standard specifications. This transition has resulted in the demand for server slides in the cabinet. Slides are also required for the transportation of peripheral network communication equipment, including network switches and storage equipment. The trend of server slides is toward multi-functional products, such as slimmer and lighter, high-load, convenient installation, uncomplicated maintenance, user-friendly design, and safety considerations, with the emergence of the era of high-performance servers.

(2) Competition situation

Technology-intensive and R&D-intensive, the slide rail industry is an oligopoly. Precision manufacturing technology, vertically integrated processes, high patent barriers, and robust brand recognition are among the primary competitive advantages of companies in this sector. In the industry, these factors contribute to the high entry barriers that new investors face. The following are the world's main competitive manufacturers:

- A. Accuride: Founded in 1962, headquartered in Santa Fe Springs, California, USA, with factories located in the USA, Mexico, UK, Germany, Japan, and China and other products, and is one of the main suppliers of server slides in the world.
- B. Blum: Founded in 1952 with headquarters in Austria and factories in Austria, the US, Brazil, and Poland, Blum specializes in the production of hinges, slides, and other hardware accessories for furniture. Blum is one of the high-end brands of cabinet hardware.
- C. CIS: Headquartered in Tucson, Arizona, with production bases in China and Thailand, the company mainly produces ATMs, household goods, server slides, and peripheral accessories.
- D. FGV: Founded in 1947 and headquartered in Italy, FGV mainly produces hinges, slides, drawer accessories, flip-up accessories, and sliding door accessories.
- E. General Devices: Founded in 1953 and headquartered in Indianapolis, Indiana, USA, General Devices mainly produces slides, server chassis, and peripheral accessories.
- F. Grass: Founded in 1947 in Germany, Grass is currently headquartered in Austria, with factories in Austria, Germany, the Czech Republic, and the United States. Grass is one of the high-end brands of cabinet hardware, mainly producing hinges, slides, buffer bars, and other related hardware accessories for furniture.
- G. Hafele: Founded in 1923 with headquarters in Germany and factories in Germany and China. The company primarily distributes a variety of hardware, furniture, and electronic locks, and has implemented an outsourcing strategy for certain products.
- H. Hettich: Founded in 1888 and headquartered in Germany, Hettich mainly produces hinges, slides, drawer systems, sliding door accessories, and other furniture hardware accessories for furniture. With a wide range of products, it is one of the high-end brands of cabinet hardware.
- I. Johan: Founded in 1977 and headquartered in Irvine, California, USA, with factories in the USA, Mexico, and China, it mainly produces aluminum rails, stainless steel rails, and linear slides.
- J. Knappe & Vogt (KV): Founded in 1898 with headquarters in Grand Rapids, Michigan, USA, and factories in the US and Taiwan, Knappe & Vogt mainly produces slides and sliding door accessories for furniture, as well as various other furniture hardware accessories. Early acquisitions include Taiwan's GSlide and Yingzhong.
- K. Salice: Founded in 1926 and headquartered in Italy, the company mainly produces hinges, slides, flip-up accessories, drawers, sliding doors, and folding doors.
- L. SEGOS: Founded in 1998 and headquartered in South Korea, it mainly produces slides for home appliances.
- M. KING SLIDE WORKS CO, LTD (King Slide): Founded in 1986 and headquartered in Luzhu District, Kaohsiung City, King Slide is a listed company in Taiwan, mainly producing hinges and

slides, and is one of the main suppliers of server slides in the world.

- N. Guangdong SACA Precision Manufacturing Co, Ltd (SACA): Founded in 1994 and headquartered in Foshan City, Guangzhou Province, China, SACA is a startup company in China and mainly produces hinges, slides, and other products.
- O. Guangdong Dongtai Hardware Precision Manufacturing Co, Ltd (DTC): Founded in 1991 and headquartered in Foshan City, Guangzhou Province, China, it mainly produces hardware accessories such as hinges, slides, and drawer systems.
- P. Guangdong Tai Ming Metal Products Co, Ltd (Taiming): Founded in 1985 and headquartered in Foshan City, Guangzhou Province, China, it mainly produces hardware accessories such as hinges and slides.
- Q. Martas Precision Slide Co, Ltd (Martas): Headquartered in Sanxia District, New Taipei City, it mainly produces slides and other products.

(3) The current brand layout of the Company and its main market development are summarized as follows:

- A. The Repon brand is sold in more than 30 countries around the world, with North America as the main market:
 - Long-term supply of home, cabinet, and office furniture products to many of the top ten brands in North America.
 - The server products have long maintained close collaboration with major American server manufacturers. In 2019, they passed the qualification supplier certification for two large American data center customers and multiple server system integration factories. Production and shipment have since commenced. Long-term supply of tool cabinets to the top five brand manufacturers in the United States.
 - For home appliances, we have been a qualified supplier of many international leading brands for many years.

B. Marketing of the locomotive brand in Greater China:

- The cabinet slides are the top two domestic brands in Taiwan, and the home appliance slides are a long-term supply of many well-known domestic brand manufacturers.
- The locomotive brand was an early entrant in the Chinese market and is a pioneer in ball bearing slides.

At present, it occupies the mid-to-high price bracket for cabinet slides, providing products with a competitive price-performance ratio. This sets it apart from well-established European brands and has resulted in it being the preferred choice of numerous local custom furniture manufacturers and home appliance titans.

(III) Technology and R&D overview

1. R&D expenses in the most recent year

Unit: NT\$
thousand

Item	2024	First Quarter of 2025
R&D expenses	61,165	14,860

2. Successfully developed technologies or products

Year	Item
2016	Double-cut cable management mechanism
	Shared by all servers
	Middle derailleur detaching mechanism for server slides
	Lift up slowly lowering device
2017	Delayed grading improvement structure
	Quick release assembly
	Anti-fall overturning device
	Multi-stage hooking device
	Low-profile slides
	Servo slide mounting and positioning structure
	Servo slide displacement positioning device
2018	External buffer return mechanism
	Multi-stage tension adjustment mechanism
	Cable manager of the server slide
	Servo slide mounting and positioning structure
2019	Servo slide mounting and separation mechanism
	Servo slide unlocking mechanism
	Super-heavy-duty slide quick release mechanism
	Heavy-duty adjustable multi-stage mechanism
2020	Server support operating tool
	Server support remover
	Multi-section slide assembly
	Bracket structure
2021	Telescopic slide support pulley
	Servo slide stopper
	Machine purchase of server slide fasteners
	Two-way guideway rocker
	Rotatable linear mechanism
	Tool-less unlocking mechanism for servers
2022	Server slide spring
	Servo slide dual-part mechanism
	Bottom-mounted hidden slide support structure
	Two-way guideway sequential structure
	Earthquake-proof structure for server slides
2023	7U Servo slide assembly
	Server quick release plate
	Servo slide safety locking mechanism
	Servo slide with the thrust mechanism of the reinforcement frame
	Servo slide with middle solution mechanism
	Server slide with cold aisle mechanism
	Servo slide with locking handle
	Bottom-mounted hidden slide with return design of bead base synchronous pulley
	Bottom-mounted hidden slide with quick release mechanism
	Cabinet slide pat lock and slow return mechanism

Year	Item
	Slides for industrial applications with adjustable tension and slow return mechanism
	Commercial freezer slide with sideless unlocking mechanism
2024	Spring-Loaded Component for Cabinet Rails
	Sliding Side-Pull Mechanism for Kitchen Island Counter
	Reinforcement Structure for 4U Server Rails
	Damping Mechanism for Server Rails
	Interlocking Mechanism for Server Rails
	Reinforcement Frame Combined with Positioning Plate and Displacement Mechanism for Server Rails
	Water-Cooled Handle / Air-Cooled Handle / Rail for GB200 Series
	Quick-Release Mechanism for EIA-to-OCP Adapter Board Series
	Fine-Tuning Mechanism for EIA-to-OCP Adapter Board Series
	LOCK-In/Out Mechanism for Industrial Application Rails
	Front Post Lock, Rear Post Lock, and Cross-Section of Server Rails
	Two-Section Reinforcement Structure and Narrow-Type Reinforcement Structure for Server Rails

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

Short-term development strategy:

