

Stock Code: 2302



RECTRON LTD.

2024 ANNUAL REPORT

Printing Date: April 29, 2025

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

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5. Name of Overseas Stock Exchange for Trading and Method of Obtaining Information on Overseas Securities: N/A

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1. Report to Shareholders

Dear Shareholders,

First and foremost, we extend our sincere gratitude to all our shareholders for their long-standing support and encouragement of the Rectron Group.

Looking back at Fiscal Year 2024, since 2022, companies around the globe, anticipating supply chain disruptions caused by the pandemic, began increasing their inventory levels. However, due to global political and economic instability in 2023, overall consumer markets weakened, resulting in suppressed demand and a slower pace of inventory clearance. It wasn't until 2024 that inventory digestion largely came to an end and market demand gradually recovered. As a result, the company's consolidated revenue for the year reached NT\$757,457 thousand, an increase of NT\$40,912 thousand or approximately 6% compared to NT\$716,545 thousand in 2023. Net income after tax for the year was NT\$125,531 thousand, a rise of NT\$38,662 thousand or around 45% from the NT\$86,869 thousand posted in 2023. Basic earnings per share after tax were NT\$0.75, up 44% from NT\$0.52 in 2023.

In recent years, the ongoing escalation of the U.S.-China trade war and intensifying tariff barriers have significantly altered global industrial layouts. In response, the company continues to actively expand its presence in automotive electronics, industrial control, and consumer electronics. We are promoting our self-owned brand to increase market share and strengthen our competitive advantage. At the same time, we are committed to enhancing the quality of our customer service and creating more opportunities for growth.

Looking ahead, the Rectron Group will continue to enhance its competitiveness, strengthen product value, and optimize synergies, striving to achieve the greatest possible overall operational performance and move toward sustainable growth.

We deeply appreciate the long-standing support and encouragement from our shareholders, and thank you sincerely for taking the time out of your busy schedules to attend this meeting. In recent years, the company has continued to grow steadily, always aiming to maximize shareholder value. In the face of diverse and serious future challenges, we will remain proactive and positive, continuously pursuing progress and innovation, deepening our brand value, and striving to enhance operational performance to ensure the long-term best interests of our shareholders.

Chairman LIN I-CHIN

1. Operating Results for the Year 2024

(1) Achievement of Operating Plan:

Unit: NTD in thousands; %

Item	Year 2024	Year 2023	Amount of Increase (Decrease)	
	Amount	Amount	Difference Amount	Percentage of Increase (Decrease)%
Operating Revenue	757,457	716,545	40,912	6%
Operating Cost	481,413	459,141	22,272	5%
Operating Gross Profit	276,044	257,404	18,640	7%
Operating Expenses	199,273	186,106	13,167	7%
Operating Profit (Loss)	76,771	71,298	5,473	8%
Non-Operating Revenue (Expenses)	78,834	35,157	43,677	124%
Consolidated Pre-tax Net Income (Loss)	155,605	106,455	49,150	46%
Income Tax Expense	30,074	19,586	10,488	54%
Consolidated Total Net Income (Loss)	125,531	86,869	38,662	45%

In 2024, the Company benefited from the completion of prior inventory clearance and a gradual recovery in market demand. As a result, consolidated revenue reached NT\$757,457 thousand, an increase from NT\$716,545 thousand in 2023. Additionally, through the successful development of high-margin customers in the U.S. and Indian markets, gross profit for the year rose to NT\$276,044 thousand, up from NT\$257,404 thousand in 2023.

However, due to intensified market competition, the Company continued to invest in brand marketing and market expansion. Consequently, operating expenses increased from NT\$186,106 thousand in 2023 to NT\$199,273 thousand in 2024. Taking all factors into account, net profit after tax for the year reached NT\$125,531 thousand, an increase of NT\$38,662 thousand compared to NT\$86,869 thousand in 2023, demonstrating solid and sustained growth momentum.

(2) Regarding the budget execution:

In accordance with the guidelines for handling public financial forecasts of publicly traded companies, the company did not have a public financial forecast for the year 2024.

(3) Financial income and profitability analysis

Unit: %

Analysis	Item	Year 2024	Year 2023
Financial Structure (%)	Debt to Assets Ratio (%)	30.68	23.93
	Ratio of Long-Term Capital to Real Estate, Plant, and Equipment (%)	300.50	403.05
Debt-Paying Capacity (%)	Current ratio (%)	133.25	171.76
	Quick Ratio (%)	115.18	142.44
Profitability (%)	Return on assets (%)	5.05	3.89
	Return on Shareholder Equity (%)	6.96	4.79
	Net Profit Margin (%)	16.57	12.12
	Earnings Per Share (NT\$)	0.75	0.52

(4) Research and Development Status

In 2024 and 2023, the Company's consolidated R&D expenses amounted to NT\$6,675 thousand and NT\$12,463 thousand, respectively, representing 1% and 2% of revenue for each year. These expenditures were primarily directed toward the implementation of automated packaging processes, the replacement of aging equipment, and technological innovation.

Looking ahead, the Company will remain committed to optimizing manufacturing processes, developing new products, and enhancing automation levels. These efforts aim to expand production flexibility and strengthen overall competitiveness.

2. Overview of 2025 Business Plan

1. Business Policy

- (1) Strengthen the marketing system and expand market presence by proactively building and enhancing specialized marketing teams both domestically and internationally. Deepen collaborations with strategic partners to broaden distribution channels and application markets, thereby further boosting the company's overall revenue performance.
- (2) Promote process automation and enhance production stability by continuously introducing and upgrading automated manufacturing equipment. This approach reduces risks associated with labor shortages, meets diverse customer demands, and ensures the stable delivery of high-quality products.
- (3) Strengthen the integration of IT and industrialization to leverage the benefits of big data. Accelerate the convergence of information technology and industrial processes by establishing a comprehensive production and sales database. Utilize big data for integrated analysis to enhance decision-making efficiency and further strengthen the company's overall competitiveness.
- (4) Expanding the automotive product line to capture growth opportunities. We continue to invest in the development of automotive-grade small-signal components, with a strong focus on the automotive electronics market. By building a comprehensive product portfolio, we aim to meet diverse market demands and strengthen our position in this rapidly growing sector.

2. Expected Sales Volume and Basis

The company forecasts that sales volume for the 2025 fiscal year will remain on par with 2024. This is mainly due to the expectation that the newly elected U.S. President,

Donald Trump, will implement policies aimed at bringing manufacturing back to the U.S., which will likely involve a series of tariff measures. As a result, the globalization of supply chains may gradually decline, potentially leading to increased inflationary pressures and slower economic growth, which could further impact market demand. In response to the uncertainties in the external environment, the company will continue to adhere to a prudent and stable operational approach, effectively managing business risks to maintain operational stability.

3. Important Sales and Marketing Policies

The production and sales policy of our company is a combination of planned and order-based production strategies. Based on changes in industry conditions, market supply and demand, internal production capacity, and inventory levels, we continuously develop rolling production and sales plans. These plans are dynamically adjusted with inventory control measures to maintain optimal inventory levels and enhance operational efficiency.

3. Company's Future Development Strategies

1. Customer-Centric Approach: Creating Value in Partnership with Market Leaders. Adhering to a customer-oriented business philosophy, we actively collaborate with leading market brands to jointly develop innovative products. This ongoing partnership helps us continuously enhance the company's value and market position.
2. Deepening Customer Relationships and Expanding a Diverse Product and Service Portfolio. We focus on strengthening our existing customer base by extending a diversified product line that addresses their specific needs. Through offering one-stop solutions, we aim to enhance customer loyalty and deepen our collaborations.
3. Strengthening Key Technologies to Build Competitive Manufacturing Advantages. We are actively investing in the research, development, and mass production capabilities of key components, enhancing product technology content and supply flexibility. This further strengthens the company's competitive advantage within the industry value chain.

4. Impact of External Competitive, Regulatory, and Macro-Economic Environment.

1. External Competitive Environment

The diode industry is highly competitive, influenced by global economic conditions and rapid technological advancements, resulting in a fast-changing market environment. The company faces increasing competitive pressure from businesses worldwide. In response to this challenge, our company leverages years of experience in the high-end European and American markets, where we have established strong distribution channels and a professional customer base. We continue to enhance our market competitiveness through cost control, product differentiation design, and high-quality services, further boosting customer loyalty and the stability of our partnerships.

2. Regulatory Environment

Our company strictly adheres to relevant domestic and international laws and industry policies. We have established comprehensive mechanisms for financial management, shareholder services, auditing, and legal affairs to closely monitor regulatory trends and policy changes. Following internal control systems and operational procedures, we ensure that all business activities fully comply with legal requirements. Currently, there have been no significant regulatory changes that have materially affected the company's finances or

operations, and the overall business remains stable.

3. Impact of Overall Business Environment

The current macroeconomic environment is filled with uncertainty, with rising geopolitical risks and the continuation of trade barriers between China and the U.S., putting pressure on the global supply chain to undergo reconfiguration. In response to these changes, our company will continue to focus on high-value-added product markets, strengthen overall service and technical support for core customers, and enhance manufacturing efficiency and cost control capabilities. This approach will help maintain our competitive advantage and ensure stable adaptation to external environmental changes.

In recent years, our company has continued to grow steadily on a solid foundation. Our commitment remains centered on creating greater profits for shareholders. Despite the diverse challenges that lie ahead, we maintain a positive and proactive attitude, constantly seeking progress and innovation. By deepening our brand value, we aim to achieve optimal business performance and maximize shareholder returns.

2. Corporate Governance Report

1. Information of Directors, Supervisors, the General Manager, Deputy General Managers, Assistant Managers, and Heads of Departments

1. Information of Directors and Supervisors

March 31, 2025

J o b t i t l e	Nationa lity or Place of Registra tion	Name	Gender/ Age	Appointme nt Date	T e r m o f O f f i c e	Initial Date of Election	Time of Election Shares Held		Currently Shares Held		Spouse and Minor Children Current Shares Held		Under Others' Names Shares Held		Key Experie nces (Educati on) and Backgro und	Current Positions Held in the Company and Other Companies		Other Executives, Directors, or Supervisors with Spousal or Second-Degree Relative Relationships		
							Number of Shares	Shareho lding Ratio %	Number of Shares	Share holdi ng Ratio %	Numb er of Share s	Share holdi ng Ratio %	Numb er of Share s	Share holdi ng Ratio %		Company Positions	Positions in Other Companies	Job Title	Name	Relation ship
C h a i r m a n	Republi c of China.	Juiye Enterpri se Co., Ltd.		2022.06.23	3	1996.10.16	42,788,288	25.73	42,788,288	25.73	Not applic able	Not applic able	Not applic able	Not appli cabl e	Not applicab le	Not applicable	Not applicable	Not applicable	Not applicab le	Not applicabl e
	Republi c of China.	Lin, I-Chin	Female 31~ 40 years old.	2022.06.23	3	2016.06.28	0	0	0	0	0	0	0	0	Master's Degree	Chairman and General Manager (Note2)	None	Director	Lin, Weng-T eng	Father and daughter
D i r e c t o r	Republi c of China..	Juiye Enterpri se Co., Ltd.		2022.06.23	3	1996.10.16	42,788,288	25.73	42,788,288	25.73	Not applic able	Not a pplica ble	Not applic able	Not appli cabl e	Not applicab le	Not applicable	Not applicable	Not applicable	Not applicab le	Not applicabl e
	Republi c of China.	Represe ntative: Lin, Weng-T eng	Male 61~ 70 years old.	2022.06.23	3	1996.10.16	0	0	0	0	0	0	0	0	College degree	Director	None	Director	Lin, I-Chin	Father and daughter
	Republi c of China.	Represe ntative: Pan, Hsin-Je n	Male 31~ 40 years old.	2022.06.23	2	2020.09.14	0	0	0	0	0	0	0	0	Universi ty degree	Director	General Manager of RECTRON ELECTRONIC ENTERPRISES, INC	None	None	None
	Republi c of China.	Represe ntative: Lin,	Female 51~680 years	2022.06.23	3	2010.06.25	0	0	0	0	0	0	0	0	Universi ty degree	Deputy General Manager and General Manager of the	None	None	None	None

I n d e p e n d e n t D i r e c t o r		Jui-Ping	old.													Electronic Business Division				
	Republic of China.	Representative: Liu Nien-Fu	Male 51~ 60 years old.	2025.01.01	1	2025.01.01	0	0	0	0	0	0	0	0	University degree	General Manager of the Electronics Business Division	None	None	None	None
	Republic of China.	Lin, Ruey-Tou	Male 61~ 70 years old.	2022.06.23	3	2016.06.28	0	0	0	0	0	0	0	0	University degree	None	None	None	None	None
	Republic of China.	Maa, Kwo-Juh	Male 61~ 70 years old.	2022.06.23	3	2021.08.30	0	0	0	0	0	0	0	0	Master's Degree	None	Wisdom Marine Group Independent Director Independent Director Pontens Semiconductor co.,Ltd. Independent Director Independent Director Chih Yeh Consultancy Limited CEO.	None	None	None
	Republic of China	Lee, Shiue-Chen	Male 40~ 50 years old.	2022.06.23	3	2022.06.23	0	0	0	0	0	0	0	0	University degree	None	Deputy General Manager of Fulai Construction Co., Ltd.	None	None	None
	Republic of China	Chang, Chia- Jung	Female 61~ 70 years old.	2023.06.16	2	2023.06.16	0	0	0	0	0	0	0	0	College degree	None	TAIWAN TSENG-CHOW ENGINEERING CO.,LTD. Financial Manager	None	None	None

Note 1: Representatives of Juiye Enterprise Co., Ltd.: Lin, I-Chin, Lin, Weng-Teng, Pan, Hsin-Jen, Lin, Jui-Ping, Liu Nien-Fu.

Note 2: The Chairman and the General Manager of the Company are the same person. The Company has increased the number of independent directors, and the majority of the board members do not concurrently serve as employees or managerial officers.

Table 1: Major shareholders of corporate shareholders

March 31, 2025

Name of Corporate Shareholder	Major Shareholders of Corporate Shareholders
Juiye Enterprise Co., Ltd.	LIN, WENG-TENG (75%), LIN, I-CHIN (25%)
Bigwig Perfect International Co., Ltd.	LIN, CHIANG-YA (98.27%)

2. Disclosure of Directors' and Supervisors' Professional Qualifications and Independence of Independent Directors:

<div>Conditions</div> <div>Name</div>	Professional Qualifications and Experience	Independence status	Number of other public corporations in which the person concurrently serves as an independent director.
Juiye Enterprise Co., Ltd. Representative: LIN, I-CHIN	Chairman and General Manager of RECTRON LTD.	<p>Holding the position of General Manager of the company while having the status of a manager.</p> <p>The remaining individuals have been verified against the independence criteria listed in the "Regulations Governing the Appointment of Independent Directors of Publicly Issued Companies and Related Compliance Matters" issued by the Financial Supervisory Commission, and still meet the relevant independence requirements.</p>	None
Juiye Enterprise Co., Ltd. Representative: LIN, WENG-TENG	Chairman of RECTRON LTD.	<p>The remaining individuals have been verified against the independence criteria listed in the "Regulations Governing the Appointment of Independent Directors of Publicly Issued Companies and Related Compliance Matters" issued by the Financial Supervisory Commission, and still meet the relevant independence requirements.</p>	None

Conditions Name	Professional Qualifications and Experience	Independence status	Number of other public corporations in which the person concurrently serves as an independent director.
Juiye Enterprise Co., Ltd. Representative: PAN, HSIN-JEN	General Manager of RECTRON ELECTRONIC ENTERPRISES, INC	The remaining individuals have been verified against the independence criteria listed in the "Regulations Governing the Appointment of Independent Directors of Publicly Issued Companies and Related Compliance Matters" issued by the Financial Supervisory Commission, and still meet the relevant independence requirements.	None
Juiye Enterprise Co., Ltd. Representative: LIN, JUI-PING	Audit Manager at KPMG United Accounting Firm. General Manager of the Electronic Business Division and Deputy General Manager of the General Management Department at RECTRON LTD.	The remaining individuals have been verified against the independence criteria listed in the "Regulations Governing the Appointment of Independent Directors of Publicly Issued Companies and Related Compliance Matters" issued by the Financial Supervisory Commission, and still meet the relevant independence requirements.	None
Juiye Enterprise Co., Ltd. Representative: LIU, NIEN-FU	General Manager of the Electronics Business Division of RECTRON	The remaining individuals have been verified against the independence criteria listed in the "Regulations Governing the Appointment of Independent Directors of Publicly Issued Companies and Related Compliance Matters" issued by the Financial Supervisory Commission, and still meet the relevant independence requirements.	None

<div>Conditions</div> <div>Name</div>	Professional Qualifications and Experience	Independence status	Number of other public corporations in which the person concurrently serves as an independent director.
LIN, RUEY-TOU	Bachelor's Degree in Business Administration from Tamkang University. Former Legislator, Taipei City Councilor.	<p>The company follows the provisions of the "Regulations Governing the Appointment and Compliance Matters of Independent Directors of Public Companies" in its establishment.</p> <p>In addition to obtaining a declaration from the independent director, the company has also reviewed the company's employee system, the director's own holdings, holdings by spouse and relatives within the second degree of kinship, the list of directors of affiliated companies, and examined the shareholder registry and financial systems of the company and its affiliated companies for the past two years to verify the absence of the aforementioned situations.</p> <p>The company has conducted searches on the Judicial Yuan's Legal Information Retrieval System, Taiwan Bills Finance Corporation, etc., and found no circumstances falling under Article 30 of the Company Act.</p> <p>Based on the audit results, the company confirms that the independent director meets the independence criteria.</p>	None