1. With the mass production and shipment of friction slides for data center servers, the Company's development, design, and production capabilities of various high-load thin slides and thin friction slides are becoming more and more mature. The large US Cloud Service Providers (CSPs) plan to expand or replace data centers and collaborate on the development of next-generation server products at the early design stage to provide highly customized services to meet customers' special specifications. This will help to deepen the company's institutional development capabilities and gradually complete various product specifications, thereby greatly shortening the development and design process, and quickly responding to customer needs. In addition, with the spillover effects from the mass production of new server slide products for large data center customers in the United States, the Company will strive to participate in new product development plans for other large data center customers and international server brand customers in order to optimize product sales portfolios.
2. Continue to develop various functional products such as high-end concealed cabinet slides and heavy-duty slides to increase the proportion of high value-added products in the sales portfolio and increase the overall average selling price of products.
3. Actively invest R&D resources to strengthen the ability and speed of R&D design and mechanism development to quickly meet customization needs and increase customer dependence.
4. Integrate some product specifications to simplify the manufacturing process and improve production efficiency, continue to promote equipment automation and start the digital transformation plan, increase the output value of each plant to reduce the unit manufacturing cost amortization, and optimize costs to accelerate the recovery of capital expenditures.
5. Strengthen the marketing function of the subsidiaries in the US, provide local real-time services, and strengthen customer relationship management, in order to expand the business scale in the North American market.
6. Implement the quality control plan, establish a quality brand image, and increase market share.

Long-term development strategy:

1. Continue to promote the development strategy of high value-added products to avoid the red sea competition of low-end products and reduce the risk of global operation.

2. Establish an R&D center, train key talents, build design and development capabilities, and lay the cornerstone of the Company's long-term development.
3. Introduce the digital transformation plan, plan the establishment of an intelligent production model, and implement lean production.
4. Build an international brand image, establish a distribution network in major markets around the world, increase market penetration, and diversify market risks.
5. Expand into the development and manufacturing of other functional hardware products and use existing sales channels and brand advantages to provide comprehensive solutions for products and increase customers' willingness to purchase.
6. Seek cross-industry strategic alliances and combine existing advantages in other industries to enhance the Company's long-term competitiveness.

II. Overview of the market, production, and sales

(I) Market analysis

1. Regions where major products (services) are provided

Unit: NT\$ thousand

Sales regions \ Year		2023		2024	
		Sales amount	Ratio (%)	Sales amount	Ratio (%)
Domestic sales		262,857	19.85%	418,743	21.76%
Export sales	Americas	603,712	45.59%	841,070	43.70%
	Others	457,707	34.56%	664,685	34.54%
Total		1,324,276	100.00%	1,924,498	100.00%

2. Market share

As the application industries of slides are quite extensive, the product penetration of various application industries is constantly increasing, and some hardware accessories manufacturers have a large number of products, so it is difficult to obtain the specific market share data of each manufacturer.

3. Future supply, demand, and growth of the market

A. Office furniture and home cabinet industry:

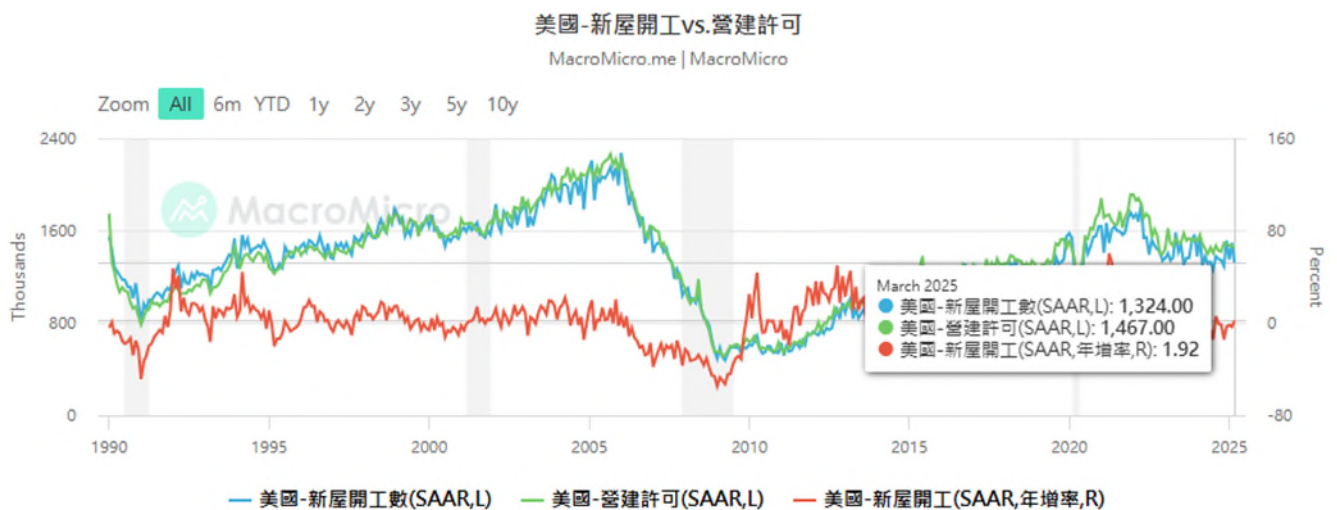
In the early stage of Taiwan's furniture and cabinet industry, exporting OEM products was the main focus of production. With the advantages of low labor cost and stable and reliable quality, it created a reputation as a furniture king. Relocating to China, Vietnam, and other places for development, this resulted in a large number of local production centers relocating. People have begun to pursue a higher quality of life beyond basic necessities in recent years, as social and economic standards have steadily increased. The import of refined international furniture brands has spurred consumers' demand for furniture quality and aesthetics, and the trend of office and home interior design has become increasingly popular. A diverse array of exquisite products in small quantities and system furniture has been progressively developed by industry players. Formerly, the emphasis was on enhancing the added value of products, whereas the latter accentuates the convenience of installation and decoration, as well as customized design. Real estate is the locomotive industry of the overall economy, because the construction of houses helps drive the real demand for house-related durable goods such as building materials, furniture, hardware tools, and household appliances, which has a synergistic effect on overall economic activities.

According to the January 2025 edition of the World Economic Outlook (WEO) released by the International Monetary Fund (IMF), the global economic growth rate is projected to reach 3.3% in 2025, the same as in 2026, and slightly above the 3.2% forecast made in October 2024. However, this

rate remains below the 2000–2019 average of 3.7%. The IMF forecasts economic growth of 2.7% for the United States, 4.6% for China, and an acceleration to 3.1% for Taiwan in 2025. These figures reflect relatively subdued global growth momentum, amid rising policy uncertainty, escalating geopolitical tensions (such as the Russia-Ukraine war and the Israel-Palestine conflict), and potential U.S. trade protectionist measures, all of which may dampen global trade and investment.

According to the U.S. Census Bureau, U.S. housing starts in March 2025 declined by 11.4% month-over-month, from 1.494 million units in February to 1.324 million units, despite a year-over-year increase of 1.9%, indicating a slowdown in the market. Building permits, a leading indicator for housing starts, rose by 1.6% from the previous month to 1.482 million units, suggesting a potential rebound in construction activity in the coming months.

While housing starts have declined, the increase in building permits points to a possible recovery in the market. On the inflation front, the Consumer Price Index (CPI) rose 2.4% year-over-year in March 2025, easing from 2.8% in February. Core CPI also rose 2.8%, marking the lowest level since 2021. With inflationary pressures easing, the market anticipates that the Federal Reserve may lower interest rates in the near future, which could further reduce mortgage rates and support a recovery in housing demand.



Source: MacroMicro

According to the National Building Materials and Home Furnishing Index (BHI) released by the China Building Materials Circulation Association, the Home Furnishings Index (BHI) for April 2024 was 117.65. With the introduction of "old for new" policies in various regions and the influence of traditional peak season factors, the vitality of building materials and home furnishing consumption in April became evident. The "Indian Summer" market continued, with nationwide sales of building materials and home furnishing stores above the designated size reaching 111.456 billion yuan in April, a month-over-month (MOM) decrease of 6.88%. From January to April, the cumulative sales of building materials and home furnishing stores above the designated size were 424.268 billion yuan, a year-over-year (YOY) decrease of 12.49%. Despite the decline, the overall data base remains relatively high.

B. Server industry:

(A) Server product type

Server appearance can be divided into four categories: Tower Servers, Rack-Mounted Servers, Blade Servers, and High-Density Servers:

A tower server refers to a traditional vertical server system. Its appearance and structure are similar to that of a general vertical PC. There is no fixed standard for its length, width, and height. The independent casing has high expandability, but it is bulky, it takes up more space, and is generally suitable for entry-level or small businesses.

Rack-mount servers are designed for computer system server rooms. The length, width, and height of the servers meet the international EIA standards. The standard width for servers is 19 inches (48.26 centimeters), and the height is measured in rack units (U), where 1U equals 1.75 inches (4.445 centimeters). The racks used to house servers typically range in height from 18U to 47U, with standard widths of 80 centimeters or 60 centimeters, and varying depths. The rack can accommodate several 1U, 2U, 3U, 4U, 5U, or 7U standard height servers for centralized management, which greatly reduces the space occupied by multiple servers. According to the height of U, there are detachable brackets and guide rails in the cabinet, which can be flexibly adjusted by the user. The rack-mounted standard specifications are also used in conjunction with other network communication equipment (such as storage devices, network switches, etc). High integration and coordination, convenient centralized management, and low cost of user computer room hosting have led to it becoming a mainstream product in the market.

Rack server diagram:



Blade servers It is a single-board server proposed by RLX in 2001. A blade server consists of a complete chassis that provides functions such as power supply, fan cooling, and network communication in a centralized manner. Multiple system motherboards can be inserted into the chassis, therefore they are called blade servers. Currently, there is no unified standard for the chassis' appearance and the number of servers that can be accommodated. It is specially designed for special

application industries and high-density computer environments. It is more space-saving than rack-mountable servers, but the initial cost of construction is relatively high, and the requirements for heat dissipation are also high.

Blade server diagram:



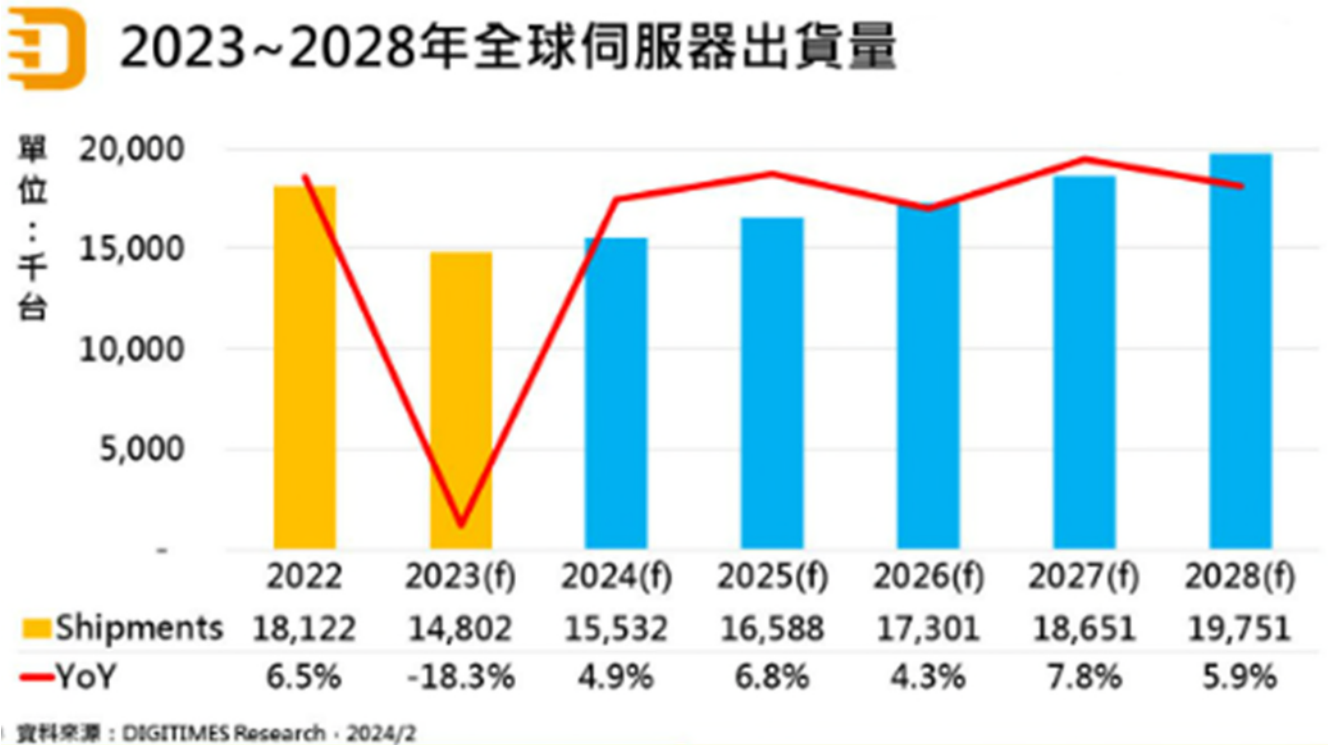
High-Density Servers are a new type of server developed in response to the high-density configuration of data centers. The more well-known product is the Intel-based x86 high-density server System x iDataPlex launched by IBM in 2008, this half-deep 2-socket server can accommodate two servers in a 2U chassis. However, two 2U chassis can be placed in the 2U cabinet space. On average, each 1U height density can also host two servers.

(B) Future supply, demand, and growth of the server market

Global server manufacturers have long relied on outsourcing for design and production. Taiwan has gradually become a major hub for the global server industry due to its advantages in design, manufacturing, and complete industry clusters. Currently, major Taiwanese ODM server manufacturers include Quanta, Foxconn, Wistron, Wiwynn, Inventec, MiTAC, and Gigabyte. They are responsible for the OEM business of international brand manufacturers (HPE, Dell, Lenovo, Cisco, etc) or direct sales of white-label servers (ODM Direct), depending on different assembly and shipment types such as full systems, barebones, and motherboards.

In recent years, the Company has benefited from the era of mobile devices, cloud computing, social networking sites, video streaming, and the advent of the digital home, as well as 5G, AI, Big Data Analytics, and Multi-Cloud Services, coupled with the trend of SMEs' IT outsourcing adopting public cloud services, FAMG (Facebook, Amazon Web Service, Microsoft Azure, Google Cloud Platform), China's BATs (Baidu, Alibaba, and Tencent), and other companies continue to invest in the expansion of large-scale data centers and continue to upgrade basic equipment. As large-scale Internet service providers gradually gain the advantage of economies of scale, they are attracted to participate in the development and design of the data center through the Open Compute Project (OCP) or the Open Data Center Committee (ODCC) to improve the efficiency and optimize data centers. The computer room structure aims to establish standardization to effectively reduce the cost of building a data center. Instead of going through international brand factories or system integrators, it is directly delivered to ODM server manufacturers for production. This is called the direct sales (ODM Direct) model or the White Box Server.

According to a research report by DIGITIMES Research, global server shipments are projected to reach 15.24 million units in 2025, representing a year-over-year growth of 2.3%. While the market is expected to maintain growth, the overall expansion will be slower than in 2024 due to increasing global tariff tensions and escalating geopolitical risks, which are causing enterprises to adopt a more conservative approach to capital expenditures. High-end AI servers will continue to serve as the primary growth driver. However, as the market enters a more mature phase, enterprise investments are expected to become more rational and strategically planned, leading to a shift in the market's growth pattern. From 2024 to 2029, the compound annual growth rate (CAGR) of global server shipments is projected to be approximately 4%, down from the previously estimated 6%. In particular, shipment growth is expected to reach around 3.9% in 2025, slow to 2.2% in 2026, and rebound to 7% in 2027 due to technological advancements and supply chain adjustments. Nevertheless, growth is anticipated to moderate again during 2028 and 2029.