<div>Conditions</div> <div>Name</div>	Professional Qualifications and Experience	Independence status	Number of other public corporations in which the person concurrently serves as an independent director.
MAA ,KWO-JUH	Master's Degree in Accounting, National Chengchi University. Certified Public Accountant of the Republic of China. KPMG Chief Consultant Chairman and CEO of KPMG Taiwan. President of the Professional Association of Corporate Governance. Adjunct Professor at the Department of Law, National Chengchi University. Adjunct Professor at the Department of Law, National Taiwan University. Wisdom Marine Group Independent Director Independent Director Pontens Semiconductor co.,Ltd. Independent Director Independent Director Chih Yeh Consultancy Limited CEO.	<p>The company follows the provisions of the "Regulations Governing the Appointment and Compliance Matters of Independent Directors of Public Companies" in its establishment.</p> <p>In addition to obtaining a declaration from the independent director, the company has also reviewed the company's employee system, the director's own holdings, holdings by spouse and relatives within the second degree of kinship, the list of directors of affiliated companies, and examined the shareholder registry and financial systems of the company and its affiliated companies for the past two years to verify the absence of the aforementioned situations.</p> <p>The company has conducted searches on the Judicial Yuan's Legal Information Retrieval System, Taiwan Bills Finance Corporation, etc., and found no circumstances falling under Article 30 of the Company Act.</p> <p>Based on the audit results, the company confirms that the independent director meets the independence criteria.</p>	2 companies

<div>Conditions</div> <div>Name</div>	Professional Qualifications and Experience	Independence status	Number of other public corporations in which the person concurrently serves as an independent director.
LEE, SHIUE-CHEN	Audit Manager at KPMG United Accounting Firm, Finance. Finance and Accounting Manager at Hung Kuo Group. Deputy General Manager of Fulai Construction Co., Ltd.	<p>The company follows the provisions of the "Regulations Governing the Appointment and Compliance Matters of Independent Directors of Public Companies" in its establishment.</p> <p>In addition to obtaining a declaration from the independent director, the company has also reviewed the company's employee system, the director's own holdings, holdings by spouse and relatives within the second degree of kinship, the list of directors of affiliated companies, and examined the shareholder registry and financial systems of the company and its affiliated companies for the past two years to verify the absence of the aforementioned situations.</p> <p>The company has conducted searches on the Judicial Yuan's Legal Information Retrieval System, Taiwan Bills Finance Corporation, etc., and found no circumstances falling under Article 30 of the Company Act.</p> <p>Based on the audit results, the company confirms that the independent director meets the independence criteria.</p>	None

Conditions Name	Professional Qualifications and Experience	Independence status	Number of other public corporations in which the person concurrently serves as an independent director.
CHANG, CHIA- JUNG	Graduated from Ming Chuan Women's College of Commerce Taiwan Tseng-Chow Engineering CO.,LTD. Financial Manager	<p>The company follows the provisions of the "Regulations Governing the Appointment and Compliance Matters of Independent Directors of Public Companies" in its establishment.</p> <p>In addition to obtaining a declaration from the independent director, the company has also reviewed the company's employee system, the director's own holdings, holdings by spouse and relatives within the second degree of kinship, the list of directors of affiliated companies, and examined the shareholder registry and financial systems of the company and its affiliated companies for the past two years to verify the absence of the aforementioned situations.</p> <p>The company has conducted searches on the Judicial Yuan's Legal Information Retrieval System, Taiwan Bills Finance Corporation, etc., and found no circumstances falling under Article 30 of the Company Act.</p> <p>Based on the audit results, the company confirms that the independent director meets the independence criteria.</p>	None

Note 1: Professional qualifications and experience: Describe the professional qualifications and experience of individual directors and supervisors, and if they are members of the audit committee with accounting or financial expertise, their accounting or financial background and work experience should be stated. Also, indicate whether there are any circumstances under Article 30 of the Company Act.

Note 2: Independent directors should state their independence status, including but not limited to whether they or their spouses, parents, or children within the second degree of kinship serve as directors, supervisors, or employees of the Company or its affiliates; whether they or their spouses, parents, or children within the second degree of kinship hold shares of the Company or its affiliates or utilize others' names to hold such shares; whether they serve as directors, supervisors, or employees of related parties of the Company as referred to in Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing the Appointment of Independent Directors and Compliance Matters for Public Companies; and the amount of compensation received in the past two years for providing business, legal, financial, accounting or other services to the Company or its affiliates.

3. Board Diversity and Independence:

(1) Board Diversity:

The company advocates and respects a policy of board diversity to enhance corporate governance and promote the sound development of the board's composition and structure. We believe that a diverse board can contribute to the overall performance of the company. The selection of board members is based on the principle of selecting individuals with diverse and complementary capabilities across industries. This includes basic diversity factors such as age, gender, and nationality, as well as industry experience and relevant skills in areas such as finance, accounting, legal, information technology, and public utilities. Additionally, board members

possess abilities in business judgment, management, leadership decision-making, and crisis handling. Article 20 of the "Corporate Governance Practices Guidelines" states that the board as a whole should possess the following abilities to strengthen its functions and achieve the ideal goals of corporate governance:

1. Operational judgment ability. 2. Accounting and financial analysis ability. 3. Business management ability. 4. Crisis handling ability. 5. Industry knowledge. 6. International market perspective. 7. Leadership ability. 8. Decision-making ability.

The current status of the company's policy and implementation of diversified board members are as follows:

Conditions Name	Basic Composition											Industry Experience					Professional Abilities				Number of other public corporations in which the person concurrently serves as an independent director.
	Nationality	Gender	Have employee status	Age					Independent Director Tenure			Professional Services and Marketing	Financial and Finance	Architecture and Engineering	Business and Supply	Information and Technology	Legal	Accounting	Engineering	Risk Management	
				31 to 40 years old	41 to 50 years old	51 to 60 years old	61 to 70 years old	71 to 80 years old	3 years or less	3 to 6 years	6 Year or more										
Chairman LIN I-CHIN	Taiwan R.O.C.	Female	✓	✓								✓	✓		✓			✓		✓	None
Director LIN, WENG-TENG	Taiwan R.O.C.	Male						✓				✓	✓	✓	✓			✓	✓	✓	None
Director PAN,HSIN-JEN	Taiwan R.O.C.	Male		✓								✓	✓		✓	✓		✓		✓	None
Director LIN, JUI-PING	Taiwan R.O.C.	Female	✓				✓					✓	✓		✓			✓		✓	None
Director LIU, NIEN-FU	Taiwan R.O.C	Male	✓					✓				✓			✓					✓	None
Independent Director LIN, RUEY-TOU	Taiwan R.O.C.	Male						✓			✓	✓	✓		✓		✓	✓		✓	None
Independent Director MAA ,KWO-JUH	Taiwan R.O.C.	Male						✓		✓		✓	✓		✓	✓	✓	✓		✓	2Companies
Independent Director LEE, SHIUE-CHEN	Taiwan R.O.C.	Male				✓				✓		✓	✓	✓	✓			✓	✓	✓	None
Independent Director CHANG, CHIA- JUNG	Taiwan R.O.C.	Female							✓	✓		✓	✓		✓			✓			None

The 19th Board of Directors of the company consists of 9 directors, including 4 independent directors. They possess the overall abilities of business judgment, leadership decision-making, operational management, international market perspective, and crisis handling. They have industry experience and professional expertise. One independent director has accounting and financial expertise with practical experience in practice, management, or teaching.

The average tenure of the company's directors is 9 years. All directors are nationals of the company. The composition structure includes 4 independent directors, accounting for 44.4%, and 3 directors with employee status, accounting for 33.3%. The age distribution of the directors includes 2 directors in the age range of 31-40, 1 director in the age range of 41-50, 1 director in the age range of 51-60, 4 directors in the age range of 61-70, and 1 director in the age range of 71-80. In addition to the above, the company also emphasizes gender equality in the composition of the board. The current board includes 3 female members, accounting for a high percentage of 33.3% female directors. The company will continue to strive to increase the percentage of female directors in the future.

The diversity, complementarity, and implementation of the board have already included and complied with the standards specified in Article 20 of the "Corporate Governance Best Practice Principles." In the future, the company will timely revise and enhance the diversity policy based on the operation of the board, operational requirements, and development needs. This includes but is not limited to the standards related to basic qualifications and values, professional knowledge, and skills, to ensure that board members possess the necessary knowledge, skills, and qualities for executing their duties.

(2) Board Independence:

The average tenure of independent directors in the company is below 5 years. Among them, one independent director has served for more than 3 terms consecutively. This is due to their financial expertise, familiarity with relevant laws and regulations, and specialized experience in corporate governance, which significantly benefits the company. Despite their extended tenure, they are still able to utilize their expertise and provide professional opinions for the supervision of the board. The tenure of other independent directors does not exceed 3 terms.

(3) Compliance with Securities and Exchange Act:

There are no circumstances within the meaning of Article 26(3) and (4) of the Securities and Exchange Act, including situations where there are spousal or close relatives relationships between directors, supervisors, or between directors and supervisors. None of the directors or independent directors of the company have relationships that fall within the provisions of Article 26(3) and (4) of the Securities and Exchange Act. The number of directors with spousal or close relatives' relationships within the company does not exceed half of the total seats.

4. General Manager, Deputy General Manager, Assistant Managers, and Head of Departments and Branch Offices:

March 31, 2025

Job title	Nationality	Name	Gender	Date of appointment	Shareholdings Shares		Shareholdings held by spouse and minor children		Holding shares under another person's name		Primary professional (educational) background	Current positions held by managers	with spousal or close relatives relationships in other companies			Remarks
					Number of Shares	Shareholding Ratio %	Number of Shares	Shareholding Ratio %	Number of Shares	Shareholding Ratio %			Job Title	Name	Relationship	
General Manager	Taiwan R.O.C.	Lin, I-Chin	Female	2016.06.28	-	-	-	-	-	-	Master's degree/Chairman of RECTRON LTD.	-	-	-	-	Note
Deputy General Manager and General Deputy	Taiwan R.O.C.	Lin, Jui-Ping	Female	2020.09.14	-	-	-	-	-	-	University degree/Audit Manager at KGMP United Accounting Firm.	-	-	-	-	-
General Manager of the Electronic Division	Taiwan R.O.C.	Liu, Nien-Fu	Male	2024.01.10	-	-	-	-	-	-	Deputy General Manager of Sales	-	-	-	-	-
Director of the Electronic Business Division.	Taiwan R.O.C.	Lin Shi-jie	Male	2014.05.01	-	-	-	-	-	-	Chief Engineer of Taiwan Semiconductor Corporation.	-	-	-	-	-

Note: When the Chairman of the Board and the General Manager hold the highest managerial positions and are spouses or close relatives, the reasons, justifications, necessity, and corresponding measures should be disclosed (such as increasing the number of independent director seats and ensuring that a majority of directors do not hold positions as employees or managers, etc.) along with relevant information.

The Chairman of the Board in our company also serves as the General Manager to enhance operational efficiency and decision-making execution. In order to strengthen the independence of the Board of Directors, appropriate candidates have been actively trained internally. Additionally, the Chairman closely communicates with the directors to fully understand the company's operational status and plans, and implements corporate governance initiatives. In the future, the company plans to increase the number of independent director seats to enhance the capabilities of the Board and strengthen its oversight functions. Currently, the following specific measures have been implemented:

1. Independent directors in the company possess expertise in business, law, finance, accounting, or necessary knowledge related to company operations to effectively

fulfill their supervisory roles.

2. Directors are arranged to attend professional director courses provided by external organizations such as the Securities and Futures Institute to enhance the effectiveness of the Board's operations.

3. Independent directors participate in functional committees, engage in comprehensive discussions, and provide recommendations for the Board's reference. They also communicate with the accountants and internal auditors to ensure effective corporate governance.

5. Remuneration for general directors and independent directors (individual names and remuneration methods disclosed separately)

December 31, 2024

Unit: NT\$1,000

Job Title	Name	Director remuneration								Percentage of Total Net Profit After Tax of A, B, C, and D After-tax net profit of NT\$125,531thousand		Remuneration Paid to Part-Time Employees								The total amount and proportion of A, B, C, D, E, F, and G, as well as their respective percentages of net income after tax. After-tax net profit of NT\$125,531 thousand		Compensation Paid to Directors by a Re-Invested Company Other than the Company's Subsidiary
		Remuneration (A)		Retirement and severance pay (B)		Director Compensation (C) (Note 3)		Business execution Expenses (D)				Salary, Bonuses, and Other Allowances (E)		Retirement and severance pay (F)		Employee Compensation (G)						
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company		All companies in the financial report		The Company	Companies in the Consolidated financial statements	
														Cash dividend amount	Stock dividend amount	Cash dividend amount	Stock dividend amount					
Corporate Director	Juiye Enterprise Co., Ltd.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Chairman	Juiye Enterprise Co., Ltd. Representative: Lin, I-Chin	150	150	0	0	700	700	0	0	850 0.68%	850 0.68%	583	3,732	0	0	0	0	0	0	1,433 1.14%	4,582 3.65%	None
Director	Juiye Enterprise Co., Ltd. Representative: Lin, Weng-Teng	150	150	0	0	800	800	0	0	950 0.76%	950 0.76%	0	5,243	0	36	0	0	0	0	950 0.76%	6,229 4.96%	None
Director	Juiye Enterprise Co., Ltd. Representative: Pan,Hsin-Jen	150	150	0	0	700	700	0	0	850 0.68%	850 0.68%	0	4,359	0	20	0	0	0	0	850 0.68%	5,229 4.17%	None
Director	Juiye Enterprise Co., Ltd. Representative: Liu,Feng-Ching	0	0	0	0	0	0	360	360	360 0.29%	360 0.29%	0	0	0	0	0	0	0	0	360 0.29%	360 0.29%	None

Director	Juiye Enterprise Co., Ltd. Representative: Lin, Jui-Ping	150	150	0	0	700	700	0	0	850 0.68%	8505 0.68%	1,748	3,939	95	95	0	0	0	0	2,693 2.15%	4,884 3.89%	None
Independent Director	Lin, Ruey-Tou	0	0	0	0	0	0	600	600	600 0.48%	600 0.48%	0	0	0	0	0	0	0	0	600 0.48%	600 0.48%	None
Independent Director	Maa, Kwo-Juh	0	0	0	0	0	0	600	600	600 0.48%	600 0.48%	0	0	0	0	0	0	0	0	600 0.48%	600 0.48%	None
Independent Director	Lee, Shiue-Chen	0	0	0	0	0	0	120	120	120 0.10%	120 0.10%	0	0	0	0	0	0	0	0	120 0.10%	120 0.10%	None
Independent Director	Chang, Chia-Jung	0	0	0	0	0	0	120	120	120 0.10%	120 0.10%	0	0	0	0	0	0	0	0	120 0.10%	120 0.10%	None

1. Please specify the policy, system, standards, and structure of independent director remuneration and describe the correlation between the remuneration amount and factors such as responsibilities, risks, and time commitment: The remuneration for independent directors in our company is determined based on the results of the "Board of Directors' Performance Evaluation" and the provisions of the "Remuneration and Compensation Committee Organizational Regulations." It takes into account individual responsibilities, time commitment, as well as the individual's performance achievements and contributions as an independent director to provide reasonable compensation. The standards and structure of remuneration for independent directors are submitted to the Board of Directors for approval after being reviewed and approved by the Compensation Committee.
2. Apart from the disclosure in the table above, in the most recent fiscal year, directors of the company received remuneration for services provided (such as serving as consultants to the parent company, all companies within the financial reports, or non-employee advisors to investee businesses): There is no such case.

6. Remuneration for supervisors (individual names and remuneration methods)

On June 23, 2022, the company established an Audit Committee to replace the role of the supervisor. Therefore, the relevant disclosure of the supervisor's remuneration is no longer applicable from that date.

7. Remuneration for the General Manager and Deputy General Manager (Individual disclosure of names and remuneration methods)

December 31, 2024
Unit: NTD in thousands

Job Title	Name	Salary (A)		Retirement benefits (B)		Bonuses and Special Expenses (C)		Employee Compensation Amount (D)				Percentage of Total Net Profit After Tax of A, B, C, and D (%)		Compensation Paid to Directors by a Re-Invested Company Other than the Company's Subsidiary
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company		All companies in the financial report		The Company	All companies in the financial report	
								Cash dividend amount	Stock dividend Amount	Cash dividend amount	Stock dividend Amount			
General Manager	Lin, I-Chin	583	3,732	0	0	0	0	0	0	0	0	583 0.46%	3,732 2.97%	None
Deputy General Manager and General Manager of the Electronic Business Division	Lin, Jui-Ping	1,748	3,139	95	95	0	800	0	0	0	0	1,748 1.47%	4,034 3.21%	None
General Manager of the Electronic Division	Liu, Nien-Fu	1,376	2,721	68	68	0	0	0	0	0	0	1,444 1.15%	2,789 2.22%	None

8. Remuneration for the top five highest-paid executives (Individual disclosure of names and remuneration methods)

Job Title	Name	Salary (A)		Retirement benefits (B)		Bonuses and Special Expenses (C)		Employee Compensation Amount (D)				A, B, C, and D, the total amount and the proportion (in percentage) to the net income after tax of 125,531 thousand NTD are as follows:		Compensation Paid to Directors by a Re-Invested Company Other than the Company's Subsidiary
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company		All companies in the financial report (Note 5)		The Company	All companies in the financial report	
								Cash Amount	Stocks Amount	Cash Amount	Stocks Amount			
Subsidiary Business Assistant	Joseph Rocta	0	4,216	0	0	0	3,213	0	0	0	0	0 0.00%	7,429 5.92%	None
General Manager of a Subsidiary	Pan, Hsin-Jen	0	3,804	0	20	0	556	0	0	0	0	0 0.00%	4,379 3.49%	None
Deputy General Manager and General Manager of the	Lin, Jui-Ping	1,748	3,139	95	95	0	800	0	0	0	0	1,843 1.47%	4,034 3.21%	None
Subsidiary Business Assistant	Satendra	0	2,341	0	0	0	1,606	0	0	0	0	0 0.00%	3,947 3.14%	None
General Manager	Lin, I-Chin	583	3,113	0	0	0	619	0	0	0	0	583 0.46%	3,732 2.97%	None

9. The names of managers involved in distributing employee compensation and the distribution details are as follows

The names of managers involved in distributing employee compensation and the distribution details are as follows

December 31, 2024

Unit: NTD in thousands

	Job title	Name	Stock Amount	Cash amount	Total	The proportion (%) of the total amount to the net income after tax.
M a n a g e r	General Manager	Lin, I-Chin	0	0	0	0%
	Deputy General Manager and General Manager of the Electronic Business Division	Lin, Jui-Ping				
	General Manager of the Electronic Division	Liu,Nien-Fu				

10. Analysis and explanation of the proportion of total remuneration to net income after tax for directors, supervisors, general manager, and deputy general manager paid by the company and all consolidated companies in the past two fiscal years, including the policies, standards, composition, procedures for determining remuneration, and their correlation with business performance.

Job Title	Proportion of total remuneration to net income after tax for directors, supervisors, general manager, and deputy general manager paid by the company in 2023.	Proportion of total remuneration to net income after tax for directors, supervisors, general manager, and deputy general manager paid by all consolidated companies in the company's 2023 consolidated financial statements.	Proportion of total remuneration to net income after tax for directors, supervisors, general manager, and deputy general manager paid by the company in 2024..	Proportion of total remuneration to net income after tax for directors, supervisors, general manager, and deputy general manager paid by all consolidated companies in the company's 2024 consolidated financial statements.
Director	7.31%	18.66%	6.15%	18.10%
General Manager and Vice General Manager	2.71%	5.63%	3.08%	8.41%

The procedure for remuneration payment is closely associated with operational performance and future risks.

The remuneration paid to directors of the Company is determined based on the percentages and scope stipulated in the Company's Articles of Incorporation. In years of profitability, an allocation of not less than 1% shall be provided for employee compensation and not more than 2% for director remuneration. If the company has accumulated losses from previous years and makes a profit in the current year, it should first make up for the losses before allocating employee and director remuneration, and the remaining balance should be allocated according to the aforementioned ratio.

In the event of accumulated losses from previous years, any profits in the current year must first be used to offset the losses before allocating funds for employee compensation and director remuneration, with the remaining balance allocated according to the aforementioned proportions. The distribution of employee and director remuneration should be resolved by the board of directors and reported to the shareholders' meeting.

The salary and compensation paid by the company include cash compensation, retirement benefits, various allowances, and other measures with substantial incentives. The scope is consistent with the requirements for disclosure in the annual report of publicly traded companies regarding director, supervisor, and manager remuneration. To establish a sound salary and compensation system for the company's directors, supervisors, and managers, the

company has established a salary and compensation committee and formulated the "Salary and Compensation Committee Organization Regulations." The Compensation Committee, in accordance with the aforementioned regulations, evaluates the Company's remuneration policies and systems for directors, supervisors, and managers from a professional and objective standpoint. It periodically reviews the performance evaluation of directors, supervisors, and managers, as well as the policies, systems, standards, and structures of remuneration. During the review process by the Compensation Committee, the remuneration should be based on the continued assessment of directors, supervisors, and managers and reference the usual industry standards, taking into account individual performance, the Company's ongoing performance, and the rationality of future risk linkage.

The remuneration of executives in the Company is determined by the Chairman of the Board, authorized by the Board of Directors, taking into account the nature of their work, responsibilities, as well as factors such as education, experience, skills, and potential development. The policies, standards, composition, and procedures for remuneration, as well as their relationship with business performance and future risks, are established in accordance with the Company's "Articles of Incorporation" and relevant management regulations.

In summary, the policies, standards, procedures for determining remuneration, and their relationship with business performance and future risks in the Company are all carried out in accordance with the provisions of the Company's "Articles of Incorporation" and relevant "Management Regulations."

2. Corporate Governance Practices

(1) Board of Directors operation situation

The Board of Directors held 8 meetings (A) during the recent fiscal year, ending on March 31, 2025. The attendance record of directors and supervisors is as follows:

Job Title	Name	Actual attendance (B)	Delegated attendance count	Actual attendance rate (%) [B/A]	remarks
Chairman	Juiye Enterprise Co., Ltd. Representative: Lin, I-Chin	8	0	100%	
Director	Juiye Enterprise Co., Ltd. Representative: Lin, Weng-Teng	7	0	87.5%	
Director	Juiye Enterprise Co., Ltd. Representative: Pan, Hsin-Jen	7	1	87.5%	
Director	Juiye Enterprise Co., Ltd. Representative: Liu, Feng-Ching	7	0	100%	2024.12.31Resign
Director	Juiye Enterprise Co., Ltd. Representative: Lin, Jui-Ping	8	0	100%	
Director	Juiye Enterprise Co., Ltd. Representative: Liu,Nien-Fu	1	0	100%	2025.01.01 Selection
Independent Director	Lin, Ruey-Tou	7	1	87.5%	
Independent Director	Maa, Kwo-Juh	8	0	100%	
Independent Director	Lee, Shiue-Chen	8	0	100%	
Independent Director	Chang, Chia- Jing	8	0	100%	
Other items that shall be recorded:					

1. If any of the following circumstances occur in the operation of the board of directors, the date, term, agenda, opinions of all independent directors and the company's handling of independent directors' opinions should be described:

1. Matters stipulated in Article 14-3 of the Securities and Exchange Act:

Meeting date	Important decisions of the Board of Directors	All independent directors and the company's handling of independent directors' opinions
19th session 13th time 2024.03.15	(1)The Company's declaration on internal control system for the year 2023. (2) In response to the KPMG auditor adjustment case. (3)Amendment to the company's "Endorsement and Guarantee Measures" (4)Amendment to the company's " Operational Procedures for Loaning Funds to Others ". (5) The proposal for profit distribution for the fiscal year 2023.	Independent Director's opinion: None. Company's handling of independent director's opinion: None. Resolution: Approved by all attending directors
19th session 16th time 2024.09.02	To align with the group's strategic production and sales deployment, the major subsidiary Zhejiang Rectron Electronics Co., Ltd. intends to proceed with a cash capital reduction.	
19th session 18th time 2024.12.16	Amendment to the Company's "Internal Control System" and "Internal Audit Implementation Regulations,"	
19th session 19th time 2025.03.11	(1)The Company's declaration on internal control system for the year 2024. (2)Proposal for the Appointment of an Auditor. (3)Proposal for Participation in the Capital Increase of the Investment Subsidiary Chu-Ting Enterprise Co., Ltd.	

	(4)Amendment to the company's " Operational Procedures for Loaning Funds to Others ". (5) The proposal for profit distribution for the fiscal year 2024.			
(2) Other board resolutions that were opposed or had reservations from independent directors with recorded or written statements, besides the aforementioned items: None.				
2. Members who recused themselves from voting on matters related to conflicts of interest shall state their names, the content of the resolution, the reasons for recusal, and their voting participation:				
1. During the 19th board meeting of the 15th term held on August 14, 2024, when setting the Directors’ remuneration distribution in 2023, directors Lin I-Chin, Lin Weng-Teng, Pan Hsin-Jen, Lin Jui-Ping abstained from voting due to their status as interested parties in the matter.				
2. During the 19th board meeting of the 18th term held on January 10, 2024, when determining the remuneration plan for the company's directors and executives, except for executive Liu, Nien-Fu, who was absent from the meeting, the following directors—Lin, I-Chin, Lin, Weng-Teng, Pan, Hsin-Jen, Liu, Feng-Ching, Lin, Jui-Ping, and independent directors Lin, Ruey-Tou, Maa, Kwo-Juh, Lee, Shiue-Chen, and Chang, Chia-Jing—who were considered interested parties in the matter, abstained from voting due to conflicts of interest."				
3. Implementation of Board Evaluation:				
Evaluation Period	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
Conducted annually	From January 1, 2024 to December 31, 2024	Overall Board, Individual Directors, Compensation Committee	Board Self-Assessment, Director Self-Assessment, Functional Committees	(1) Board performance evaluation: at least includes the degree of participation in company operations, quality of board decision-making, board composition and structure, selection and continuing education of directors, internal control, etc. (2) Individual director performance evaluation: at least includes the grasp of company goals and missions, recognition of director's duties, degree of participation in company operations, internal relationship management and communication, director's expertise and continuing education, internal control, etc.

					(3) Functional committee performance evaluation: degree of participation in company operations, recognition of functional committee duties, quality of functional committee decision-making, composition and member selection of functional committees, internal control, etc.	
4.	<p>Evaluation of the goals and execution of strengthening the functions of the board in the current year and recent years (such as establishing an audit committee, enhancing information transparency, etc.):</p> <ol style="list-style-type: none"> 1. In addition to providing relevant laws and regulations to directors and supervisors at any time, the company prepares agenda items and related materials for directors and supervisors to review and inquire seven days before the board meeting. During the meeting, the company reports on the current business status to keep directors and supervisors informed of the company's current operations. 2. Regularly providing various training courses and encouraging directors to actively participate in corporate governance programs to enhance the capabilities of board and supervisory members. In 2024, directors completed a total of 51 hours of training. 3. With a commitment to operational transparency and safeguarding shareholder rights, the company regularly discloses important decisions of the board and other relevant information on its website. 4. Every year, the company conducts performance evaluations of the board, individual directors, and functional committees, and reports the evaluation results to the board. 5. To strengthen corporate governance, the company has been covered by Directors and Officers liability insurance since June 28, 2020, and the renewal was completed on June 28, 2024. 					

Note: On June 23, 2023, the company established an Audit Committee to replace the role of the supervisor. Therefore, the involvement of the supervisor in the operation of the board is no longer applicable from that date.

Attendance of Independent Directors at Board Meetings from the most recent year to March 31, 2025

◎ : indicates personal attendance ☆ : indicates attendance by proxy * : indicates absence

Independent Director	January 10	March 15	May 14	August 14	September 2	November 13	December 16	March 11
Lin, Ruey-Tou	☆	◎	◎	◎	◎	◎	◎	◎
Maa, Kwo-Juh	◎	◎	◎	◎	◎	◎	◎	◎
Lee, Shiue-Chen	◎	◎	◎	◎	◎	◎	◎	◎
Chang, Chia-Jung	◎	◎	◎	◎	◎	◎	◎	◎

Communication between Independent Directors, Internal Audit Manager, and Auditors (including significant matters, methods, and outcomes regarding the company's finances and business conditions):

1. The company's internal audit department submits audit reports and audit tracking tables to the Independent Directors on a monthly and quarterly basis. In regular circumstances, communication between the internal audit manager and Independent Directors takes place through email, phone, or face-to-face meetings, as needed. Additionally, the internal audit department provides an annual audit business report to the Independent Directors, communicating the audit report results and the status of other tracking reports.
2. The company's external auditors report to the Independent Directors at least once a year regarding key audit matters, financial statement reviews, or audit results for the company and its subsidiaries. They also engage in communication with the Independent Directors.
3. Summary of communication between Independent Directors, Internal Audit Manager, and Auditors over the past year:

Date	Communication with Internal Audit Director:	Communication with Auditors	Results
2024.03.15	Internal Audit Business Report for the year 2023.	Audit status of the financial reports for the year 2023.	No special recommendations from the independent directors.
2024.05.14	Internal Audit Business Report for the period from January 2024 to March 2024.	Review status of the financial reports for the first quarter of 2024.	No special recommendations from the independent directors.
2024.08.14	Internal Audit Business Report for the period from April 2024 to June 2024.	Review status of the financial reports for the first half of 2024.	No special recommendations from the independent directors.
2024.11.13	Internal Audit Business Report for the period from July 2024 to September 2024.	Review status of the financial reports for the third quarter of 2024.	No special recommendations from the independent directors.

(2) Audit Committee Operations:

Information on the operations of the Audit Committee

The Audit Committee held four meetings during the most recent fiscal year 7 (A). The attendance of independent directors is as follows:

Job Title	Name	Number of attendance in person (B)	Delegated attendance count	Rate of attendance in person (%) (B / A)(Note 1, Note 2)	Remarks
Independent Director	Lin, Ruey-Tou	7	0	100%	
Independent Director	Maa, Kwo-Juh	7	0	100%	
Independent Director	Lee, Shiue-Chen	7	0	100%	
Independent Director	Chang, Chia-Jung	7	0	100%	2023.06.16 Selection

Other items that shall be recorded:

1. In the event of any of the following circumstances regarding the operation of the Audit Committee, the date and session, agenda items, dissenting opinions of independent directors, reservations or significant recommendations, decision results of the Audit Committee, and the company's handling of the opinions of the Audit Committee shall be disclosed.

(1) Matters listed in Article 14-5 of the Securities and Exchange Act.

Meeting date	Significant Resolutions of the Audit Committee	Decision Results of the Audit Committee and the Board of Directors' handling of the opinions of the Audit Committee		
1st session, 9nd time 2024.1.10	1. The Company's Tucheng Factory plans to renovate based on the revitalized assets, and plans to sign a joint construction contract with a 100% investment company	No other opinions were expressed by attending members. After obtaining unanimous approval, it was presented to the Board of Directors for discussion and was passed without objection by all attending directors.		
1st session, 10nd time 2024.3.15	1. The Company's operating report and financial statements for the year 2023. 2. The Company's declaration on internal control system for the year 2023. 3. Replacement of the Certified Public Accountant (CPA). 4. Evaluation of the independent auditor's independence and Audit Fees for Fiscal year 2024. 5. Amendment to the Company's "Endorsement and Guarantee Guidelines". 6. Amendment to the Company's "Procedures for Lending Funds to Others". 7. The proposal for profit distribution for the fiscal year 2023.			
1st session, 11nd time 2024.5.14	1. The financial statements for the first quarter of 2024.			
1st session, 12nd time 2024.8.14	1. The financial statements for the second quarter of the company's fiscal year 2024.			
1st session, 13nd time 2024.9.2	1. In alignment with the Group's capital utilization, the subsidiary Zhejiang Rectron Electronics Co., Ltd. plans to carry out a cash capital reduction to return shareholder funds.			
1st session, 14nd time 2024.11.13	1. The financial statements for the third quarter of 2024.			

1st session, 15nd time 2024.12.16	1. Develop an operational plan for 2025. 2. The proposed audit plan for the fiscal year 2025. 3. Revise the "Internal Control System" and "Internal Audit Implementation Rules"		
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(2) In addition to the above matters, there were no other resolutions that were not approved by the Audit Committee but were approved by a majority of two-thirds or more of the entire board of directors.

2. The implementation status of independent directors' recusal from matters involving conflicts of interest shall include the names of independent directors, the content of the agenda, reasons for recusal due to potential conflicts of interest, and their participation in the voting process: No such instances.

3. Communication between Independent Directors, Internal Audit Manager, and Auditors (including significant matters, methods, and outcomes regarding the company's finances and business conditions).

(1) Hold separate meetings at least once a year between the auditors and the internal audit supervisor to discuss completed internal audits and external audit opinions, as well as communicate about audit deficiencies for the year. Opinions from the communication should be documented and reported to the board of directors.

(2) The auditors shall have separate meetings with the independent directors at least once a year to report on audit or review results and related matters to be noted.

(3) Other: In case of significant abnormal matters or when the independent directors, audit supervisor, and auditors deem it necessary to have independent communication, meetings can be held irregularly and at any time for communication purposes.

Date	Attendees	Matters discussed	Results of communication
2024/12/16	Independent Director Maa, Kwo-Juh Independent Director Lee, Shiue-Chen Independent Director Chang, Chiu-Jung Independent Director Lin, Ruey-Tou Auditor: Chen, Tsung-Che	Communication with the company's governance unit for the third quarter of 2024.	No objections.

(3) Involvement of the supervisor in the operations of the board of directors.

On June 23, 2023, the company established an Audit Committee to replace the role of the supervisor. Therefore, the involvement of the

supervisor in the operation of the board is no longer applicable from that date.

(4) The state of the Company's implementation of corporate governance, any departure of such implementation from the Corporate Governance Best-Practice Principles for TSEC/TPEX Listed Companies, and the reason for any such departure.

Item	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
1. Does the company 「」 establish and disclose a code of practice of corporate governance in accordance with the "Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies?"	v		To establish sound corporate governance practices, our company has referred to the Corporate Governance Best Practice Principles for Listed and OTC Companies established by the Taiwan Stock Exchange and the Taipei Exchange. We have formulated our own Corporate Governance Guidelines for compliance and have disclosed them on the Market Observation Post System.	We comply with the requirements of the "Corporate Governance Best Practices for Listed and OTC Companies."
2. Equity Structure and Shareholders' Equity of the Company				
(1) Does the Company have internal procedures in place to handle shareholders' suggestions, questions, disputes, and lawsuits, and implement these procedures accordingly?	v		(1) Shareholder suggestions or disputes are handled by a dedicated spokesperson or proxy spokesperson appointed by the company. Shareholders can submit their questions through telephone or the company's website. If legal issues are involved, assistance from legal professionals is sought.	We comply with the requirements of the "Corporate Governance Best Practices for Listed and OTC Companies."
(2) Does the Company have a list of its major shareholders and a list of actual controllers of the major shareholders?	v		(2) The company regularly obtains the latest shareholder registry from a shareholder services agency to understand the list of major shareholders and the ultimate controllers of major shareholders.	
(3) Does the Company establish and implement risk management and firewall mechanisms with related companies?	v		(3) Assets, financial operations, and accounting related to related-party transactions are independently operated by dedicated personnel. The head office conducts periodic audits, and transactions with related parties are conducted in accordance with the company's internal control rules.	
(4) Does the Company have internal rules that prohibit insiders from trading securities using market information that is not publicly available?	v		(4) The company has established the "Internal Handling Procedures for Material Information" and the "Internal Handling and Prevention of Insider Trading Procedures" to prevent unauthorized disclosure of information and ensure consistency and accuracy in the company's external communications.	