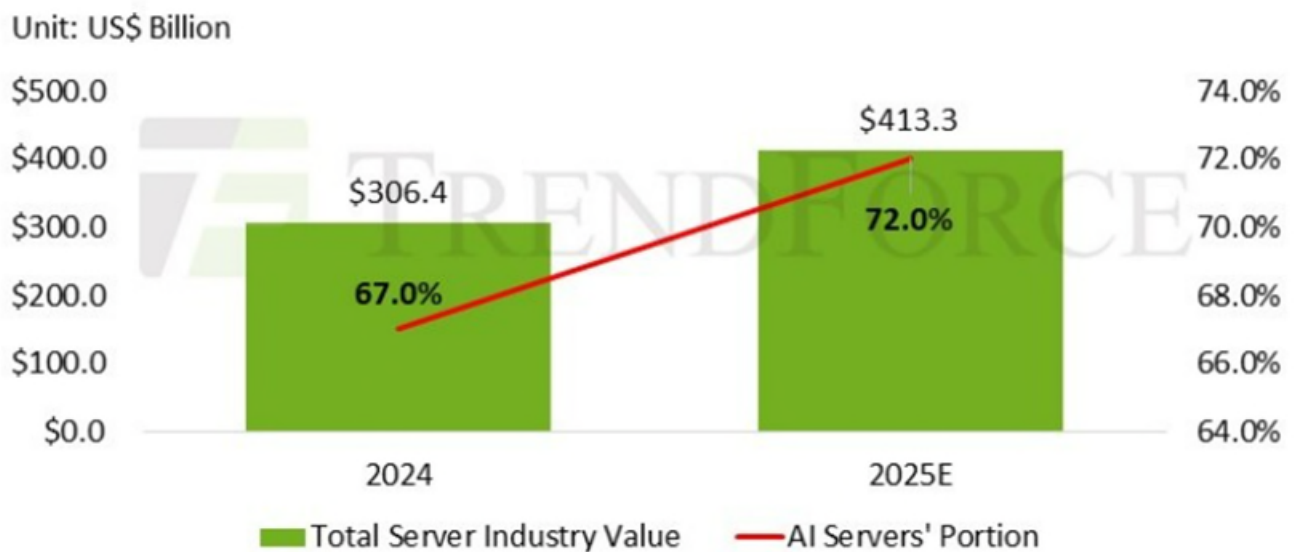
Source: DIGITIMES Research

In addition, the compound annual growth rate (CAGR) of the AI server market significantly exceeds that of the overall server market. According to the Market Intelligence & Consulting Institute (MIC), the CAGR of AI servers is projected to reach approximately 24.7% between 2022 and 2027, while the CAGR of China's liquid-cooled server market is expected to reach as high as 46.8%. Overall, the CAGR for the general server market has been revised down from the previously estimated 6% to around 4%, reflecting a slowdown in market growth. However, the AI-related server segment continues to demonstrate strong growth momentum.

According to TrendForce's 2025 report, the four major U.S.-based cloud service providers (CSPs)—Microsoft, Google, AWS, and Meta—remain the global leaders in high-end AI server demand, accounting for over 60% of total market share. AI servers equipped with NVIDIA GPUs remain the mainstream choice. Benefiting from sustained orders from North American cloud data centers, AI server shipments are expected to grow by approximately 28% year-over-year in 2025, with their share of total server shipments projected to exceed 15%.

TrendForce notes that AI server shipments grew by 46% in 2024, driven primarily by robust demand from CSPs and OEMs. While challenges such as U.S. chip export restrictions and supply chain readiness may pose uncertainties in 2025, several CSPs have announced plans to expand capital expenditures by over 30% on average, continuing to support demand for AI servers. Additionally, AWS has seen strong shipment growth of its proprietary ASICs (Trainium chips), with projected shipment growth exceeding 70% in 2025. This reflects not only CSPs' reliance on NVIDIA GPUs but also their active efforts to build proprietary AI hardware infrastructure.

2024、2025年AI Server 產值占比



Source: TrendForce, Jan. 2025

TRENDFORCE

According to the 2025 research report by the Science & Technology Policy Research and Information Center (STPI), the importance of edge computing continues to grow, with applications expanding across industries such as electronics manufacturing, electric vehicles, semiconductors, and logistics—consistent with observations from the previous year.

Key developments in edge computing for 2025 include:

- **Enhanced Real-Time Local Data Processing:** With edge devices positioned close to data sources, they enable rapid data analysis and decision-making, helping enterprises optimize supply chain resilience and operational efficiency, reduce costs, and improve profitability.
- **Acceleration of AI-Edge Integration:** At CES 2025, Nvidia announced full-scale production of the Blackwell GPU and Blackwell-based servers, significantly enhancing AI edge computing capabilities. This development drives simultaneous growth across the semiconductor and AI value chains, benefiting Taiwanese semiconductor companies such as TSMC.
- **Continued Growth in Enterprise Investment:** As demand for generative AI and edge computing rises, enterprises are increasing investments in system infrastructure, cybersecurity software, data analytics, and AI applications. Notably, manufacturing, high-tech, and biotech industries are seeing growing needs for edge solutions in supply chain management.
- **Integration of Edge Computing with Green Technology:** Sustainability remains a major technology trend in 2025. Enterprises are proactively adopting energy-saving and carbon-reduction technologies, combining them with edge computing to achieve more efficient energy and computational performance.

- **Global Data Distribution Trends:** IDC predicts that by 2025, 75% of global data will reside across data centers, the cloud, and the edge. This highlights the increasingly critical role of edge computing in data architecture.

Overall, in 2025, edge computing is not only a focal point of technological development but also a key enabler for enterprises to strengthen supply chain resilience and enhance operational performance. Related industry investments are on the rise, with edge computing becoming closely intertwined with AI, semiconductors, and green technologies—showing broader and more pronounced development trends than in the previous year.

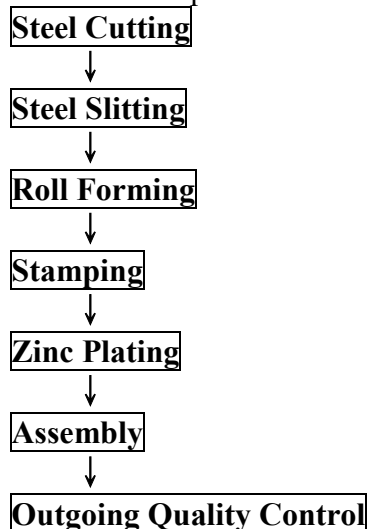
According to research by global analyst firm IDC, global edge computing spending is projected to reach USD 261 billion in 2025, representing a 12.5% increase from USD 232 billion in 2024. IDC forecasts this market will continue to grow at a compound annual growth rate (CAGR) of 13.8%, reaching USD 380 billion by 2028. IDC also notes that enterprises across various sizes and sectors are conducting extensive AI experiments. In 2025, businesses are expected to shift from AI experimentation to enterprise-wide AI transformation. To support this transition, IDC predicts that global AI spending will reach USD 227 billion in 2025 and surpass USD 19.9 trillion by 2030, ushering in a new AI-driven economy.

(II) Important uses and production processes of major products

1. Important uses of the main products

Office furniture drawers, tool cabinet drawers, home cabinet drawers, server cabinets, home appliances, medical cabinets, automobiles, ATM machines, and other storage and carrying applications.

2. Production process:



(III) Supply of main raw materials

The Company's current supply of major raw materials is as follows:

Raw materials	Source of supply	Availability
Steel coil	China Steel Corporation	Normal supply

(IV) The names of customers accounting for more than 10% of the total purchases (sales) in any of the last two years, and the proportion of purchases (sales), and explain the reason for the changes:

1. The names of customers accounting for more than 10% of the net purchases in the last two years, the sales amount, and the percentage of changes, and the reasons for the changes:

Unit: NT\$ thousand

	2023				2024				First Quarter of 2025			
Item	Name	Amount	Proportion to net purchase of the year (%)	Relationship with the issuer	Name	Amount	Proportion to net purchase of the year (%)	Relationship with the issuer	Name	Amount	Proportion to net purchase amount of the current year up to the previous quarter (%)	Relationship with the issuer
1	China Steel	179,276	27.78	-	China Steel	290,449	30.81	-	China Steel	90,714	33.48	-
2	Suzhou Repon	159,268	24.68	Related party	Suzhou Repon	218,756	23.21	Related party	Suzhou Repon	48,760	17.99	Related party
	Others	306,764	47.54	-	Others	433,375	45.98	-	Others	131,481	48.53	-
	Net purchase	645,308	100.00	-	Purchase of goods Net Amount	942,580	100.00	-	Purchase of goods Net Amount	270,955	100.00	-

Reason for changes in the last two years: The increase was mainly attributable to the end of customers' inventory reduction strategies in FY2024, which led to a rebound in market demand and, consequently, an increase in orders and purchases.

2. The names of customers accounting for more than 10 percent of the net sales in the last two years, the sales amount and percentage, and the reasons for the changes:

Unit: NT\$ thousand

	2023				2024				Q1 of 2025			
Item	Name	Amount	Proportion to net sales of the whole year (%)	Relationship with the issuer	Name	Amount	Proportion to net sales of the whole year (%)	Relationship with the issuer	Name	Amount	Proportion to the net sales amount of the current year up to the previous quarter (%)	Relationship with the issuer
1	Company A	161,339	12.18	-	Company A	201,301	10.46	-	Company A	53,737	10.76	-
2	Others	1,162,937	87.82	-	Others	1,723,197	89.54	-	Others	445,803	89.24	-
	Net purchase	1,324,276	100.00	-	Net purchase	1,924,498	100.00	-	Sale of goods Net Amount	499,540	100.00	-

Cause of change in the most recent two years: The change was primarily due to the Company's business expansion and continued efforts to increase the sales share of high value-added products, such as server rails and other functional rails, which led to a relative decline in A Company's share. In addition, some of A Company's orders were delayed in Q1 2025 due to tariff impacts, resulting in a shift in the ranking.

III. The number of employees, average years of service, average age, and educational backgrounds for the most recent two years and as of the date of publication of the annual report:

Item \ Year		2023	2024	As of April 30, 2025
Number of employees (Note) (person)	Direct employees	206	246	247
	Indirect employees	333	339	359
	Total	539	585	606
Average age (years)		39.68	40.28	39.74
Average years of service (years)		6.87	6.56	6.31
Education distribution ratio (%)	Doctoral Degree	0.00%	0.00%	0.00%
	Master's Degree	5.01%	5.30%	4.620%
	Junior College	35.99%	35.04%	34.158%
	Senior High School	48.98%	49.57%	51.485%
	Below High School	10.02%	10.09%	9.736%

Note: The above employee numbers do not include students and temporary employees.

IV. Information on environmental protection expenditure:

Any losses suffered due to environmental pollution in the most recent year and up to the publication date of the annual report (including compensation and environmental audits that resulted in a violation of environmental laws and regulations, the date of penalty, penalty document number, the provisions of the violation, the content of the violation, and the penalty), Disclosure of estimated amounts that may occur currently and in the future and responsive measures:

Date of punishment	Reference number of the penalty document	Violation of laws and regulations	Contents of violation	Penalty details
2025.02.10	Yunlin County Government Environmental Protection Bureau, Environmental Sanitation Division Document No. 1143601276	According to Paragraph 1, Article 21 of the Water Pollution Control Act	Did not appoint the legally required dedicated personnel and deputies for wastewater (sewage) treatment within the statutory deadline.	Fine for deferral of NT\$10,000

Responsive measures:

In 2024, as of the date of publication of this annual report, the Company has not been fined for any environmental pollution.

The environmental penalty in 2024 was due to the failure to promptly complete the personnel change application for the designated wastewater treatment personnel following a staff resignation. The Company has implemented a management improvement mechanism and has submitted a report regarding the successful completion of the improvement operations. The Company has rectified the aforementioned deficiencies and has not experienced any environmental pollution. The Company's environmental, safety, and health management measures are effective, as evidenced by the failure to complete improvements after daily penalties from the environmental protection authority or after the deadline. The Company has established environmental protection personnel to plan, supervise, and continuously enhance the legal compliance of environmental safety and health-related laws and regulations in the plants, in addition to strengthening the frequency and mechanism of internal inspections, in order to comply with relevant laws and regulations. Third-party testing institutions conduct routine testing to verify that ESH operations have adhered to the contents of the permit and

pertinent laws and regulations. In order to fulfill our environmental, safety, and health management obligations, the training is also intended to increase the awareness of legal compliance and emergency response capabilities among both new and current employees.

V. Labor-management relations:

(I) The Company's welfare measures, continuing education, training, and retirement systems for the employees, and the implementation thereof, as well as the agreements between labor and management, and the protection of the rights and interests of the employees:

1. Employee benefits:

The Company has always had harmonious labor-management relations. In addition to complying with the Labor Standards Act, the Company has also established an Employee Welfare Committee that issues gift certificates for employees' birthdays on Labor Day, Dragon Boat Festival, and Mid-Autumn Festival every year. It also provides group insurance protection, company uniforms, lunch and dinner, health management, and other benefits.

2. Continuing education and training:

(1) The Company has implemented internal education and training regulations that are divided into new employee training, functional training, and labor safety training. These regulations are designed to improve the knowledge and concepts of employees regarding safety and health. Additionally, the Company has implemented the ISO 45001: 2018 occupational safety and health management system to reduce the number of employees on duty and prevent occupational disasters. Evaluations are conducted based on education and training, followed by a promotion system.

(2) Internal and external education and training are held from time to time based on the actual work content of employees to improve employees' work skills, and an experience report will be filled in after the training to ensure the quality of training.

(3) Recommending employees' participation in work trend seminars to keep them up-to-date with external information.

(4) Employees participate in courses related to work licenses and skills to obtain professional licenses, and the training is repeated on a regular basis.

3. Retirement system and its implementation:

The Company has established employee retirement guidelines in accordance with the Labor Standards Act and makes monthly contributions to the labor retirement reserve at the approved rate, which is deposited in a special account at the Bank of Taiwan, and employees who meet the retirement conditions may apply for pension payments. Since July 1, 2005, for those who choose the new retirement system under the Labor Pension Act, no less than 6% of the insured salary is deposited into the individual pension account of the Bureau of Labor Insurance on a monthly basis.

4. Agreements between labor and management and various measures to protect the rights and interests of employees:

(1) There is a labor-management meeting organized by representatives elected by workers to hold labor-management meetings every three months.

(2) A monthly mobilization meeting is held at a fixed time every month with the participation of all employees of each plant. There is an impromptu meeting time for employees to make suggestions.

(3) During the training of new employees, the Company clearly informs employees about the multiple channels for grievance, including telephone, e-mail, or face-to-face meetings, in order to protect the rights and interests of employees.

(4) International labor meetings are held on a monthly basis, and unit managers, intermediaries and interpreters, and representatives of the human resources department are invited to attend to jointly coordinate and handle employee issues.

- (5) Hold weekly journal meetings with the factory's co-operative students to learn how they are adapting to the factory. If there are related issues, the human resources department personnel will coordinate with the unit managers.
- (6) The factory has established guidelines for handling sexual harassment and abuse. Complaints are made available on the public website for those who need to know. An appeals committee shall be formed by the relevant managers and a confidentiality agreement shall be signed to conduct confidential investigations to ensure the basic equity.

- (II) Losses suffered as a result of labor disputes in the most recent year and up to the date of publication of the annual report (including the violation of the Labor Standards Act as a result of labor inspection results, the date of punishment, punishment number, the provisions of the violation, the content of the violation), the punishment the Company's current and future estimated amounts and responsive measures:

There were no major labor disputes or losses in the most recent year and up to the publication date of this annual report. In the future, the Company will still adhere to the consistent principles, continue to improve various welfare measures for employees, maintain smooth communication channels, and maintain good labor relations to avoid labor disputes in the future.

VI. Information communication security management

- (I) Description of the Company's information communication security risk management framework, information communication security policies, specific management plans, and resources invested in information communication security management:

1. Information security risk management framework

To enhance information security protection, the Company has appointed a dedicated Chief Information Security Officer and one additional information security personnel. Together, they are responsible for formulating and implementing information security policies, promoting awareness of information security, raising employees' security consciousness, and collecting and improving the effectiveness and performance of the organization's information security management system through technologies, products, or procedures. In addition, the Audit Office conducts an annual information security audit on the internal control system—specifically the electronic data processing cycle—to evaluate the effectiveness of the Company's internal controls over information operations.