Item	Implementation Status										The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEx Listed Companies																																																																																																																										
	Yes	No	Summary and Explanation																																																																																																																																		
3. Composition and Responsibilities of the Board of Directors (1) The Board of Directors has formulated a policy on diversity, specific management objectives, and has effectively implemented them.	v		<p>(1)The company advocates and respects a policy of board diversity to enhance corporate governance and promote the sound development of the board's composition and structure. We believe that a diverse board can contribute to the overall performance of the company. The selection of board members is based on the principle of selecting individuals with diverse and complementary capabilities across industries. This includes basic diversity factors such as age, gender, and nationality, as well as industry experience and relevant skills in areas such as finance, accounting, legal, information technology, and public utilities. Additionally, board members possess abilities in business judgment, management, leadership decision-making, and crisis handling. Article 20 of the "Corporate Governance Practices Guidelines" states that the board as a whole should possess the following abilities to strengthen its functions and achieve the ideal goals of corporate governance:</p> <table><tr><th>Core elements of diversity</th><th>Gender</th><th>Operational judgment ability</th><th>Accounting and financial analysis ability</th><th>Business management ability</th><th>Crisis management ability</th><th>Industry knowledge</th><th>international market insight</th><th>leadership ability</th><th>decision-making ability</th><th>Legal knowledge</th></tr><tr><th>Director's name</th><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Lin, I-Chin</td><td>Female</td><td>v</td><td>v</td><td>v</td><td>v</td><td>v</td><td>v</td><td>v</td><td>v</td><td></td></tr><tr><td>Lin, Weng-Teng</td><td>Male</td><td>v</td><td></td><td>v</td><td>v</td><td></td><td>v</td><td>v</td><td>v</td><td></td></tr><tr><td>Pan, Hsin-Jen</td><td>Male</td><td>v</td><td></td><td>v</td><td>v</td><td>v</td><td>v</td><td>v</td><td>v</td><td></td></tr><tr><td>Lin, Jui-Ping</td><td>Female</td><td>v</td><td>v</td><td>v</td><td>v</td><td>v</td><td>v</td><td>v</td><td>v</td><td></td></tr><tr><td>Liu,Nien-Fu</td><td>Male</td><td>v</td><td></td><td>v</td><td>v</td><td>v</td><td>v</td><td>v</td><td>v</td><td></td></tr><tr><td>Lin, Ruey-Tou</td><td>Male</td><td></td><td></td><td></td><td>v</td><td></td><td>v</td><td></td><td></td><td>v</td></tr><tr><td>Maa, Kwo-Juh</td><td>Male</td><td>v</td><td>v</td><td>v</td><td>v</td><td>v</td><td>v</td><td>v</td><td>v</td><td>v</td></tr><tr><td>Lee, Shiue-Chen</td><td>Male</td><td>v</td><td>v</td><td>v</td><td>v</td><td>v</td><td>v</td><td>v</td><td>v</td><td></td></tr><tr><td>Chang, Chia-Jung</td><td>Female</td><td></td><td>v</td><td>v</td><td>v</td><td></td><td>v</td><td>v</td><td>v</td><td></td></tr></table>								Core elements of diversity	Gender	Operational judgment ability	Accounting and financial analysis ability	Business management ability	Crisis management ability	Industry knowledge	international market insight	leadership ability	decision-making ability	Legal knowledge	Director's name											Lin, I-Chin	Female	v	v	v	v	v	v	v	v		Lin, Weng-Teng	Male	v		v	v		v	v	v		Pan, Hsin-Jen	Male	v		v	v	v	v	v	v		Lin, Jui-Ping	Female	v	v	v	v	v	v	v	v		Liu,Nien-Fu	Male	v		v	v	v	v	v	v		Lin, Ruey-Tou	Male				v		v			v	Maa, Kwo-Juh	Male	v	v	v	v	v	v	v	v	v	Lee, Shiue-Chen	Male	v	v	v	v	v	v	v	v		Chang, Chia-Jung	Female		v	v	v		v	v	v		We comply with the requirements of the "Corporate Governance Best Practices for Listed and OTC Companies."	
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Item	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
(2) Besides the Compensation Committee and Audit Committee, does the company voluntarily set up other functional committees?	v		(2) The company currently has established an Audit Committee and a Compensation Committee. Regarding the establishment of other functional committees, the company has conducted an overall assessment considering the effective utilization of resources and the absence of an urgent need for their establishment at present. However, future establishment of such committees will be based on the actual operational situation.	
(3) Has the company established a board performance evaluation method and its evaluation method, conducted performance evaluations regularly every year, and reported the results of the evaluation to the board for use as a reference for individual director compensation and nomination for reappointment?	v		(3) The company has conducted evaluations in accordance with the "Board Performance Evaluation Measures," which include the overall board, individual director members, and functional committees. The evaluation methods include self-assessment within the board and self-assessment by director members. The performance evaluation of the board covers six major dimensions: 1. Understanding of company goals and missions. 2. Awareness of director responsibilities. 3. Involvement in company operations. 4. Internal relationship management and communication. 5. Director's expertise and continuous professional development. 6. Internal controls. The company's shareholder services department conducts an evaluation of the overall performance of the board of directors at the end of each fiscal year. The results of this evaluation are utilized as a reference for future director selection, nomination, and determination of individual director compensation.	

Item	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies																																									
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(4) Does the company regularly assess the independence of its auditing CPAS?	v		<div>(4)The company's designated auditing firm is KPMG. The company follows the provisions of Article 47 of the Accountants Act and formulates independence assessment criteria based on the contents of Bulletin No. 10, "Integrity, Fairness, Objectivity, and Independence," regarding independence and professional ethics. The appointment and independence assessment of auditors Chin, Shih-Chin and Huang, Hsin-Ting for the current year were approved by the board of directors on March 11, Year 2025. The assessment criteria include:<table><thead><tr><th>Evaluation Items</th><th>Evaluation Results</th><th>Compliance with independence requirements</th></tr></thead><tbody><tr><td>1. No significant financial interest with the client.</td><td>Yes</td><td>Yes</td></tr><tr><td>2. Avoiding any inappropriate relationship with the client.</td><td>Yes</td><td>Yes</td></tr><tr><td>3.The auditor must ensure the honesty, fairness, and independence of their assistants.</td><td>Yes</td><td>Yes</td></tr><tr><td>4.The auditor is prohibited from auditing the financial statements of a client for whom they provided services within the previous two years.</td><td>Yes</td><td>Yes</td></tr><tr><td>5. The auditor cannot allow others to use their name.</td><td>Yes</td><td>Yes</td></tr><tr><td>6. The auditor cannot hold shares of the client.</td><td>Yes</td><td>Yes</td></tr><tr><td>7. The auditor cannot engage in monetary loans with the client, except for normal financial transactions with the financial industry.</td><td>Yes</td><td>Yes</td></tr><tr><td>8. The auditor cannot have joint investments or profit-sharing relationships with the client.</td><td>Yes</td><td>Yes</td></tr><tr><td>9. The auditor cannot hold a regular job or receive a fixed salary from the client.</td><td>Yes</td><td>Yes</td></tr><tr><td>10. The auditor cannot be involved in management functions that may compromise their independence.</td><td>Yes</td><td>Yes</td></tr><tr><td>11. The auditor cannot engage in any other business activities that may jeopardize their independence.</td><td>Yes</td><td>Yes</td></tr><tr><td>12. The auditor cannot perform auditing services for a client if they have a spousal, direct blood relative, direct relative by marriage, or fourth-degree collateral blood relationship with the client or its management personnel.</td><td>Yes</td><td>Yes</td></tr><tr><td>13. The auditor cannot receive any commissions related to their professional services.</td><td>Yes</td><td>Yes</td></tr></tbody></table></div> <div>After evaluation, both auditors have been found to meet the requirements for independence and qualification.</div>	Evaluation Items	Evaluation Results	Compliance with independence requirements	1. No significant financial interest with the client.	Yes	Yes	2. Avoiding any inappropriate relationship with the client.	Yes	Yes	3.The auditor must ensure the honesty, fairness, and independence of their assistants.	Yes	Yes	4.The auditor is prohibited from auditing the financial statements of a client for whom they provided services within the previous two years.	Yes	Yes	5. The auditor cannot allow others to use their name.	Yes	Yes	6. The auditor cannot hold shares of the client.	Yes	Yes	7. The auditor cannot engage in monetary loans with the client, except for normal financial transactions with the financial industry.	Yes	Yes	8. The auditor cannot have joint investments or profit-sharing relationships with the client.	Yes	Yes	9. The auditor cannot hold a regular job or receive a fixed salary from the client.	Yes	Yes	10. The auditor cannot be involved in management functions that may compromise their independence.	Yes	Yes	11. The auditor cannot engage in any other business activities that may jeopardize their independence.	Yes	Yes	12. The auditor cannot perform auditing services for a client if they have a spousal, direct blood relative, direct relative by marriage, or fourth-degree collateral blood relationship with the client or its management personnel.	Yes	Yes	13. The auditor cannot receive any commissions related to their professional services.	Yes	Yes
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Item	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
4. Does the company allocate a sufficient number of qualified and appropriate corporate governance personnel and designate a corporate governance officer responsible for corporate governance-related matters (including, but not limited to, providing necessary information to directors and supervisors for their duties, assisting directors and supervisors in complying with laws, conducting board of directors and shareholders' meetings, preparing minutes of meetings, etc.)?	v		In accordance with the company's "Corporate Governance Guidelines," the management team is responsible for fulfilling their duties and implementing the corporate governance system. According to the company's "Board of Directors Meeting Procedures" and "Remuneration Committee Organization Rules," Lin, Jui-Ping, Vice General Manager of the General Management Department and General Manager of the Electronics Division, has been appointed as the Corporate Governance Officer. Additionally, a corporate governance task force consisting of four members from the Finance Department, Internal Audit, and Shareholder Services has been formed to handle related corporate governance matters. This includes providing the board with necessary information for business execution, managing board and shareholder meetings in compliance with the law, handling company registration, preparing minutes for board and shareholder meetings, and assisting the board in strengthening its functions to ensure the protection of stakeholder interests and the fair treatment of shareholders.	We comply with the requirements of the "Corporate Governance Best Practices for Listed and OTC Companies."

Item	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEx Listed Companies
	Yes	No	Summary and Explanation	
(5) Whether the company has established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), and set up a stakeholder section on the company's website to address important corporate social responsibility issues raised by stakeholders.	v		<p>The company has currently disclosed a stakeholder section and an investor relations contact window on its website www.rectron.com.tw, and appropriately addresses important corporate social responsibility issues raised by stakeholders. The company respects the rights and interests of stakeholders. When the legitimate rights and interests of stakeholders are infringed upon, the company handles them appropriately based on the principles of good faith:</p> <p>(1) Banks and creditors: Direct communication with the company's financial supervisor or treasury personnel to provide sufficient information for their management decisions.</p> <p>(2) Employees: Direct communication through the company's internal complaint channels in written or email form, with supervision from the management department.</p> <p>(3) Suppliers: Acceptance of suggestions and communication coordination by the procurement supervisor and procurement personnel.</p> <p>(4) Consumers: Direct communication with customers by the business supervisor or sales staff, promptly addressing customer demands and product feedback, and resolving related issues immediately.</p> <p>(5) Communities or stakeholders: Communication with the company is conducted by the company's spokesperson or authorized representative. For nearby communities, communication with the communities is conducted by the plant manager on behalf of the company.</p> <p>(6) The company has currently disclosed a stakeholder section and an investor relations contact window on its website, appropriately addressing important corporate social responsibility issues raised by stakeholders.</p>	We comply with the requirements of the "Corporate Governance Best Practices for Listed and OTC Companies."
6. Does the company appoint a professional stock agency to handle the affairs of the Board of Shareholders?	v		The company has appointed a professional share registrar agency, "IBF Securities Co., Ltd" Share Registrar Department," to handle shareholder meeting affairs.	We comply with the requirements of the "Corporate Governance Best Practices for Listed and OTC Companies."

Item	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
<p>7. Information Disclosure</p> <p>(1) Does the company have a website that discloses financial and corporate governance information?</p> <p>(2) The company has implemented other forms of information disclosure (such as establishing an English website, designating dedicated personnel for collecting and disclosing company information, implementing a spokesperson system, and placing the process of corporate presentations on the company's website)?</p> <p>(3) Has the company announced and filed its annual financial report within two months after the end of the accounting year, and announced and filed its first, second, and third quarter financial reports and monthly business operations before the prescribed deadline?</p>	v		<p>(1) The company's website, www.rectron.com.tw, is used to disclose financial, operational, and corporate governance information.</p>	We comply with the requirements of the "Corporate Governance Best Practices for Listed and OTC Companies."
	v		<p>(2) The company has designated individuals responsible for collecting and disclosing company information. It has established a spokesperson and proxy spokesperson system and has set up an investor mailbox to promptly respond to investor inquiries. All relevant information that the company is required to disclose by law is promptly announced and made available for investor clarity and queries through the "Public Information Observation System."</p>	
		v	<p>(3) The company completes the announcement and filing of the annual financial report within the prescribed deadline after the end of the fiscal year. It also meets the deadlines for announcing and filing the first, second, and third quarterly financial reports and provides information on monthly operating performance.</p>	

Item	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
8. Does the company have other important information that helps understand the operation of corporate governance (including but not limited to employee benefits, employee care, investor relations, supplier relationships, rights of stakeholders, status of education and training for directors and supervisors, implementation of risk management policies and risk measurement standards, execution of customer policies, and the company's purchase of liability insurance for directors and supervisors)?	v		<p>(1) Employee benefits: The company has always treated its employees with integrity and adhered to relevant labor laws to safeguard their legal rights and interests.</p> <p>(2) Employee Care: The company establishes personnel management regulations based on government laws and regulations such as the Labor Standards Act, Gender Equality Act, and Sexual Harassment Prevention Act as the minimum standards to protect employee rights. Regular labor-management meetings are held for effective communication. Additionally, a "Welfare Committee" is established, allocating funds monthly to organize employee welfare activities, including holiday gift vouchers, year-end party lucky draws, health check-ups, and labor, health, and group insurance.</p> <p>(3) Investor Relations: The company appoints a spokesperson and proxy spokesperson to handle shareholder suggestions or disputes, aiming to establish effective communication between the company and investors. This ensures that investors have a comprehensive understanding of the company's business performance, achievements, and long-term operational strategies.</p> <p>(4) Supplier Relationships: The company promotes "green procurement" and requires suppliers of raw materials to provide declarations guaranteeing that their products do not contain harmful substances to the environment. This ensures compliance with customer and EU RoHS regulations. Furthermore, communication with suppliers is conducted to enhance their positive impact on society and the environment.</p> <p>(5) Rights of Stakeholders: Stakeholders can communicate with the company or provide feedback through the dedicated stakeholder section on the company's website, ensuring the protection of their relevant rights and interests.</p>	Compliance with the "Corporate Governance Best Practice Principles for Listed Companies" requirements.

Item	Implementation Status		The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	
		<p>(6) Directors and Supervisors Continuing Education: Please refer to the company's 2024 annual report (Section Ten).</p> <p>(7) Implementation of Risk Management Policies and Risk Measurement Standards: The company has established various internal regulations and conducts risk management assessments.</p> <p>(8) Implementation of Customer Policy: The company has established the "Code of Business Conduct" to adhere to ethical business practices. Please refer to Section Five of the company's 2024 annual report for an overview of operations.</p> <p>(9) Purchase of Directors and Supervisors Liability Insurance: In 2024, the company obtained directors and officers liability insurance coverage of USD 1 million. As of the publication of the annual report, the coverage has not expired. The renewal process will be completed before the expiration in June 2025, and important details of the insurance will be submitted to the upcoming board of directors meeting.</p>	
<p>9. please provide an explanation of the improvements made based on the recent corporate governance evaluation published by the Corporate Governance Center of Taiwan Stock Exchange, and propose priority areas and measures for further enhancement where improvements have not yet been made: The company is continuously addressing relevant matters and measures based on the corporate governance evaluation results and in accordance with the Corporate Governance Best Practice Principles.</p>			

(5) Composition, Responsibilities, and Utilization of the Remuneration Committee:

(1) Compensation Committee Membership Details

March 31, 2024

Positions Identity (Note 1)	Name	Cond	Professional Qualifications and Experience (Note 2)	Independence Status (Note 3)	Number of members who are also members of the compensation committee of other public corporations.
Independent Director Convener	Lin, Ruey-Tou		Department of Business Administration, Tamkang University Legislators Taipei City Councilor	Independence status All three positions have no circumstances as described in Note 2. Furthermore, they have obtained a declaration of independence from independent directors, confirming their compliance with the legal requirements for independence (at the time of appointment and during their term).	None
Independent Directore	Maa, Kwo-Juh		Master's degree in Accounting from National Chengchi University. Passed the Certified Public Accountant (CPA) Examination in Taiwan. Chief Consultant at KPMG. CEO at KPMG Taiwan. Chairman and CEO at KPMG Taiwan. President of the Corporate Governance Professionals Association, a non-profit organization Wisdom Marine Group Independent Director Independent Director Pontens Semiconductor co.,Ltd. Independent Director Independent Director Chih Yeh Consultancy Limited CEO.	Independence status All three positions have no circumstances as described in Note 2. Furthermore, they have obtained a declaration of independence from independent directors, confirming their compliance with the legal requirements for independence (at the time of appointment and during their term).	2 companies

Independent Director	Lee, Shiue-Chen	Tamkang University, Department of Accounting Audit Manager at KGMP United Accounting Firm. Finance and Accounting Manager at Pao Lai Construction Co., Ltd. Finance and Accounting Manager at Hong Guo Group's affiliated business. Deputy General Manager of Fulai Construction Co., Ltd.	Independence status All members of the Compensation Committee meet the independence criteria as specified in Note 2. They have also obtained a declaration from the Compensation Committee members confirming their compliance with the legal requirements for independence during their appointment and tenure.	None
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Note 1: For relevant work experience, professional qualifications, experience, and independence status of Compensation Committee members, please refer to the information provided in "Directors and Supervisors Data (1)."

Note 2: Independence criteria include but are not limited to the following: whether the Compensation Committee member, their spouse, or relatives within the second degree of kinship serve as directors, supervisors, or employees of the company or its related enterprises; whether the member, their spouse, or relatives within the second degree of kinship (or through the use of others' names) hold shares in the company and the proportion of such holdings; whether they serve as directors, supervisors, or employees of specific related companies with the company (as defined in Article 6, Paragraph 1, Subsections 5-8 of the Regulations Governing the Establishment and Exercise of Powers of Compensation Committees of Listed and OTC Companies); and the remuneration received for providing business, legal, financial, accounting, or other services to the company or its related enterprises in the past two years.

(2) Duties of the Compensation Committee:

Legal basis: Article 4 and Article 5 of the "Organizational Regulations of the Compensation Committee" of the company.

According to Article 4 of the regulations:

The committee shall faithfully fulfill the following duties with the care of a good manager and submit its recommendations to the Board of Directors for discussion:

1. Establish and regularly review the performance evaluation criteria for directors, supervisors, and managers, as well as the annual and long-term performance objectives, compensation policies, systems, standards, and structures. Disclose the content of the performance evaluation criteria in the annual report.
2. Conduct regular evaluations and set performance targets for directors, supervisors, and managers. Based on the evaluation results

derived from the performance evaluation criteria, determine the content and amount of their individual compensation. The annual report should disclose the individual performance evaluation results of directors and managers, as well as the content, amount, relevance, and reasonableness of individual compensation in relation to the evaluation results, and report them at the shareholders' meeting.