2. Information security policy

In order to implement information security management, the Company has established an internal control system - computer circulation and information security management measures. Through the joint efforts of all colleagues, we hope to achieve the following policy goals.

- (1) Ensure the confidentiality and integrity of information assets.
- (2) Ensure that data access is regulated according to the department's functions.
- (3) To ensure the continuous operation of the information system.
- (4) Prevent unauthorized modification or use of data and systems.
- (5) Regularly perform information security audits to ensure the implementation of information security.

3. Specific management methods

- (1) Internet information security management and control

- A. Erection of firewalls.
- B. Regularly conduct virus scanning on the computer system and data storage medium.
- C. The use of various network services shall be implemented in accordance with the information security policy.
- D. Regularly review the System Log of each network service item and track the abnormal situation.

- (2) Data access control

- A. Computer equipment should be kept by dedicated personnel with account and password.
- B. Grant different access rights according to the function
- C. Cancellation of the original authority of the transferred personnel
- D. Confidential and sensitive data and copyrighted software should be removed or overwritten before the equipment is scrapped
- E. The remote login management information system shall be properly approved

(3) Strain recovery mechanism

- A. Regular review of the emergency response plan.
- B. Regularly practice system recovery every year.
- C. Establish a system backup mechanism and implement off-site backup.
- D. Regularly review the computer network security control measures.

(4) Advocacy and review

- A. Advocacy of information security information from time to time to enhance employees' information security awareness.
- B. Regularly implement information and communication security inspections and audits every year.

4. Invest resources in information security management

To comprehensively enhance information security standards, the Company implemented the ISO/IEC 27001:2022 international information security management system in 2024 (Year 113 in the ROC calendar). Certification was obtained for the data center and information system management within the IT Department, with the valid certification period from December 24, 2024, to December 23, 2027. Through the "Risk Management Procedure" and "Information Security Objective Management Procedure," the Company defines and measures quantitative indicators for information security performance to assess the implementation status of the information security management system and the achievement of its objectives. In 2024, the Company also replaced its legacy firewall with a more comprehensive firewall solution, incorporating multi-factor authentication (MFA) as the first line of defense for account login. This enhancement strengthens identity verification, making authentication more convenient, faster, and secure, eliminating weak passwords, and improving both efficiency and security of user authentication. Additionally, the Company plans to conduct annual vulnerability scans to optimize server scanning and penetration testing procedures and efficiency. Comprehensive security assessments for all server hosts and websites will be performed, followed by the issuance of a consolidated vulnerability report and the formulation of corresponding remediation plans to further strengthen the information security environment. Looking forward, the Company intends to implement file protection software, enabling functions such as software/hardware change management, file output tracking, document protection, and risk alerts to enhance data protection and mitigate threats and losses caused by potential information leakage. The total investment in information security management for 2024 amounted to NT\$830,000.

(II) Losses in the most recent year and as of the printing date of this annual report, the possible impact of major IT security incidents, and countermeasures: In 2024 and as of the printing date of the annual report, the Company suffered no losses and there were no major incidents or penalties.

VII. Important contracts

As of the publication date of this annual report, list the parties, main contents, restrictive clauses, and start/end of supply contracts, technical cooperation contracts, engineering contracts, long-term loan contracts, and other important contracts that are still in force or that expired in the most recent year:

Nature of contract	Parties	Start/end date of contract	Main content	Restrictive clauses
Material supply contract	China Steel Corporation	One contract per season	Coil supply	Quantity limit
Lease contract	SAN MIN TEXTILE CO	2023.05.15 ~ 2028.05.14	Lease of Taoyuan Factory	None
Lease contract	GUANN LIN TEXTILE CO, LTD	2023.06.01 ~ 2028.07.31	Lease of Taoyuan Headquarters Office	None
Lease contract	UNITED FORTUNE INVESTMENT LIMITED COMPANY	2024.01.01 ~ 2026.12.31	Lease of Yunke Plant III	None
Lease contract	ADG INVESTMENT CONSTRUCTION MECHANICAL JOINT STOCK COMPANY	2024.07.01 ~ 2027.06.30	Lease of Factory Premises in Vietnam	None
Construction Contract	KY SOLAR CO., LTD.	2024.09.20 ~ to present"	Ground-mounted solar power system engineering	None
Credit contract	Chang Hwa Commercial Bank	2021.01.13 ~ 2027.01.15	Medium -term borrowings	None
Credit contract	O-Bank	2024.10.23 ~ 2031.10.22	Medium -term borrowings	None
Outsourced manufacturing contract	Suzhou Repon Industrial Co., Ltd.	2025.01.01 ~ 2029.12.31 (automatic extension if no objection)	Commission of Suzhou Repon Industrial Co, Ltd for steel ball guide rails manufacturing	None

V. Financial Position and Financial Performance Review and Analysis, and Risk Assessment

I. Financial analysis

(I) Financial position analysis

Unit: NT\$ thousand

Item \ Year	2024	2023	Difference	
			Amount	%
Current assets	1,083,801	983,907	99,894	10.15
Property, plant and equipment	2,446,614	2,429,812	16,802	0.69
Intangible assets	8,841	6,925	1,916	27.67
Other assets	401,493	78,290	323,203	412.83
Total assets	3,940,749	3,498,934	441,815	12.63
Current liabilities	621,710	839,157	(217,447)	(25.91)
Long-term borrowings	82,709	695,719	(613,010)	(88.11)
Other liabilities	1,005,351	38,611	966,740	2,503.79
Total liabilities	1,709,770	1,573,487	136,283	8.66
Share Capital	659,552	656,406	3,146	0.48
Capital surplus	877,393	706,056	171,337	24.27
Legal reserve	145,029	144,427	602	0.42
Unappropriated retained earnings	584,615	420,342	164,273	39.08
Other equity	(35,610)	(1,784)	(33,826)	1,896.08
Total equity	2,230,979	1,925,447	305,532	15.87

Analysis of changes of more than 20% and amount of NT\$10 million:

1. Increase in other assets: Mainly due to the increase in right-of-use assets from additional land and factory lease agreements in Vietnam in 2024.
2. Decrease in current liabilities and long-term borrowings: Mainly due to the repayment of bank loans amounting to NT\$1,000,000 thousand with proceeds from corporate bond issuance in 2024.
3. Increase in other liabilities: Mainly due to the increase in corporate bond payables compared to the same period last year as a result of the corporate bond issuance in 2024.
4. Capital surplus: Mainly due to the capital premium from issuing 500,000 new restricted employee shares and increased capital surplus from issuance of corporate bond warrants in 2024.
5. Increase in total equity: Mainly due to the increased estimated compensation expense from issuing new restricted employee shares in 2024.
6. Increase in undistributed earnings: Mainly attributable to the profit generated during the current period.

II. Financial statements

(I) Financial position analysis

Unit: NT\$ thousand

Item \ Year	2024	2023	Increase (decrease) amount	Percentage of change (%)
Sales revenue	1,924,498	1,324,276	600,222	45.32
Cost of goods sold	1,422,176	1,085,424	336,752	31.02
Gross profit	502,322	238,852	263,470	110.31
Operating expenses	298,916	229,360	69,556	30.33
Net operating profit	203,406	9,492	193,914	2,042.92
Non-operating income and expenses	36,853	(4,771)	41,624	(872.44)
Net gains (losses) before tax	240,259	4,721	235,538	4,989.15
Income tax expenditure (interest)	48,049	(3,607)	51,656	(1,432.10)
Net income (loss)	192,210	8,328	183,882	2,208.00

Analysis of changes of more than 20% and amount of NT\$10 million:

1. Increase in sales revenue, cost of sales, gross profit, operating expenses, operating income, income before tax, income tax expense, and net profit for the period: Mainly due to the improvement in order volume and business scale after the inventory destocking policy by customers in the previous year declined following Q3 of 2023. The market demand rebounded, resulting in increased orders, coupled with the mass production and shipment of server rails for new large data center customers, leading to a significant improvement in overall profitability.
2. Non-operating income and expenses: Mainly because in 2023, the U.S. Federal Reserve (Fed) continued to raise interest rates to curb inflation, resulting in a strong U.S. dollar. In 2024, market expectations of easing U.S. inflation pressure and the approaching end of the Fed's rate hike cycle caused the U.S. dollar to weaken, generating foreign exchange gains.