The term "compensation" referred to in the above provisions includes cash compensation, stock options, bonus shares, retirement benefits or severance pay, various allowances, and other substantial incentive measures. Its scope should be consistent with the matters to be disclosed in the guidelines for items related to remuneration of directors, supervisors, and managers of publicly listed companies.

According to Article 5, the principles for fulfilling the duties are as follows:

1. The performance evaluation and compensation of directors, supervisors, and managers should reference the customary levels of the industry and consider the reasonable correlation with individual performance, company's operating performance, and future risks.
2. Directors and managers should not be encouraged to engage in activities that exceed the company's risk tolerance in pursuit of compensation.
3. The proportion of short-term performance-based bonuses and the timing of variable compensation payments for directors and senior executives should be determined taking into account the industry characteristics and the nature of the company's business.
4. The content and amount of compensation for directors and managers should be reasonable and considerate. The determination of directors' and managers' compensation should not significantly deviate from the financial performance. If there is a significant decline in profits or long-term losses, the annual compensation should not be higher than the previous year. If it is still higher than the previous year, a reasonable explanation should be disclosed in the annual report and reported at the shareholders' meeting.
5. When discussing the recommendations of the remuneration committee, the board of directors should consider various factors, including the amount, payment methods, and future risks of compensation.
6. If the board of directors does not adopt or modifies the recommendations of the remuneration committee, it must be approved by a two-thirds majority of the directors present at the meeting, with the agreement of a majority of the attending directors. The resolution should comprehensively consider and specifically explain whether the adopted remuneration is better than the recommendations of the remuneration committee.
7. If the remuneration approved by the board of directors is better than the recommendations of the remuneration committee, the differences and reasons should be recorded in the minutes of the board of directors' meeting. Furthermore, within two days from the

date of the board's approval, the company should make an announcement and report the information on the designated information disclosure website of the competent authority.

8. For matters related to the compensation of directors and managers of subsidiary companies that require approval from the board of directors of the parent company due to the hierarchical responsibility of the subsidiary companies, the remuneration committee of the parent company should submit recommendations to the board of directors for discussion.

(3) Information about the Operation of the Compensation Committee

1. The Company has 3 members of the Compensation Committee.

2. Current term of the committee: July 6, 2022, to June 22, 2025. In the most recent fiscal year, the remuneration committee held 4 meetings (A), and the qualifications and attendance of the committee members are as follows:

Job Title	Name	Number of attendance in person (B)	Delegated attendance count	Rate of attendance in person (%) (B/A) (Note)	Remarks
Convener	Lin, Ruey-Tou	3	1	75%	
Committee member	Maa, Kwo-Juh	4	0	100%	
Committee member	Lee, Shiue-Chen	4	0	100%	
<p>Other items that shall be recorded:</p> <ol style="list-style-type: none"> 1. If the Board of Directors rejects or amends the suggestions of the Compensation Committee, the date, session number, proposal content, results of Board resolution, and the Company's handling of Compensation Committee's opinions should be recorded in details (e.g., where the compensation approved by the Board is higher than the compensation suggested by the Compensation Committee, the difference and reasons should be detailed): None. 2. If any Committee member has objections and/or reservations with the resolutions of the Compensation Committee and such situations were recorded or as written statements, the committee meeting date, session number, proposal content, all members' opinions, and the handling of opinions shall be documented in details: None. 3. If any Committee member has objections and/or reservations with the resolutions of the Compensation Committee and such situations were recorded or as written statements, the committee meeting date, session number, proposal content, all members' opinions, and the handling of opinions shall be documented in details: None. 4. Discussions and Resolutions of the Remuneration Committee, and Company's Handling of Member Opinions: 					

	Remuneration Committee Meeting Dates	Content and Follow-up of the Proposal	Handling of all remuneration committee opinions and company remuneration committee opinions	
	2024.01.10	Proposal for Setting the Remuneration of the Company's Directors and Executive Officers.	Remuneration Committee Resolution: The resolution was unanimously approved by all committee members. Company's Handling of Remuneration Committee Resolution: The resolution was approved by the attending directors without any objections, in accordance with the recommendation of the Remuneration Committee.	
	2024.03.15	Distribution of employee remuneration and director and supervisor remuneration for the fiscal year 2023.		
	2024.08.14	Distribution of Directors' Remuneration for Fiscal Year 2023.		
	2024.12.16	Proposal for Setting the Remuneration of the Company's Directors and Executive Officers..		

(4) Nomination Committee Member Information and Operation Status: The company has not established a Nomination Committee.

(6) The implementation of sustainable development and the differences with the sustainability practices guidelines of listed companies are as follows:

Item	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
1. Is the company established with a governance framework for promoting sustainable development, including the establishment of dedicated personnel responsible for driving sustainable development initiatives, authorized by the board of directors and supervised by the board of directors?		v	The company has not yet established such a framework but will set up dedicated positions for promoting corporate social responsibility when necessary.	Future compliance with legal requirements will be ensured.
2. Has the Company conducted risk assessments on environmental, social, and corporate governance issues related to its operations, in accordance with the principles of materiality, and established relevant risk management policies or strategies?	v		<p>1. The company has established the "Corporate Governance Best Practice Principles" to ensure effective corporate governance, promote sustainable environmental development, and uphold social welfare. The "Insider Trading Prevention Operational Procedures," "Code of Conduct," and "Internal Control System" formulated by the company are designed to implement risk management policies. The content of these policies is developed in compliance with relevant government regulations.</p> <p>2. To enhance the management of corporate social responsibility, the company has formed a committee comprising personnel from different departments to promote corporate social responsibility as part of their job responsibilities. The Deputy General Manager of the General Administration Department is responsible for overseeing these initiatives and regularly reporting the progress and effectiveness to the board of directors. To fulfill our corporate social responsibility, one of our subsidiaries entered the medical equipment field in 2020 to contribute to public safety during the pandemic.</p>	No difference found.

Item	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
3. Environmental issues (1) Has the company established an appropriate environmental management system based on its industry characteristics?	v		(1) The company has obtained ISO 14001 certification for its environmental management system, which effectively prevents and controls environmental pollution while improving energy efficiency.	No difference found.
(2) The company is committed to enhancing energy efficiency and utilizing low-impact renewable materials to minimize environmental burdens.	v		(2) In recent years, due to energy shortages and escalating ecological damage, along with the increasingly severe issue of global warming, the company has been implementing various measures to promote energy conservation and carbon reduction. This includes the adoption of energy-saving equipment in offices, advocating for energy-saving practices, encouraging employees to conserve energy, and strengthening resource utilization and recycling to reduce the impact on the environment.	No difference found.

Item	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
(3) Has the company evaluated the potential risks and opportunities of climate change on its current and future operations, and taken climate-related measures in response?	v		(3)The company evaluates the potential risks and opportunities posed by climate change to its current and future operations and takes corresponding measures to address climate-related issues. The company continues to monitor the impact of climate change on its business activities and invests in pollution control equipment to reduce the environmental impact of its operations. As a manufacturing company, potential risks mainly include resource shortages, rising raw material costs, unstable transportation demand, and threats to employee safety from extreme weather conditions. These factors could potentially affect the company. To mitigate risks, the company not only stays informed about international trends but also improves energy efficiency, actively develops related products using green energy technologies, reduces water and electricity consumption, and adopts more efficient processes to lower operating costs.	No difference found.

Item	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
(4) The company tracks greenhouse gas emissions, water consumption, and total waste weight over the past two years and has developed policies for energy conservation, carbon reduction, greenhouse gas reduction, water conservation, and waste management.	v		<p>(4) The company strives to meet the goal of low-carbon manufacturing. In order to increase the use of renewable energy, annual energy reduction measures are formulated and reviewed every year. In addition, the waste recycling rate can be improved by changing the use requirements of raw materials. Starting from 2024, due to factors such as electricity price adjustments by Taiwan Power Company, increased costs for waste removal and treatment, and higher water usage resulting from soil and groundwater remediation projects at the factory, the Tucheng Plant has implemented operational adjustments in response to various environmental issues in order to achieve the goal of sustainable corporate operations.</p> <p>Greenhouse gas emissions: 1% reduction compared to 2023.</p> <p>Carbon emission intensity: reduced by 1% compared with 2023.</p> <p>Water consumption: increase of 55.6% compared with 2023.</p> <p>Electricity consumption: 1% less than in 2023.</p> <p>Waste: 21.05% less than in 2023.</p>	No difference found.

Item	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
<p>4. Social Issues</p> <p>(1) The company has developed management policies and procedures in accordance with relevant laws and international human rights conventions.</p>	v		<p>(1) The company complies with the International Bill of Human Rights and national labor laws, and has established employee "work rules" and a labor-management committee. Important matters are communicated and coordinated between labor and management representatives, and regular assessments and discussions on human rights issues are conducted to safeguard the rights and interests of employees.</p> <p>1. Employee Rights: The company ensures compliance with legal requirements for employee labor insurance, national health insurance, and retirement pension contributions.</p> <p>2. Insurance: The company has obtained public liability insurance and employee group insurance.</p> <p>3. Management Methods and Procedures: The company has developed work rules and published them on company bulletin boards and internal websites for employees to adhere to.</p>	No difference found.
<p>(2) Has the company established and implemented reasonable employee welfare measures (including salary, vacation, and other benefits), and appropriately reflected business performance or results in employee compensation?</p>	v		<p>(2) The company adheres to the Labor Standards Act and relevant regulations to establish various salary and benefits measures for employees. It provides competitive welfare benefits to motivate employees, conducts regular assessments, and distributes performance bonuses to share the achievements of the company's operations.</p>	No difference found.

Item	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
(3) The company provides a safe and healthy working environment for employees and regularly conducts safety and health education.	v		(3) The company conducts annual employee health checks and provides counseling for employees on psychological issues by physicians. It regularly organizes fire safety training and implements safety personnel to ensure a secure working environment. The company conducts regular inspections of safety precautions in the work environment. Through continuous education and training, as well as employee awareness, unsafe behaviors leading to accidents are reduced. The company promotes a smoke-free working environment to enable employees to work in a comfortable and healthy atmosphere. It regularly maintains and disinfects water supply facilities. In case of natural disasters or accidents caused by human error, the company conducts periodic fire/earthquake drills to ensure that employees are well-prepared and capable of handling emergencies according to the contingency plans, minimizing the impact on employees. Additionally, the company provides group insurance for employees, ensuring appropriate medical coverage in case of work-related injuries.	No difference found.
(4) The company establishes an effective career development and training plan for employees.	v		(4) To promote employees' career development, the company regularly conducts internal or external training programs to enhance their professional capabilities.	No difference found
(5) With regard to issues such as customer health and safety, customer privacy, marketing and labeling related to products and services, does the company comply with relevant laws and international standards, and develop relevant policies and complaint procedures to protect consumer or customer rights?	v		(5) The company values customer feedback and provides channels for customers to contact them, such as dedicated product contact points and email addresses. They also have a dedicated section for stakeholders to submit inquiries, complaints, or suggestions. The company upholds ethical and integrity principles and ensures appropriate handling and feedback to safeguard customer rights.	No difference found.

Item	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
(6) Has the company established a supplier management policy, requiring suppliers to follow relevant regulations on environmental protection, occupational safety and health, or labor rights, and implemented such policy?	v		(6) The company has a supplier evaluation method that requires suppliers to meet the company's requirements for product safety and ethical standards. It encourages suppliers to enhance their social and environmental responsibilities, including compliance with labor rights, health and safety standards, environmental protection, and ethical norms. By working together with suppliers, the company strives for sustainable development and improves corporate social responsibility efforts.	No difference found.
5. Has the company referred to internationally recognized standards or guidelines for preparing non-financial reports such as sustainability reports? Has the aforementioned report obtained a confirmation or assurance opinion from a third-party verification agency?		v	The company complies with the requirements and regulations of the competent authorities and relevant laws in fulfilling its corporate social responsibility. The company has established a dedicated section on its website for corporate social responsibility, where relevant information will be disclosed, including on the company's website and public information disclosure platforms.	The company has not yet prepared a corporate responsibility report. The decision to compile such a report will be based on the company's development needs and regulatory requirements.
6. If the company has established its own sustainability guidelines based on the "Practical Guidelines for Sustainable Development of Listed and OTC Companies," please describe how they differ from the operational guidelines established. The company has not yet established a corporate social responsibility (CSR) code, therefore this item is not applicable. However, the company actively promotes various social responsibilities and is committed to complying with the requirements outlined in the "Guidelines for Corporate Social Responsibility Practices of Listed and Over-the-Counter Companies."				

Item	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
7. Other important information to understand the execution of sustainable development: The company has formulated product environmental protection specifications to control products without hazardous substances. It has obtained ISO 14001: 2015 Environmental Management System Certification. The production of products complies with the EU ROHS requirements and incorporates halogen-free design., and plan to obtain ISO 45001:2018 (formerly OHSAS 18001) occupational safety and health management system certification. In terms of greenhouse gas management, the company has currently implemented a self-inspection of carbon emissions. In the future, it will cooperate with the government's requirements to implement ISO 14064 greenhouse gas emission verification/confirmation to promote corporate social responsibility and continue to meet the technical requirements of environmental protection of customer products.				

(7) If the company has established corporate governance guidelines and related regulations, the inquiry methods should be disclosed. The company's website provides an "Information Disclosure" section where stakeholders can access and download relevant regulations, including corporate governance practices, code of conduct, ethical guidelines, and important board decisions. The website address is <http://www.rectron.com.tw>.

(8) Climate-related information of TWSE/ TPEX Listed companies :

Implementation status of climate-related information

Item	Implementation Status
1. Describe board and management oversight and governance of climate-related risks and opportunities.	The company's board of directors continues to pay attention to the operational risks and business opportunities derived from climate change, so it will take climate change issues into consideration. If major capital investments are considered, priority will be given to energy conservation, carbon reduction and green energy for evaluation. The company's management continues to support the company in implementing energy conservation, water conservation, waste reduction and greenhouse gas reduction management.
2. Describe how the identified climate risks and opportunities impact the company's business, strategy and finances (short-term, medium-term, long-term)	<p>Short-term impact : At present, based on the Sustainable Development Roadmap for TWSE/TPEX listed companies, future carbon tax collection and related regulations or future suppliers' requirements for GHG reduction are regarded as major risk items, and the Company's products are currently not within the scope of management regarding carbon tax or mandatory carbon trading. However, in case our products are to be required to pay additional carbon tax in the future, the main impact will be an increase in production costs.</p> <p>Medium-term impact: Product raw material costs increase, and the consumer market shifts to low-carbon products. In the future, the company will focus on low-carbon reduction control and water-saving processes to effectively control product costs and win market orders for low-carbon products.</p> <p>Long-term impact: The ESG ratings will influence the willingness of investors and banks to raise funds. Customers' requirements for ESG and their innovative ability to develop new low-carbon and low-energy products have increased. The company will implement ESG governance and invest in the long-term development of low-carbon products based on the company's sustainable business goals. Strive for more business opportunities.</p>
3. Describe the financial impact of extreme climate events and transition actions.	Due to the impact of extreme climate on the average temperature of the city, summers are hot, which increases air conditioning energy

	consumption and electricity bills. In recent years, as the technology industry continues to expand factories and increases water demand, there will be hidden dangers of water shortage. Our company's current process water demand The volume is not large, but an emergency response plan has still been established.
4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	There is no climate change risk management procedure established at the moment.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be described.	A scenario analysis evaluation has not yet been used and will be considered for future development subject to the extent of the impact of climate change on the Company.
6. If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the indicators and goals used to identify and manage physical risks and transformation risks.	There is no transformation plan to address climate-related risks at the moment.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	As of now, carbon pricing has not been utilized as a planning tool internally, and will be considered in the future based on the evaluation of the extent of the climate change impacts and relevant regulations.
8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning schedule, annual achievement progress and other information should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the information should be explained. Source and quantity of offset carbon reduction credits or quantity of renewable energy certificates (RECs)	No climate-related goals have been set at this time, and consideration will be given to the development of overall climate risks and opportunities in the future.
9.Greenhouse gas inventory and assurance, reduction targets, strategies and specific action plans (fill in 1-1 and 1-2 separately)	In accordance with the "Sustainable Development Roadmap" published by the Financial Supervisory Commission in March 2022, the Company is classified as a TWSE/TPEX listed company with a paid-in capital of less than NT\$5,000 million. The individual companies shall complete the inventory in 2026 and the verification in 2028, whilst the subsidiaries within the consolidated statements shall complete the inventory in 2027 and the verification in 2029. The Company will continue to control the implementation of GHG inventory and verification, as well as the disclosure of GHG emissions, in accordance with the guidelines and regulations issued by the competent authorities.

1-1 Company greenhouse gas inventory and confirmation status in the last two years

1-1-1 Greenhouse gas inventory information

Describe the emission volume (metric tons CO ₂ e), intensity (metric tons CO ₂ e/million yuan) and data coverage of greenhouse gases in the past two years.

No inventory has been conducted yet, and the Company is required by the "Sustainable Development Roadmap" to complete an inventory of individual companies by 2026.

1-1-2 Greenhouse Gas Confirmation Information

Describe the confidence situation in the last two years as of the publication date of the annual report, including the scope of the confidence, the organization of the confidence, the criteria for the confidence and the opinion of the confidence.

The Company has not yet conducted the assurance process, and it is required by the "Sustainable Development Roadmap" that the assurance process should be completed by 2028 for individual companies.

1-2 Greenhouse gas reduction goals, strategies and specific action plans

Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans and achievement of reduction targets.

The Company has not yet set the base year and data, reduction targets, strategies and concrete action plans, and will establish and implement them in accordance with the "Sustainable Development Roadmap" issued by the Financial Supervisory Commission in March 2022 in a sequential manner.

(9) The company's compliance with ethical business practices and measures:

The company has established the "Internal Handling Procedures for Material Non-public Information" and disseminated it to all employees for their compliance and awareness.

Disclosure of compliance with the principles of integrity management and differences and reasons from the best practice guidelines for integrity management of listed and OTC companies.Item	Operational Status			Departure from the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies, and reasons
	Yes	No	Summary and Explanation	
1. Formulating Policies and Plans for Ethical Corporate Management (1) Has the company established a policy of ethical management approved by the board of directors and clearly stated the policy and practices of ethical management in regulations and external documents, and has the board of directors and senior management actively implemented the commitment to the management policy?	v		(1) To promote and advocate for ethical behavior, the company has established the "Code of Conduct" and "Ethical Behavior Standards," which are disclosed on the Public Information Observation System and the company's website. All employees receive guidance on the company's core values and compliance with the system. The company also requires stakeholders who have business dealings with the company, such as suppliers and contractors, to adhere to the same ethical standards as company employees.	No difference found.
(2) Has the company established a risk assessment mechanism for dishonest behavior, regularly analyzed and evaluated business activities with higher risk of dishonest behavior within its scope of business, and formulated measures to prevent dishonest behavior, covering at least preventive measures for each item in Article 7, Paragraph 2 of the "Code of Conduct for Integrity in Listed and OTC Companies"?	v		(2) In order to ensure the implementation of integrity practices, the company has established effective accounting and internal control systems. Internal auditors regularly assess compliance with these systems and implement relevant preventive measures for activities that pose higher risks of dishonest behavior, as outlined in Article 7, Section 2 of the "Integrity Practices for Listed Companies and Over-the-Counter Companies," or other business activities within the scope of operations. The company has also formulated the "Internal Handling of Material Information and Prevention of Insider Trading Guidelines," "Code of Conduct," and "Ethical Behavior Standards," which are published on the company's website for compliance. Additionally, the company has an internal reporting system in place for employees and relevant individuals to report any improper conduct, and designated management personnel handle such reports personally.	

Disclosure of compliance with the principles of integrity management and differences and reasons from the best practice guidelines for integrity management of listed and OTC companies.Item	Operational Status			Departure from the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies, and reasons
	Yes	No	Summary and Explanation	
(3) Has the company clearly defined operating procedures, behavioral guidelines, disciplinary measures for violations, and appeal procedures in its plan to prevent dishonest behavior, and implemented and periodically reviewed and revised the aforementioned plan?	v		(3) To prevent any dishonest behavior, unauthorized information disclosure, ensure consistency and accuracy in the company's external communications, and strengthen the prevention of insider trading, the company has developed the "Code of Conduct" and the "Internal Handling of Material Information and Prevention of Insider Trading Guidelines." All employees are required to refrain from engaging in activities that may involve conflicts of interest or potential conflicts of interest, and important personnel and senior executives must regularly report their compliance with these guidelines. The company requires suppliers or other collaborators to refrain from engaging in any illegal business activities and from providing improper benefits or bribes to company employees.	No difference found.

Disclosure of compliance with the principles of integrity management and differences and reasons from the best practice guidelines for integrity management of listed and OTC companies.Item	Operational Status			Departure from the Ethical Corporate Management Best Practice Principles for TWSE & TPEx Listed Companies, and reasons
	Yes	No	Summary and Explanation	
2. Implementation of Ethical Corporate Management (1) Does the company evaluate the integrity records of its business counterparts and include clauses on ethical conduct in contracts signed with them? (2) Has the company established a dedicated unit under the Board of Directors to promote corporate integrity and reports regularly (at least once a year) to the Board of Directors on its integrity management policy, measures to prevent dishonest behavior, and the monitoring and implementation status? (3) Has the company formulated a policy to prevent conflicts of interest, established appropriate channels for reporting, and ensured its implementation? (4) Does the company have effective accounting and internal control systems in place to implement corporate integrity, and does the internal audit unit develop relevant audit plans based on the assessment of the risk of dishonest behavior, and use them to verify compliance with anti-dishonesty behavior plans, or commission accountants to conduct audits? (5) Does the company regularly conduct internal and external education and training on ethical corporate management?	v		(1) The company requires its business counterparts, such as suppliers or other collaborators, to adhere to the same ethical standards as the company's management and employees. (2) The company's Board of Directors appoints dedicated managers and internal audit teams to vigorously promote corporate integrity from different levels and perspectives. Any abnormal circumstances will be promptly reported to the Board of Directors. (3) The company has an internal reporting system in place, allowing employees and related individuals to report any improper professional conduct, which is then handled personally by designated management personnel. (4) The company has designed internal control systems for operational procedures with potential higher risks of dishonest behavior. The internal audit team implements annual audit plans based on risk assessments and submits audit reports to the Board of Directors. (5) The company's "Code of Conduct" is not only disclosed in the "Corporate Governance" section of the company's website but also regularly communicated within the company to ensure that every employee understands and complies with it.	No difference found.

Disclosure of compliance with the principles of integrity management and differences and reasons from the best practice guidelines for integrity management of listed and OTC companies.Item	Operational Status			Departure from the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies, and reasons
	Yes	No	Summary and Explanation	
<p>3. Implementation of the Company's Whistleblowing System</p> <p>(1) Does the company have a specific whistleblowing and reward system, a convenient whistleblowing channel, and appropriate personnel assigned to handle the whistleblowing?</p> <p>(2) Has the company established standard operating procedures for investigating reported matters, including the actions to be taken after the investigation and relevant confidentiality measures?</p> <p>(3) Does the company take measures to protect the whistleblower against inappropriate disciplinary actions?</p>	v		<p>(1) The company has already established an internal reporting system that allows employees and relevant individuals to report any improper professional conduct. Any behavior that violates our code of ethics will be strictly disciplined according to the company's disciplinary measures, including termination of employment and legal actions.</p> <p>(2) In accordance with Article 19 of our "Code of Conduct," we have established an internal reporting mechanism that operates based on confidentiality principles for conducting investigation procedures.</p> <p>(3) In accordance with Article 19 of our "Code of Conduct," we ensure the confidentiality of the whistleblower's identity and the reported content. Whistleblowers are protected from any improper treatment as a result of their reports.</p>	No difference found.
<p>4. Enforcing Information Disclosure</p> <p>Does the company disclose the content of its integrity management guidelines and their implementation effectiveness on its website and the public information platform?</p>	v		The company places integrity management-related regulations and promotional information on its website and internal resources for employees to access at any time. The annual reports published on the website provide detailed information on integrity management.	No difference found.

Disclosure of compliance with the principles of integrity management and differences and reasons from the best practice guidelines for integrity management of listed and OTC companies.Item	Operational Status			Departure from the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies, and reasons
	Yes	No	Summary and Explanation	
5. If the company has its own Code of Ethical Corporate Management in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies,” please describe any departure from the code in its operation: In addition to the "Integrity Management Guidelines" and "Code of Ethics," the company has also incorporated relevant regulations in its "Work Rules." The company, guided by principles of integrity, transparency, and accountability, establishes sound corporate governance and risk management mechanisms to create a sustainable operating environment. To ensure the effective management of integrity operations, the company has assigned a dedicated unit responsible for policy development, prevention plans, and overseeing their implementation. This unit regularly reports to the board of directors. The company has clearly stated its integrity management policies and practices, as well as the commitment of the board of directors and management to actively implement these policies. There have been no significant deviations from the established guidelines.				
6. Other important information that helps to understand the operation of the company's business integrity (such as the company's review and revision of its established code of conduct for business integrity, etc.): (1) The company complies with company law, securities trading law, commercial accounting law, relevant regulations for listed and OTC companies, and other applicable business laws and regulations as the basis for implementing integrity management. (2) To establish a robust internal system for processing and disclosing significant information, prevent improper information leakage, ensure consistency and accuracy in external information disclosures, and strengthen the prevention of insider trading, the company has developed the "Internal Handling and Prevention of Insider Trading Management Regulations." These regulations specify the guidelines for directors, executives, and employees in handling significant internal information. The "Code of Ethics" of the company prohibits directors and executives from seeking personal gains through the use of company assets, information, or their positions. Additionally, to ensure the implementation of integrity management, the company has established effective accounting and internal control systems. The internal audit department conducts regular audits to assess compliance with these systems. For business activities that pose a higher risk of dishonest behavior under Article 7, Paragraph 2 of the "Integrity Management Guidelines for Listed and OTC Companies" or within the company's scope of operations, relevant preventive measures have been implemented. In conclusion, the company has implemented the provisions of the "Integrity Management Guidelines for Listed and OTC Companies."				

(10) Other significant information that enhances understanding of the company's corporate governance practices: None.

(11) Continuing Education of Directors and Supervisors for the year 2024:

Job Title	Name	Date of Education	Organizer	Course Name	Study Hours
Chairman	Lin, I-Chin	2024/07/18	Securities and Futures Institute	Crisis Warning – Key Financial Indicators.	6 hours
Director	Lin, Weng-Teng	2024/04/23	Accounting Research and Development Foundation, Republic of China	Legal Liabilities and Case Anal to Corporate Control Disputes.	3 hours
Director	Pan, Hsin-Jen	2024/07/18	Securities and Futures Institute	Crisis Warning – Key Financial Indicators.	6hours
Director	Liu, Feng-Ching	2024/09/19	Securities and Futures Institute	Sustainable Supply Chain Strategies Under Intensifying Global Risks	3 hours
		2024/09/27	Securities and Futures Institute	The Information and Communication Security Management Act and Penalty Cases Issued by the Three Major Financial Regulators	3 hours
Director	Lin, Jui-Ping	2024/11/06	Accounting Research and Development Foundation, Republic of China	Practical Approaches to Corporate Fraud Investigations and Case Studies.	6 hours
Independent Director	Maa, Kwo-Juh	2024/06/18	National Federation of Certified Public Accountants Associations, Republic of China	(Taipei) International Trends and Practices in Anti-Money Laundering.	3 hours
		2024/10/11	Chinese Corporate Governance Association (CCGA)	How the Board and Senior Executives Should Review Sustainability Reports: ESG Disclosure Guidelines.	3 hours
		2024/12/17	Taipei Bar Association	2024 Corporate Governance Forum-Group Enterprise Governance Seminar.	3 hours
Independent Director	Lin, Ruey-Tou	2024/04/23	Accounting Research and Development Foundation, Republic of China	Legal Liabilities and Case Analysis Related to Corporate Control Disputes.	3 hours
Independent Director	Lee, Shiue-Chen	2024/06/07	Accounting Research and Development Foundation, Republic of China	Legal Liabilities of Employee Fraud and Internal Control & Audit Practices.	6 hours
Independent Director	Chang, Chia-Jung	2024/09/26	Securities and Futures Institute	Elements of Offense in Breach of Fiduciary Duty and Special Breach of Trust Committed by Directors and Supervisors.	3 hours
		2024/10/04	Securities and Futures Institute	Case Study on Corporate Financial Statement Fraud	3 hours

(12) Manager's Participation in Governance-Related Training and Education:

Job Title	Name	Date of Education	Organizer	Course Name	Study Hours
General Manager	Lin, I-Chin	2024/07/18	Securities and Futures Institute	Crisis Warning – Key Financial Indicators.	6 hours

Corporate Governance Officer	Lin, Jui-Ping	2024/07/18	Accounting Research and Development Foundation, Republic of China	Latest Revisions to the 'Internal Control System Handling Guidelines' and Practical Approaches to Legal Compliance in Internal Audit and Internal Control for Financial Statement Preparation.	6 hours
		2024/12/14	Accounting Research and Development Foundation, Republic of China	Corporate Financial Information Preparation and Internal Control Standards..	3 hours
		2024/12/17	Accounting Research and Development Foundation, Republic of China	Preparation and Supervision of Sustainability Report Compilation.	3 hours

(13) Employee Training and Development:

The average training hours per employee in our company for the year 2024 was 7 hours.

The training courses were categorized into three major types, and their execution status is as follows:

Course Categories	Shift	Total Number of Participants	Total Training Hours	Remarks
Financial	3	3	24	
Management	7	7	42	
Environment, Health, and Safety	2	2	12	
Total	12	12	78	

(14) Information on personnel responsible for financial transparency and their relevant licenses as specified by the competent authority:

License	Number(personnel holding the licenses)	
	Internal Audit	Financial
Basic Internal Control Competency Test	1	

(15) Procedures for handling significant information

The company has established procedures related to major information processing operations. The responsible unit will regularly notify relevant peer-level supervisors to remind them whether there is any major information that needs to be disclosed in accordance with the law, and inform them of relevant regulations. In addition, in order to ensure that colleagues and manager-level directors are aware of and comply with relevant regulations, the company has formulated "Insider Trading Prevention Measures." In order to reduce the risk of insider trading, the company regularly conducts education and training for company executives and colleagues, and provides relevant educational and promotional articles to help colleagues understand the relevant regulations.

(16) Disclosure of the implementation status of internal control system

1. Internal Control Statement

RECTRON LTD.
Internal Control System Statement

Date: March 11, 2025

Based on the results of self-assessment, the Company hereby declares the following regarding its internal control system for the year 2024:

1. It is the responsibility of the Board of Directors and Managers of the Company to establish, implement and maintain the internal control system, which the company has established. The purpose of the system is to achieve the goals of effectiveness and efficiency in operations (including profitability, performance, and safeguarding of assets), reliable reporting with timeliness, transparency, and compliance with relevant regulations and laws, providing reasonable assurance.
2. The internal control system has its inherent limitation, no matter how perfect the design is, the effective internal control system can only provide reasonable assurance for the above three objectives; moreover, the effectiveness of the internal control system may change with the change of environment and situation. However, the internal control system of the Company is provided with a self-monitoring mechanism, and the company will take corrective actions once the absence is identified.
3. The Company shall judge whether the design and implementation of the internal control system are effective or not according to the judgment items of the effectiveness of the internal control system stipulated in the "Guidelines for the Establishment of Internal Control System by Public Owned Corporations" (hereinafter referred to as "Handling Guidelines"). The internal control system assessment criteria adopted in the "handling guidelines" are based on the management control process, which divides the internal control system into five components: 1. Control Environment, 2. Risk Assessment, 3. Control Activities, 4. Information and Communication, and 5. Monitoring Activities. Each component includes a number of items. For the foregoing items, please refer to the provisions of "Handling Guidelines".
4. The Company has adopted the above internal control system assessment criteria to evaluate the effectiveness of the design and implementation of the internal control system.
5. Based on the assessment results mentioned above, the Company believes that its internal control system as of December 31, 2024 (including the supervision and management of subsidiaries) is effectively designed and implemented to understand the degree of achieving operational effectiveness and efficiency goals, provide reliable, timely, transparent, and compliant reporting, and reasonably ensure the achievement of the aforementioned goals.
6. This statement will become a major part of the Company's annual report and public disclosure. If any of the contents disclosed above is found to be false, with concealment or other illegal matters, it will involve legal liabilities under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
7. This statement has been approved by the Board of Directors of the Company on March 11, 2025. Among the 9 directors present, there were no objections, and all agreed with the content of this statement. This statement is hereby declared.

RECTRON LTD.

Chairperson: Lin, I-Chin

General Manager: Lin, I-Chin

2. The Company has not commissioned an accountant to conduct a special review of the internal control system: None.

(17) In the most recent fiscal year and up until the date of printing this annual report, there have been no penalties imposed on the Company or its insiders in accordance with the law, and there have been no major deficiencies or improvements related to penalties imposed by the Company on its insiders for violations of internal control system provisions: None.

(18) Important resolutions of the shareholders' meeting and the board of directors for the most recent fiscal year up to the date of printing of the annual report:

1. Important resolutions and matters discussed at the 2023 regular shareholders' meeting (June 16, 2023):

Attendance: Directors Lin I-Chin, Directors Pan Hsin-Jen, Directors Lin Jui-Ping and Directors Liu Feng-Ching.

Acknowledged matter	Acknowledge the result	Execution situation
(1) 2023 annual operating report and financial statements (including consolidated financial statements) case	The voting results of this proposal: Attendance of voting shareholders 97,623,897 voting rights. Votes in favor 96,902,027 voting rights. Votes against 83,717 voting rights. Invalid votes 0 voting rights. Abstentions/Not voted 638,153 voting rights. The voting results for this case are as follows: in favor votes account for 99.26% of the voting rights present at the shareholders' meeting. The original proposal is passed according to the voting results.	The resolution has been fully executed according to the decision
(2) The distribution of earnings for the fiscal year 2023	The voting results of this proposal: Attendance of voting shareholders 97,623,897 voting rights. Votes in favor 96,901,708 voting rights. Votes against 83,717 voting rights. Invalid votes 0 voting rights. Abstentions/Not voted 638,472 voting rights. The voting results for this case are as follows: in favor votes account for 99.37% of the voting rights present at the shareholders' meeting. The original proposal is passed according to the voting results.	The resolution has been fully executed. The ex-dividend date for the distribution has been set as July 20 2024, and the cash dividend will be distributed on July 31, 2024

Matters for Discussion	Result of discussion	Result of implement
(1) To Amend Regulations Governing Endorsements and Guarantees.	<p>The voting results of this proposal: Attendance of voting shareholders 97,623,897 voting rights. Votes in favor 96,897,389 voting rights. Votes against 84,036 voting rights. Invalid votes 0 voting rights. Abstentions/Not voted 642,472 voting rights.</p> <p>The voting results for this case are as follows: in favor votes account for 99.25% of the voting rights present at the shareholders' meeting. The original proposal is passed according to the voting results.</p>	Handled in accordance with the revised rules.
(2) To Amend Regulations on Lending Funds to Others.	<p>The voting results of this proposal: Attendance of voting shareholders 97,623,897 voting rights. Votes in favor 96,897,389 voting rights. Votes against 84,036 voting rights. Invalid votes 0 voting rights. Abstentions/Not voted 642,472 voting rights.</p> <p>The voting results for this case are as follows: in favor votes account for 99.25% of the voting rights present at the shareholders' meeting. The original proposal is passed according to the voting results.</p>	Handled in accordance with the revised rules.
(3) To Amend Convention Rules for Shareholders Meetings.	<p>The voting results of this proposal: Attendance of voting shareholders 97,623,897 voting rights. Votes in favor 96,901,389 voting rights. Votes against 84,036 voting rights. Invalid votes 0 voting rights. Abstentions/Not voted 638,472 voting rights.</p> <p>The voting results for this case are as follows: in favor votes account for 99.25% of the voting rights present at the shareholders' meeting. The original proposal is passed according to the voting results.</p>	Handled in accordance with the revised rules.