(II) Expected sales volume and the basis thereof, possible impact on the Company's future finance and business, and response plan

It is expected that in 2025, the overall U.S. economy will exhibit moderate growth due to the potential initiation of an interest rate cut cycle by the Federal Reserve. Coupled with the nearing end of corporate inventory destocking, this will help revive the manufacturing sector, further driving real demand for consumer durable goods such as building materials, furniture, hardware tools, and household appliances, thereby boosting demand for ball bearing rails in the North American region.

According to DIGITIMES Research, shipments of general-purpose servers are projected to grow by approximately 3.9% in 2025. TrendForce estimates that global AI server shipments will increase by nearly 28% in 2025, accounting for over 15% of total server shipments, with a market value expected to reach USD 298 billion, representing more than 70% of the total server market

value. Among these, high-end AI servers (such as models equipped with NVIDIA's Blackwell architecture like the GB200 and B300) will become the market mainstream, significantly driving shipment momentum for key components such as rails. Our company expects that in 2025, with the scaling up of new platforms for general-purpose servers by cloud service providers (CSPs) and mass production shipments of new AI server rail products, the average selling price (ASP) of our products will continue to rise, optimizing the product mix and expanding our global market share.

However, attention should be paid to the potential adjustment of U.S. tariff policies on imports from China or other Asian regions. Should trade policies shift toward protectionism, it may impact our shipment costs and customer purchasing behavior in the North American market. Our company will continue to assess the impact of tariff changes on pricing strategies and supply chain arrangements, and will flexibly adjust responses to mitigate potential risks.

Taking into account business development strategies for various products, estimated customer orders, new product mass production schedules, and capacity supply conditions, our company expects significant growth in both average selling price and sales volume for 2025 compared to the same period last year. However, since our budget is used solely for internal performance management and is not publicly disclosed, the expected sales volume will not be disclosed.

In response to the long-term growth trend of our server rail products, our company will leverage the advantages of the capital market to establish an optimal capital structure and reduce capital costs, so as to meet the continuous expansion needs of the business.

III. Cash flow analysis

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

Unit: NT\$ thousand

Year	2024	2023	Increase (decrease) change	Increase (decrease) ratio (%)
Net cash inflow (outflow) from operating activities	294,790	80,371	214,419	266.79
Net cash inflow (outflow) from investing activities	(134,095)	(31,742)	(102,353)	322.45
Net cash inflow (outflow) from financing activities	(239,533)	(6,722)	(232,811)	3,463.42
Analysis of changes in the percentage of increase or decrease of more than 20%:				
1. Increase in net cash inflow from operating activities: Mainly due to significant overall profit improvement and increased earnings.				
2. Decrease in net cash outflow from investing activities: Mainly because the capital expenditures on equipment deferred in 2023 were executed in 2024, resulting in increased equipment capital spending.				
3. Increase in net cash outflow from financing activities: Mainly due to the repayment of principal for the land use rights lease in Vietnam acquired in 2024.				

(II) Improvement plan for insufficient liquidity: The Company's cash flow from operating activities in 2024 was a net inflow, and there was no insufficient liquidity so far.

(III) Cash flow analysis for the coming year

Unit: NT\$ thousand

Cash balance at the beginning of period	Expected net cash flow from operating activities for the year	Cash inflow (outflow) from investing activities for the year	Cash inflow (outflow) from financing activities for the year	Projected cash balance	Remedies for cash shortage	
					Investment plan	Financial plan
322,082	648,769	(246,723)	(210,151)	513,977	-	-
1. Analysis of cash flow changes in the coming year: (1) Operating Activities: Mainly due to expected operational growth leading to an increase in net cash inflow from operating activities. (2) Investing Activities: Mainly due to anticipated capital expenditures for machinery and equipment in 2025, resulting in increased cash outflow from investing activities. (3) Financing Activities: Mainly due to expected business growth causing increased cash dividend payments and loan repayments, resulting in higher net cash outflow. 2. Remedies for expected cash shortage and liquidity analysis: None.						

V. Impacts of material capital expenditures in the most recent year on financial operations: In 2025, aside from additional capital expenditures of NT\$241,723 thousand for the purchase of certain automated machinery and equipment, there are no other significant capital expenditures planned.

VI. The investment policy in the most recent year, the main reason for the profit or loss, the improvement plan, and the investment plan for the coming year

Unit: NT\$

Investee	Current net profit after tax	Investment policy	Main reason for profit or loss	Improvement plan	Investment plan for the coming year
SUZHOU NAN JUEN TRADE CO., LTD	(395)	The Company directly invested in the establishment and is responsible for the domestic sales business in China. The initial investment was US\$500,000	Reduce sales of low-end products	Increase sales of high value-added products such as server slides	None
REPON(USA), INC.	2,172	The Company invested and established directly and is responsible for the export business in North America. The initial investment was US\$500,000	Post-pandemic economic recovery in North America resulted in growth in business scale	Cultivating existing customer relationships, providing local real-time services, increasing market penetration, and expanding business scale	None
REPON TECH (VIETNAM) COM., LTD.	(16,665)	To diversify geopolitical risks and strengthen its global footprint, the company invested in establishing a manufacturing facility in Vietnam and applied to become an Export Processing Enterprise (EPE), with an initial investment amounting to USD 10 million.	This was due to the initial trial production phase of the factory setup.	Continuously deploying new production lines to increase manufacturing capacity.	Plan to add two new production lines.

VII. Analysis and assessment of risk matters in the most recent year and up to the date of publication of the annual report

(I) Impacts of changes in interest rates, exchange rates, and inflation on the Company's profit and loss, and future countermeasures:

1. The impact of interest rate changes on the Company's income and future countermeasures:

The company's interest income as a percentage of net operating revenue was 0.60% and 0.59% for fiscal years 2023 and 2024, respectively. Meanwhile, interest expense accounted for 1.84% and 1.47% of net operating revenue in the same periods. The proportions of both interest income and interest expense relative to net operating revenue are not significant. The company's short-term and long-term borrowings primarily serve to finance fixed asset investments and operational working capital needs through financial institutions. Corresponding interest expenses vary depending on the borrowing amounts and interest rates. In 2024, the company issued corporate bonds to repay bank loans, leveraging capital market advantages to continuously improve its financial structure and reduce the impact of interest expenses. Therefore, the effect on the company remains limited.

The Company maintains good credit relationships with financial institutions, and constantly observes the trend of market interest rate changes to obtain preferential interest rate conditions. Also, through sound financial planning, the Company will appropriately use other financial instruments to reduce the risk of interest rate changes.

2. The impact of exchange rate fluctuations on the Company's profit and loss and future countermeasures:

The company primarily focuses on exports, with most products priced in US dollars; therefore, fluctuations in the USD exchange rate have a significant impact on the company's revenue and profitability. The company's foreign exchange gains and losses mainly arise from US dollar-denominated export receipts and USD deposits. In fiscal years 2023 and 2024, the net foreign exchange gains (losses) were (4,805) thousand NT dollars and 38,887 thousand NT dollars, respectively, accounting for (0.36)% and 2.02% of net operating revenue. The loss in 2023 was primarily due to expectations of a US interest rate cut easing the strong USD, resulting in foreign exchange losses. In 2024, the continued hawkish monetary policy of the US Federal Reserve kept US interest rates high, and the widening interest rate differential between Taiwan and the US increased demand for USD, causing the USD/TWD exchange rate to rise and generating foreign exchange gains.

In response to the impact of exchange rate changes, the Company has implemented operational hedging and financial hedging to achieve the purpose of risk management:

- Operational hedging: The Company continues to increase the sales portfolio ratio of products with high added value and high unit price, and shorten the number of operating turnovers to reduce the impact of exchange rate fluctuations on profit and loss. The impact on the Company's operating profit.
- Financial hedging: In order to respond to the risk of exchange rate changes, the Company keeps abreast of financial market information and interprets relevant research reports, maintains close contact with banks, and regularly compiles forecasts on the Company's international currency asset positions and future cash flows for derivative undertakings. It is implemented after discussing the relevant hedging strategies to avoid exchange rate fluctuations in a timely manner to stabilize the source of profit, and in accordance with the Company's "Handling Procedures for the Acquisition and Disposal of Assets".