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

Meeting date	Important decisions of the Board of Directors
19th session 12th time 2024.01.10	(1)Approval of the The Company's Tucheng Factory plans to renovate based on the revitalized assets, and plans to sign a joint construction contract with a 100% investment company. (2)Approval of the Manager appointment case. (3)Approval of the proposal to establish the remuneration plan for the directors and executives of the company is submitted for resolution.
19th session 13th time 2024.03.15	(1)Approval of the Company's operating report and financial statements for the year 2023 are submitted for review. (2)Approval of the Company's declaration on internal control system for the year 2023 is submitted for approval. (3)Approval of the proposal to change the auditor is submitted for public resolution. (4)Approval of the Assessment of the independence of visa accountants and accountant fees in 2024, proposed for discussion (5)Approval of the performance evaluation and self-assessment report of the board members, board of directors, and functional committees for the year 2023 will be presented for public review. (6)Approval of the proposed amendment to the company's "Board Meeting Rules" is submitted for discussion. (7)Approval of the proposed amendment to the company's "Audit Committee Charter" of the company will be presented for deliberation (8)Approval of the proposed amendment to the company's "Shareholders' Meeting Rules" is submitted for discussion. (9)Approval of the proposed amendment to the company's "Endorsement and Guarantee Procedures" is submitted for discussion. (10)Approval of the proposed amendment to the company's "Operating Procedures for Lending Funds to Others" is submitted for discussion. (11)Approval of the Proposal for the distribution of profits for the fiscal year 2023 for discussion. (12)Approval of the 2023 cash dividend distribution case is proposed for discussion. (13)Approval of the Proposal for the distribution of employee compensation and director's remuneration for the fiscal year 2023 is submitted for discussion. (14)Approval of the Proposal to establish matters related to the 2024 Shareholders' Meeting is submitted for discussion. (15)Approval of the Proposal to establish the acceptance period and venue for the submission of proposals and nominations by shareholders holding 1% of the shares for the 2024 Shareholders' Meeting is submitted for discussion.
19th session 14th time 2024.05.14	(1) Approval of the financial statements for the first quarter of 2024 for the company are submitted for review.

19th session 15th time 2024.08.14	<p>(1) Approval of the financial statements for the second quarter of the company's fiscal year 2024 will be presented for deliberation.</p> <p>(2) Approval of the proposal to purchase Directors, Supervisors, and Managers' liability insurance will be submitted to the Board of Directors for retrospective approval.</p> <p>(3) Approval of the 2023 director remuneration distribution case is proposed for discussion.</p> <p>(4) Approval of the application for loan quota by Panhsin Commercial Bank Huajiang Branch was submitted for discussion</p> <p>(5) Approval of the application for loan quota by First Bank was submitted for discussion.</p>
19th session 16st time 2024.09.02	(1) Approval of the proposed cash capital reduction by key subsidiary Zhejiang Rectron Electronics Co., Ltd., in coordination with the group's production and sales allocation plan.
19th session 17nd time 2024.11.13	(1) Approval of the financial statements for the third quarter of 2024 are submitted for review.
19th session 18nd time 2024.12.16	<p>(1) Approval of the Proposal for the 2025 Operational Plan, to be put to a Shareholder Vote.</p> <p>(2) Approval of the proposed audit plan for the fiscal year 2025 is submitted for public resolution.</p> <p>(3) Approval of the Proposed amendment to the Company's "Internal Control System" and "Internal Audit Implementation Regulations," for deliberation.</p> <p>(4) Approval of the Taiwan Shin Kong Commercial Bank loan line renewal application case, submitted for discussion.</p> <p>(5) Approval for the adoption of the Company's 'Sustainable Development Best Practice Principles.</p> <p>(6) Approval of the proposal to establish the remuneration plan for the directors and executives of the company is submitted for resolution.</p>

19th session 19rd time 2025.03.11	(1)Approval of the Company's operating report and financial statements for the year 2024 are submitted for review. (2) Approval of the Company's declaration on internal control system for the year 2024 is submitted for approval. (3) Approval of the Assessment of the independence of visa accountants and accountant fees in 2025, proposed for discussion (4)Approval of the performance evaluation and self-assessment report of the board members, board of directors, and functional committees for the year 2024 will be presented for public review (5)Approval of the Company's proposed participation in the capital increase of its equity-method investee, CHU-TING ENTERPRISE CO., LTD. (6)Approval of the Proposal to amend certain articles of the company's "Articles of Incorporation" for discussion. (7)Approval of the Proposal for the distribution of profits for the fiscal year 2024 for discussion. (8)Approval of the 2024 cash dividend distribution case is proposed for discussion. (9)Approval of the Proposal for the distribution of employee compensation and director's remuneration for the fiscal year 2024 is submitted for discussion. (10)Approval of the Proposal for the Comprehensive Re-election of All Directors (11)Approval of the Proposed Nomination List of Director (Including Independent Director) Candidates. (12)Approval of the Proposal to Exempt Newly Elected Directors (Including Independent Directors) and Their Representatives from Restrictions on Engaging in Competitive Activities (13)Approval of the Proposal to establish matters related to the 2025 Shareholders' Meeting is submitted for discussion. (14)Approval of the Proposal to establish the acceptance period and venue for the submission of proposals and nominations by shareholders holding 1% of the shares for the 2025 Shareholders' Meeting is submitted for discussion.
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(19) In the recent fiscal year and up to the printing date of the annual report, there were no dissenting opinions, recorded statements, or written declarations from directors or supervisors regarding significant resolutions passed by the Board of Directors.

3. Information on Auditor's Remuneration

(1) Accounting Firm Fee Information Range Table (Please check the applicable range or enter the amount)

Amount unit: NTD in thousands.

Name of accounting firm	Name of the accountant	Auditor's review period	Audit Fees	Non-Audit Fees	Total	Remarks
KPMG United Accounting Firm.	Chih, Shih-Chin	2024.01.01~2024.12.31	3,138	785	3,923	Note
	Huang, Hsin-Ting	2024.01.01~2024.12.31				

Note :The non-audit fees include a transfer pricing report fee of 245 thousand NTD, a tax certification fee of 500 thousand NTD, a salary information verification fee of 30 thousand NTD, and business registration fees of 10 thousand NTD.

- (1) Cases where the non-audit fees paid to the signing accountant, the accounting firm to which the signing accountant belongs, and its affiliated enterprises account for more than one-fourth of the audit fees: Primarily, the non-audit fees include a transfer pricing report fee of 245 thousand NTD, a tax certification fee of 500 thousand NTD, a salary information verification fee of 30 thousand NTD, and business registration fee of 10 thousand NTD.
- (2) In the case of changing accounting firms and a decrease in audit fees paid for the current fiscal year compared to the previous fiscal year, the amount and proportion of the decrease in audit fees, as well as the reasons, should be disclosed: None.
- (3) In the case of a reduction in audit fees of more than 10 percent compared to the previous fiscal year, the amount and proportion of the decrease in audit fees, as well as the reasons, should be disclosed: None.

4. Information on Change of Auditors : .

(1) About the previous CPAs

About the previous CHRS				
Date of change	March 15, 2024			
Reasons and explanation for the change	Internal adjustments within the accounting firm.			
The explanation is provided by the appointing party or the accountant. Termination or refusal of appointment.	Involved parties Circumstances		The accountant.	The appointing party.
	Voluntary termination		Not applicable Rotation within the firm	
	Not appointed anymore.			
The reasons for issuing opinions other than Unqualified Opinions in the recent two years	None			
Differences of opinion with the issuer	Yes		Accounting principles and practices	
			Disclosure of financial statements	
			Audit scope and steps	
			Others	
	None			
Explanation : Not applicable				
Other matters to be disclosed (Disclosure requirements for the first through fourth items of the first objective under Article 10, Paragraph 6 of this standard.)	Not applicable			

(2) Regarding the name of the

succeeding accounting firm.	KGMP United Accounting Firm.
Name of CPA	CHIH, SHIH-CHIN, HUANG, HSIN TING
Date of appointment	March 15, 2024
Consulting results regarding the accounting method or principle applied on specific transactions and the possible opinions on the financial reports before appointment	Not applicable
Different opinions from the succeeding CPAs as compared to the previous CPAs in writing	Not applicable

- (3) Former auditor's response regarding the matters specified in Article 10, Section 6, Subparagraphs 1 and 2: Not applicable.

5. The Chairman, General Manager, or individuals responsible for finance or accounting management of the company who have served in the affiliated firm of the signing auditor or

its related entities in the past year: None.

6. Changes in the transfer of share ownership and share pledge by directors, supervisors, managers, and shareholders with a stake exceeding 10% during the recent fiscal year and up to the date of printing the annual report.

(1) Changes in the Shareholding of Directors, Supervisors, Managers and Major Shareholders

Job Title	Name	Year 2024		For the fiscal year ending on March 31, 2025.	
		Increase (decrease) in the number of shares held.	Increase (decrease) in the number of pledged shares	Increase (decrease) in the number of shares held.	Increase (decrease) in the number of pledged shares
Director	Juiye Enterprise Co., Ltd.	-	-	-	-
	Representative: Lin, I-Chin	-	-	-	-
	Representative: Lin, Weng-Teng	-	-	-	-
	Representative: Pan, Hsin-Jen	-	-	-	-
	Representative: Lin, Jui-Ping	-	-	-	-
	Representative: Liu, Nien-Fu	-	-	-	-
Independent Director	Lin, Ruey-Tou	-	-	-	-
Independent Director	Maa, Kwo-Juh	-	-	-	-
Independent Director	Lee, Shiue-Chen	-	-	-	-
Independent Director	Chang, Chia-Jung	-	-	-	-
Manager	Lin, I-Chin	-	-	-	-
Manager	Lin, Jui-Ping	-	-	-	-
Manager	Liu, Nien-Fu	-	-	-	-
Major shareholder	Bigwig Perfect International Co., Ltd.	-	-	-	-

(2) Share transfer information: None.

(3) Share pledge information: None.

7. Information on related parties or relatives within the second degree of kinship among the top ten shareholders in terms of shareholding percentage:

Information on the relationships among the top ten shareholders in terms of shareholding percentage.

Name (Note 1)	Individual hold shares.		Shares Held by Spouses and Minor Children		Total Shares Held in the Name of Other Persons		The titles or names and relationships of the top ten shareholders who are related persons, spouses, or relatives within the second degree of kinship. (Note 3)		Remarks
	Number of Shares	Shareholding Ratio %	Number of Shares	Shareholding Ratio %	Number of Shares	Shareholding Ratio %	Name (Or Name)	Relationship	
Juiye Enterprise Co., Ltd.	42,788,288	25.73	-	-	-	-	Corporate directors.	-	
Bigwig Perfect International Co., Ltd	38,141,792	22.94	-	-	-	-	-	-	
Juyang Xingye Co., Ltd	7,505,195	4.51	-	-	-	-	-	-	
New Multi Investment Co., Ltd.	4,742,000	2.85							
Chen, Yu-Chien	3,048,507	1.83	-	-	-	-	-	-	
Chen, Mei-Chen	2,354,264	1.42							
Chang, Hsiao-Huang	2,107,000	1.27							
Citi Custody Barclays Capital SBL/PB Investment Account	1,599,000	0.96							
Wang, Shih-Hao	1,501,976	0.90	-	-	-	-	-	-	
UBS Europe SE Investment Account Custodied by Citi (Taiwan) Commercial Bank	1,407,616	0.85	-	-	-	-	-	-	

Note 1: All top ten shareholders, including corporate shareholders, should be listed, with the names of the corporate shareholders and their representatives listed separately.

Note 2: The calculation of shareholding percentage should include shares held under one's own name, as well as those held under the name of one's spouse, minor children, or held by others on one's behalf.

Note 3: The disclosure of relationships between the shareholders listed above, including both corporate and

natural persons, should be made in accordance with the disclosure requirements of the financial reporting standards for issuers.

8. The shares held by the Company, its Directors, Supervisors, managers, and enterprises directly or indirectly controlled by the Company in the same reinvested enterprise, and the comprehensive shareholding ratio calculated on a consolidated basis.

Comprehensive ownership percentage.

As of March 31, 2025 (unit: shares; %)

Investment in other businesses.	Investments made by the company.		Investments of Directors, Supervisors, Managers and Businesses Directly or Indirectly Controlled		Comprehensive investments.	
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio
Rectron Electronic Enterprise Inc.(USA)	205,000	100.00%	-	-	205,000	100.00%
Rectron Electronics (China) Co., Ltd.	20,000	100.00%	-	-	20,000	100.00%
CHU-TING ENTERPRISE CO., LTD.	14,500,000	100.00%	-	-	14,500,000	100.00%
Zhejiang Rectron Electronics Co., Ltd (Note 2)	0	0.00%	74,200 (Note 1)	100.00%	74,200 (Note 1)	100.00%

Note 1: The company, a limited liability company, disclosed its investment amount in thousands of TWD. On November 15, 2024, the company completed a capital reduction registration, reducing its capital by 10,000 thousand USD. The reduction was offset against the original investment amount using the exchange rate of 32.47 on the same day. As of December 31, 2024, an amount of 327,850 thousand NTD was recorded under "Other Payables - Related Parties." This amount was remitted back to the company on January 2, 2025. Subsequently, the company will apply for approval from the Ministry of Economic Affairs' Investment Commission.

Note 2: The company has entrusted investment in mainland China companies to Rectron China Investments.

3. Funding Status

1. Share Capital and Shares

(1) Source of Share Capital

Year and month	Issue Price:	Authorized Capital		Paid-In Capital		Note		
		Number of Shares	Amount	Number of Shares	Amount	Source of Share Capital	Equity-Settled Share-Based Payment	Others
87.04	10	170,000,000	1,700,000,000	107,219,023	1,072,190,230	Cash capital increase 600,000,000	-	-
1999.07.28	10	300,000,000	3,000,000,000	239,384,729	2,393,847,290	Capital increase by retained earnings 107,219,020 Capital reserve to capital increase 214,438,040 Cash increase in capital. 1,000,000,000	-	-
2000.09.21	10	400,000,000	4,000,000,000	277,000,000	2,770,000,000	Capital increase by retained earnings 98,147,740 Capital reserve to capital increase 272,898,590 Employee Bonus Transferred to Capital Increase 5,106,380	-	-
2003.11.25	10	400,000,000	4,000,000,000	186,975,000	1,869,750,000	Capital reduction. 900,250,000	-	-
2005.04.22	10	400,000,000	4,000,000,000	236,975,000	2,369,750,000	Private placement cash increase in capital. 500,000,000	-	-
2006.11.21	10	400,000,000	4,000,000,000	286,975,000	2,869,750,000	Private placement cash increase in capital. 500,000,000	-	-
2007.09.27	10	400,000,000	4,000,000,000	203,178,300	2,031,783,000	Capital reduction. 837,967,000	-	-
2008.09.20	10	400,000,000	4,000,000,000	148,128,300	1,481,283,000	Capital reduction. 550,500,000	-	-
2008.12.29	10	400,000,000	4,000,000,000	208,128,300	2,081,283,000	Private placement cash increase in capital. 600,000,000	-	-
2009.10.10	10	400,000,000	4,000,000,000	157,328,300	1,573,283,000	Capital reduction. 508,000,000	-	-

2011.08.27	10	400,000,000	4,000,000,000	160,002,881	1,600,028,810	Capital increase by retained earnings 26,745,810		
2014.11.03	10	400,000,000	4,000,000,000	161,302,881	1,613,028,810	Capital increase by retained earnings 13,000,000	-	-
2015.08.27	10	400,000,000	4,000,000,000	166,302,881	1,663,028,810	Capital increase by retained earnings 50,000,000		

Shares Category	Approved Capital Stock			R e m a r k s
	Outstanding shares in circulation.	Unissued shares.	Total	
Common Share	166,302,881	233,697,119	400,000,000	

Summary declaration system-related information: Not applicable.

(2) Shareholding structure

April 1, 2025

Shareholder Structure Number	Government institutions.	Financial institutions.	Other Corporations	Individuals.	Foreign institutions and foreigners.	Total
Number of Persons	0	3	25	19,406	29	19,643
Number of Shares Held	0	138,469	93,560,847	64,689,794	7,913,771	166,302,881
Shareholding Ratio	0%	0.08%	56.26%	38.90%	4.76%	100%

(3) List of Major Shareholders

Shares Name of Major Shareholders	Number of Shares Held	Percentage of Shareholding
Juiye Enterprise Co., Ltd.	42,788,288	25.73%
Bigwig Perfect International Co., Ltd.	38,141,792	22.94%
Juyang Xingye Co., Ltd	7,505,195	4.51%
New Multi Investment Co., Ltd.	4,742,000	2.85%
Chen, Yu-Chien	3,048,507	1.83%
Chen, Mei-Chen	2,354,264	1.42%
Chang, Hsiao-Huang	2,107,000	1.27%
Citi Custody Barclays Capital SBL/PB Investment Account	1,599,000	0.96%
Wang, Shih-Hao	1,501,976	0.90%
UBS Europe SE Investment Account Custodied by Citi (Taiwan) Commercial Bank	1,407,616	0.85%

(4) Dividends and Distribution Status

1. The dividend policy of the company is as follows:

In accordance with the company's articles of incorporation, if there is a surplus in the annual financial statements after payment of all taxes and the offsetting of prior-year losses as required by law, ten percent (10%) of the remaining balance shall be allocated to the legal reserve for retained earnings. However, this requirement does not apply when the legal reserve for retained earnings has reached the total capital of the company.

If necessary, the board of directors may propose the allocation of special retained earnings, which are adjusted according to legal requirements or business needs, and retain them accordingly. After considering these factors, any remaining profits can be distributed. The distribution percentages are as follows:

- (1) Employee compensation ratio shall not be lower than one percent (1%).
- (2) Compensation for directors and supervisors shall not exceed two percent (2%).
- (3) The remaining profits shall be determined by the board of directors and proposed to the shareholders' meeting for approval.

The distribution of employee bonuses in the form of stock dividends may include eligible employees of subsidiary companies, and the allocation ratio shall be determined by the board of directors.

As the company is in a period of growth, considering business expansion, long-term financial planning, and meeting shareholders' demand for cash flow, the annual cash dividend shall not be less than ten percent (10%) of the total amount of cash and stock dividends. The ratio of cash dividends shall be determined by the board of directors and proposed to the shareholders' meeting for approval.

2. Proposed dividend distribution for the current shareholders' meeting:

The profit distribution for the fiscal year 2024 has been approved by the board of directors on March 11, 2025, with a cash dividend of NT\$96,455,671 (NT\$ 0.58 per share of free distribution to shareholders). However, it has not yet been approved by the shareholders' general meeting in 2025.