3. The impact of inflation on the Company's income and future countermeasures:

There was no significant impact on the Company's profit or loss due to inflation in this year. In response to the impact of inflation, the Company continues to increase the proportion of sales portfolio for products with high added value and high unit price, and strengthens customized services,

and improves operating turnover to reduce the impact of inflation. The Company also adjusts selling prices through consultation with customers from time to time to reduce the impact of changes in costs on the Company's profit and loss.

(II) Policies on engaging in high-risk and highly leveraged investments, loans to others, endorsements and guarantees, and derivative commodity transactions, the main reasons for the profit or loss, and future countermeasures:

The Company has always focused on the development of its own business while upholding the principle of pragmatism. The financial policy has also been prudent and conservative, and has not engaged in high-risk, high-leverage investments, loans to others, or endorsements/guarantees. When the Company engages in derivative financial instrument transactions, it is to avoid the risk of price fluctuations in international currency transactions and to proceed in accordance with the Company's "Regulations Governing the Acquisition and Disposal of Assets". However, the Company does not intend to adopt hedge accounting. Therefore, the Company designates it as a financial asset (liability) at fair value through profit or loss at the time of initial recognition.

(III) In the future R&D plans and expected R&D expenses:

1. The future R&D plans are as follows:

- Office furniture: The Company continues to develop functional products such as delayed return and push-to-release mechanisms.
- Home cabinets: Continue to develop multi-functional products such as hidden slow-return slides, synchronous return mechanisms, and quick-release mechanisms.
- Tool cabinet: Development of high-load and adjustable tension slides.
- Home appliances: Develop multi-functional products such as sideless unlocking mechanisms and improved safety locks.
- Server products: Development of several high-load and thin slides and thin friction slides for large-scale data center customers, and continuing to enhance multiple mechanical functions to meet the needs of new-generation data centers.
- Automotive products and other industrial application products: Development of high-load slides for vehicles and machinery and equipment.

2. The Company's expected R&D expenses:

The Company anticipates allocating NT\$54,704,000 to research and development in 2025. The Company's competitive advantage and business growth momentum are anticipated to be maintained by budgeting the R&D expenditure in accordance with the development progress of new products and technologies, and by maintaining the growth rate in accordance with the operating conditions.

(IV) Impacts of important domestic and international policies and legal changes to the Company's financial operations, and responsive measures:

The Company's daily operations are carried out in accordance with relevant domestic and international laws and regulations, and it always pays attention to the development trends of domestic and international policies and changes in laws and regulations, in order to fully grasp and respond to changes in the market environment. The changes did not have a significant impact on the Company's financial operations.

(V) Impact of technological changes (including information security risks) and industry changes on the Company's financial operations and related response measures:

The Company consistently monitors the technological advancements and changes that impact the industry. In order to promptly understand industry dynamics, perpetually develop new products and technologies, and safeguard these innovations through patent applications, the Company maintains

real-time communication channels with our customers. This method actively broadens the scope of future market application domains and increases the barriers to entry for new investors. Consequently, the Company reaps the rewards of industry transformations and technological advancements. In addition, the trend of end products due to changes in technology and industry changes will also help customers' demand for orders.

The company conducts regular information security inspections annually through dedicated personnel, focusing on information security risk control and protection, and implements strict control measures. As of the most recent year and up to the date of the annual report, there have been no significant impacts on the company's financial or business operations due to technological changes (including information security risks) or industry shifts.

(VI) Impacts of changes in corporate image on corporate crisis management and countermeasures:

The Company is committed to the principle of honest operation, actively enhances quality and performance, strengthens internal management, and endeavors to maintain an excellent corporate image to increase customer trust and product recognition. In recent years, there have been no significant incidents that have impacted the Company's image.

(VII) Expected benefits and possible risks of mergers and acquisitions, and countermeasures: None.

(VIII) Expected benefits and possible risks associated with any plant expansion, and countermeasures:

To diversify geopolitical risks and strengthen its global layout while serving the server rail demands of major U.S. cloud service providers (CSP) building their own data centers, the company directly invested in establishing REPON TECH (VIETNAM) COM., LTD. in Vietnam on July 18, 2024. An automated factory was built to increase production capacity for server rails that meet the supply chain requirements of international major manufacturers. Part of the existing production lines from the YunTech plant were relocated to the new facility, and additional server rail production lines were added to raise the proportion of high value-added products such as server rails. The new capacity will help enhance order-taking capability, expand operational scale, and create profit opportunities to improve industry competitiveness, with expected long-term positive effects on future operations. The funding for the Vietnam plant construction will be supported by the company's own funds and bank financing. Overall, the construction plan is assessed to have no significant risks.

(IX) Risks associated with any concentration of purchases or sales, and mitigation measures being or to be taken:

1. Risks associated with concentrated purchases, and mitigation measures being or to be taken:

The main raw materials for the Company's steel ball bearing slides are cold-rolled coils and hot-dip galvanized coils. The main domestic manufacturer is China Steel Corporation (China Steel), and the proportion of purchase from China Steel in 2023 and 2024 was 27.78% and 30.81%. The risks posed by the concentration of purchases of the Company and the countermeasures are as follows:

A. Materials may be out of stock

Countermeasures: Two or more suppliers for the same materials

Due to the high quality and stable price of the cold-rolled and hot-dip galvanizing coils of China Steel, and in order to obtain stable quota, the Company strategically prioritizes the use of steel materials from China Steel, and only looks for other sources when the supply of materials is insufficient. Therefore, there is a concentration of purchases. In addition, the Company not only purchases from China Steel, but also other distributors and suppliers. The supply of goods is easy to obtain and there is greater room for negotiation, thereby reducing the cost of raw materials and avoiding the risk of raw material interruption.

B. Price monopolization

Countermeasures: Grasp the steel price trend

The Company has personnel who are dedicated to the collection of steel material quotations from domestic and international sources, ensuring that they remain informed about price trends. The procurement strategy facilitates the allocation of purchase quantities for each month or quarter, allowing for flexible adjustments. This method also enables the acquisition of more competitive prices from suppliers in advance, thereby reducing procurement costs.

In conclusion, the measures the Company has taken in response to the concentration of purchases of steel products have been to maintain a stable supply of raw materials and can obtain steel materials at the most advantageous prices, which should reduce the risks that may arise due to the concentration of purchases.

2. Risks associated with sales concentration and countermeasures:

For the fiscal years 2023 and 2024, the sales amount to the largest customer, Company A, accounted for 12.18% and 10.46% of the net revenue, respectively. Company A has long been a certified supplier for international brand giants, and the sales amount from our company is relatively small compared to its overall business scale. This is characteristic of the industry. In addition, Company A has been actively exploring other sources of business in addition to the big international brand customer, so there is no risk of excessive concentration of sales.

- (X) Effects and risks to the Company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the Company have been transferred or have otherwise changed hands, and mitigation measures being or to be taken: None.
- (XI) Impacts and risks to the Company due to change in management rights, and responsive measures: None.
- (XII) Any major litigation, non-conformity agreement, or non-conformity that has been finalized or is currently pending in any major litigation involving the Company and its directors, supervisors, general managers, persons with substantial responsibility, shareholders holding more than 10% of the shares, and subsidiaries. Where the outcome is likely to materially affect shareholders' equity or the price of the Company's securities, the facts of the dispute, the amount of money involved, the date of litigation commencement, and the handling of major litigants up to the publication date of the annual report: None.
- (XIII) Other important risks and countermeasures: None.

VII. Other important matters: None.

VI. Special Notes

I. Information on affiliated companies:

Please refer to the Related Party Three-Book Section on the Market Observation Post System (MOPS) website. (Index Path: MOPS > Individual Company > Electronic Document Download > Related Party Three-Book Section)

https://mopsov.twse.com.tw/mops/web/t57sb01_q10

II. Private placement of securities in the last year up till the publication date of this annual report: None.

III. Other matters for supplementary clarification: None.

VII. Any of the situations listed in Article 36, Paragraph 2, Subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the Company's securities, during the most recent year or during the current year up to the date of publication of the annual report: None.