- (5) The proposed issuance of bonus shares for the current year's shareholders' meeting will have no impact on the company's business performance and earnings per share.

(6) Employee bonuses and director/supervisor remuneration

1. Information related to employee bonuses and director/supervisor remuneration as stated in the company's articles of incorporation:

If there is a surplus in the annual financial statements, the company shall allocate no less than one percent (1%) as employee compensation and no more than two percent (2%) as compensation for directors and supervisors. However, when the company has accumulated losses, an amount should be reserved in advance for offsetting, and then employee compensation and director/supervisor remuneration should be allocated based on the aforementioned ratios.

2. Basis for estimating employee bonuses and director/supervisor remuneration for the current period, calculation basis for distributing stock dividends, and accounting treatment in case of differences between the estimated and actual distribution amounts:

If there are changes in the amounts of employee bonuses and director/supervisor remuneration as approved by the shareholders' meeting on profit distribution, the differences should be accounted for as adjustments based on accounting estimates and recognized in the subsequent fiscal year's income statement. This does not affect the financial statements that have already been recognized.

3. Information regarding proposed employee bonuses approved by the board of directors:

- (1) Cash dividends of NT\$1,900,000 are proposed to be distributed to employees.

Director and supervisor remunerations of NT\$2,900,000 are proposed to be distributed.

This proposal has been approved by the Board of Directors but is pending approval at the 2025 Shareholders' Meeting.

(2) Proposed distribution of employee stock dividends and the proportion to the current period's net income after tax and the total amount of employee dividends: None.

(3) Calculation of earnings per share after considering the proposed distribution of employee dividends and director and supervisor remunerations: None..

4. Distribution of retained earnings from the previous year for employee dividends and director and supervisor remunerations (including the number of shares distributed, amounts, and share prices), any differences with recognized employee dividends and director and supervisor remunerations should be disclosed, along with the reasons and handling: There is no difference between the distribution of retained earnings from the previous year by the company and the proposed distribution approved by the Board of Directors.

(7) Share repurchases by the company: As of now, the company has not repurchased any of its own shares.

2. Bond Issuance by the Company: As of now, the company has not issued any corporate bonds.

3. Preferred Shares Issuance by the Company: As of now, the company has not issued any preferred shares.

4. American Depositary Receipts (ADRs) Issuance by the Company: As of now, the company has not issued any ADRs.

5. Employee Stock Options Issuance by the Company: As of now, the company has not issued any employee stock options.

6. Accumulated information until the printing date of the annual report regarding managers who obtained employee stock options and the top ten employees in terms of the number of stock options exercisable, including their names, acquisition details, and exercise status: Not applicable.

7. Restricted Employee Stock Issuance by the Company: As of now, the company has not issued any restricted employee stocks.

8. Accumulated information until the printing date of the annual report regarding managers who obtained restricted employee stocks and the top ten employees in terms of the number of shares acquired, including their names and acquisition status: Not applicable.

9. Issuance of New Shares in Merger or Acquisition of Other Companies: As of now, the company has not conducted any mergers or acquisitions that involved the issuance of new shares.

10. Execution Status of Fund Utilization Plan: None.

4. Operation Overview

1. Business Contents

(I) Business Scope :

(A) The main business activities of the company are as follows:

- (1) CC01080 Electronic components manufacturing.
- (2) F119010 Wholesale of electronic materials.
- (3) F219010 Electronic materials retail.
- (4) F113030 Wholesale of precision instruments.
- (5) F213040 Retail of precision instruments.
- (6) F401010 International trade.
- (7) I301010 Information software services.
- (8) I301020 Data processing services.
- (9) I301030 Electronic information supply services.
- (10) F118010 Wholesale of computer software.
- (11) F218010 Retail of information software.
- (12) E605010 Computer equipment installation.
- (13) E604010 Mechanical installation.
- (14) CC01060 Wired communication equipment manufacturing.
- (15) F113020 Wholesale of electrical appliances.
- (16) F213010 Retail of electrical appliances.
- (17) F113070 Wholesale of telecommunications equipment.
- (18) F213060 Retail of telecommunications equipment.
- (19) H701010 Residential and commercial property development and leasing.
- (20) H701020 Industrial factory development and leasing.
- (21) H701040 Specialized zone development.
- (22) H701050 Investment in public infrastructure construction.
- (23) I102010 Investment consulting.
- (24) I103060 Management consulting.
- (25) CB01030 Pollution control equipment manufacturing.
- (26) F113100 Wholesale of pollution control equipment.
- (27) F213100 Retail of pollution control equipment.
- (28) J101030 Waste removal.
- (29) J101040 Waste disposal.
- (30) J101060 Waste (wastewater) treatment.
- (31) J101090 Waste cleaning.
- (32) CD01030 Automobile and its components manufacturing.
- (33) F114030 Wholesale of automobile and motorcycle parts.
- (34) F214030 Retail of automobile and motorcycle parts.
- (35) J901020 General hotel industry.
- (36) F501030 Beverage shops.
- (37) F501060 Restaurant industry.
- (38) F104110 Wholesale of textiles, clothing, shoes, hats, umbrellas, and fashion accessories.
- (39) F204110 Retail of textiles, clothing, shoes, hats, umbrellas, and fashion accessories.
- (40) F105050 Wholesale of furniture, bedding, kitchenware, and decorative items.
- (41) F205040 Retail of furniture, bedding, kitchenware, and decorative items.
- (42) F109070 Wholesale of educational, musical instruments, and recreational products.
- (43) F209060 Retail of educational, musical instruments, and recreational products.

- (44) F111090 Wholesale of building materials.
- (45) F211010 Retail of building materials.
- (46) E801010 Interior decorating.
- (47) I503010 Landscape and interior design.
- (48) ZZ99999 Permitted activities not restricted or prohibited by law.

(B) The revenue distribution of the company for the year 2024 is as follows: Semiconductors account for 95.23%, Medical Equipment accounts for 1.12%, and Other sectors account for 3.65%.

(C) The current product lineup of the company includes:

1. Rectifiers:

- (1) Bridge rectifiers
- (2) Fast recovery bridge rectifiers
- (3) High-efficiency fast recovery bridge rectifiers
- (4) Schottky rectifiers
- (5) High-voltage Schottky rectifiers
- (6) Low forward voltage drop Schottky rectifiers
- (7) High-temperature (H Type) Schottky rectifiers
- (8) Diode rectifiers
- (9) Fast rectifiers
- (10) High-efficiency rectifiers
- (11) Ultra-high-efficiency rectifiers
- (12) TVS transient voltage suppressors
- (13) High-voltage (>220V) TVS transient voltage suppressors
- (14) Low-voltage (<10V) TVS transient voltage suppressors
- (15) Zener Diodes
- (16) Surface-Mount Diode
- (17) Fast Surface-Mount Diode
- (18) High-Efficiency Surface-Mount Diode
- (19) Ultra-High Efficiency Surface-Mount Diode
- (20) Schottky Surface-Mount Rectifier

2. Transistor Field:

- (1) Power transistors
- (2) Trench Metal-Oxide-Semiconductor Field-Effect Transistor (Trench MOSFET)
- (3) Super-Junction Metal-Oxide-Semiconductor Field-Effect Transistor (Super-Junction MOSFET)
- (4) Metal-Oxide-Semiconductor Field-Effect Transistor (MOSFET) for Automotive Applications

3. Small Signal Products:

- (1) ESD (Electrostatic Discharge) protection devices
- (2) Schottky Diodes
- (3) Switching Diodes

(4) Zener Diodes

4. Third-generation semiconductors:

(1) Silicon Carbide (SiC) Schottky 650V-1200V

(2) Silicon Carbide (SiC) MOSFET 650V-1200V

(D) Future Research and Development Plans

(1) Low-loss Schottky wafer with a high groove structure.

(2) High voltage (>300V) trench Schottky wafer.

(3) High voltage (200V-500V) transient voltage suppressor wafer.

(4) Low voltage (<5V) transient voltage suppressor wafer.

(5) High voltage (1700V) SiC Schottky wafer.

(6) Planar Process Lead-Free Wafer Development.

(7) Low Vf Lead-Free Process Series Bridge Rectifiers.

(8) 3D Structure Combination of Different Characteristics Die Packaging Development.

(2) Sector Overview:

(A) Current Industry Status and Development:

Driven by the demand from different application fields, semiconductor devices have since been divided into two major branches and developed rapidly: one is the microelectronic devices represented by integrated circuits (ICs), characterized by low power and high density, mainly used for information detection, transmission, and processing; the other is the power electronics devices, which are characterized by high power and high reliability, primarily responsible for energy control and conversion.

The application areas of power semiconductor products are extremely wide. With the trend of highly integrated electronic product functions, a single product often needs to have multiple functions, and each function requires an independent power source to provide specific voltage or current. As a result, the demand for power conversion is increasing, and this key technology relies on power semiconductors to achieve it.

Power devices, which combine energy conversion and circuit control functions, are core components in energy processing systems, with the characteristic of "controlling large power operations with small power." As the electrification and automation of automobiles advance rapidly, the demand for power devices continues to grow, especially in the high-voltage and high-current product sectors, where the market demand increase is even more significant.

The structure of the power semiconductor industry is highly similar to that of the IC industry, covering the entire process from product specification design, wafer manufacturing, to component packaging. Mainstream international power semiconductor manufacturers are mostly IDM (Integrated Device Manufacturer) models, which integrate design, manufacturing, and packaging. Taiwanese manufacturers also mainly follow the IDM model, with some adopting Fabless (focused on design) or specialized wafer foundry and packaging outsourcing models.

Currently, most domestic MOSFET manufacturers focus on component design, with manufacturing outsourced to specialized wafer foundry companies; diode manufacturers, due to

simpler manufacturing processes, mostly operate under their own manufacturing with a complete IDM model. Taiwanese wafer foundries, in addition to serving local clients, also undertake foundry services for foreign power semiconductor giants such as IGBT and other high-end products due to their advantages in process technology, becoming an important development opportunity for Taiwan in the global power semiconductor market.

(B) Interrelationships among Upstream, Midstream, and Downstream in the Industry:

The structure of the discrete component industry can generally be divided into three major parts: upstream raw material supply, midstream wafer manufacturing and packaging/testing, and downstream application sectors.

In terms of upstream raw material supply, the main materials include wafers/epitaxial wafers, precious metals, non-ferrous metals, aluminum alloys, and various non-metallic materials. Among these, Taiwan is partially self-sufficient in wafer/epitaxial wafer production, but relies on imports for precious metals like gold, silver, platinum, and certain non-ferrous metals. Key domestic suppliers of wafer materials and diffusion materials include companies such as Zhongmei Silicon and Jiajing.

The midstream industry focuses on wafer manufacturing and packaging/testing, encompassing wafer production, packaging technology, and finished product testing. As the industry structure evolves, some midstream companies are actively extending upstream, investing in wafer technology research and development and manufacturing to move toward vertical integration and enhance overall competitiveness.

The downstream application sectors are extremely diverse, covering industries such as information technology, communications, consumer electronics, machine tools, automotive electronics, office equipment, AI intelligent devices, and solar energy. The market size is enormous, and application demands continue to expand, driving the growth momentum of the entire industry chain.

(C) Product Development Trends:

In recent years, diode components have shown a polarized development trend: in high voltage and current application fields, such as electromechanical equipment and other products, high-power components with high voltage withstand capabilities are still required for voltage regulation and rectification. On the other hand, in the field of electronic information products, there is a demand for smaller, more precise diode components for circuit protection. In response to different usage scenarios, various types of diodes continue to maintain stable market demand.

In terms of production technology, the functionality and electrical characteristics of discrete components are determined at the wafer manufacturing stage. Therefore, the product characteristics are closely tied to the wafer processing. To enhance competitiveness, major manufacturers are actively promoting upstream process integration, extending from traditional component manufacturing to wafer diffusion and epitaxial processes. This not only helps reduce raw material costs but also allows for flexible adjustment of wafer electrical properties according to different product requirements, improving production flexibility and efficiency.

Regarding packaging technology, diode products are evolving from traditional axial packaging

(Axial), power packaging (TO type), and bridge packaging (Bridge) to smaller surface-mount device (SMD) packaging. Currently, SMD packaging has become the mainstream in the market and holds the highest growth potential. It is further advancing toward even smaller DFN packaging and multi-die composite packaging technologies.

At the product technology level, the market is gradually progressing from general standard products to high-voltage, fast-switching, and Schottky (Schottky) high-power rectifier diodes. Simultaneously, with the increasing application of MOSFETs, there will be continued development of high-end power devices such as MOSFETs, IGBTs, and Silicon Carbide (SiC) to meet the strong demand for high-performance power management in emerging markets.

(D) Competitive Situation:

Although the number of domestic manufacturers engaged in diode production is not large, the overall industry development has matured, with most companies having moved their later-stage assembly processes to mainland China. As China's self-manufacturing capabilities improve year by year, market competition has become increasingly intense. In response to the competitive pressure, the industry generally adopts strategies focused on reducing production costs and expanding market share to achieve economies of scale. This approach aims to strengthen market competitiveness and enhance profitability.

(3) Technology and R&D Overview :

1. Research and development expenses are as follow:

Unit: NTD in thousands

Fiscal Year	Year 2024	2025 Q1
Explanation	Consolidated financial reports	Consolidated financial reports
Research and development expenses	6,675	1,710
Net operating revenue	757,457	193,476
Proportion of net operating revenue	0.88%	0.88%

2. Successful technology or product developments:

In response to the global demand for electronic products, diodes/transistors, as fundamental electronic components, have a steady demand. The company continues to upgrade its automated equipment to increase production capacity in line with business orders. Additionally, the company focuses on enhancing competitiveness in high-end markets by dedicating efforts to the research and production of related components for smart mobile phone power applications and new energy vehicle battery management systems. This has led to the company's leading position in the market. The following are the summarizations of the successful new products and technologies developed in the past two years:

1. General Purpose Diodes.
2. Fast Recovery Diodes.
3. Bridge Rectifiers.

(1) Establishment of RSM fully automated production line.

- (2) Establishment of RBU fully automated production line.
- 4. Ultra Small Surface Mount Bridge Rectifiers (MINI-BRIDGES).
DIP Bridge ULBF610 (Bridge Rectifier).
- 5. Schottky Diodes.
 - (1) LOW VF Schottky products.
 - (2) 150V High Voltage Schottky products.
 - (3) 200V High Voltage Schottky products.
 - (4) MBR series Schottky products.
 - (5) High Current Schottky products.
 - (6) Mass production of Schottky with reduced grain size.
 - (7) Low-loss Schottky products.
 - (8) Low VF 100/120V Schottky products.
 - (9) Low VF 150/200V Schottky products.
 - (10) High Temperature (High Tj Type) Schottky products.
 - (11) Trench Low VF 60V Schottky products.
 - (12) Trench Low VF 45V Schottky products.
 - (13) 0.5A 30V Schottky wafer.
- 6. High Voltage Rectifiers.
- 7. Electrostatic Protection Devices.
- 8. High-Efficiency Recovery Diodes and Ultra-Fast Recovery Diodes. STD GPP/SF (EPI)
200V 3A products with reduced grain size.
- 9. Full series Transient Voltage Suppressors (T.V.S) TVS diodes. Transient Voltage
Suppressors of 5KW and above.
- 10. Surface Mount Devices (SMD)
- 11. High Power Surface Mount Devices TO252, TO263.
- 12. Insulated High Power Rectifiers (IT0-220).
- 13. 0.5 and 1 Watts SMA Zener Diodes.
- 14. 600V-800V Metal-Oxide-Semiconductor Field-Effect Transistors.
- 15. 20~300V SGT Mosfet.
- (4) Long-term and short-term business development plans:

As part of the short-term development plan, the company will continue to drive production automation, focusing on refining existing processes to improve yield, reduce production costs, and enhance product competitiveness.

In the long term, the company aims to develop high-value products such as MOFET/SiC/ESD protection as part of its business expansion strategy. This includes offering customers a wider range of choices and superior product quality and services to effectively expand the company's market share.

2. Market and production/sales overview.

(1) Market Analysis

1.Product Sales Regions (Consolidated for 2024)

In 2024, our company's product line focused on diode rectifiers, making the Asian region the highest in terms of sales structure

Region	Amount (in thousand NTD)	Percentage (%)
Taiwan	40,100	5.29
United States	85,757	11.32
Asia	624,372	82.43
Europe	6,095	0.80
Other countries	1,133	0.15

2. Major Competitors

In recent years, the company has continued to improve its technological capabilities and optimize product specifications, clearly positioning its main competitors according to product categories. For small-signal products, the primary competitors are ONSEMI and ROHM; for mid-to-high power products, Infineon and Vishay are the main competitors. The company's products achieve over 80% functionality matching and compatibility, which effectively optimizes customers' component selection, enhances the overall cost-performance ratio, and strengthens market competitiveness.

3. Market Supply and Demand Outlook and Business Objectives

With the easing of the pandemic in 2023 and the gradual lifting of restrictions across various regions, combined with the uncertain impacts of factors such as the Russia-Ukraine war, global consumer habits and the economic environment have adjusted, leading to a weakening of consumer purchasing power. At the same time, manufacturers have actively adjusted production capacity and reduced raw material inventory, resulting in an oversupply in the overall market. This has led to a slowdown in the growth momentum of the semiconductor market, with some competitors experiencing a decline in performance.

Starting in 2024, as the market gradually recovers, the effect of early orders due to rising raw material prices and the increased demand for urgent orders from customers is expected to boost market demand, positively impacting overall revenue. From 2025 onward, with the intensifying China-US trade tensions and geopolitical struggles among major powers, the global trend of "decoupling" from China in foreign sales and international brands is accelerating, prompting the relocation of manufacturing to emerging regions in the Asia-Pacific, and encouraging Taiwanese businesses to return. China's status as the "world's factory" has declined, and the share of Southeast Asia and India in the international semiconductor division of labor is gradually increasing.

Our company's products are basic semiconductor discrete components with a wide range of applications, covering home appliances, communications, audio-visual, computers, multimedia, new energy vehicles, photovoltaic energy storage, and 5G, among other fields, presenting a broad market demand outlook. In recent years, the company has also actively entered the new energy

vehicle and electric motorcycle markets and invested in AI applications, which is expected to continuously drive market share and revenue growth.

4. Favorable and unfavorable factors for future development and corresponding strategies:

Favorable factors:

- (1) The company has deeply cultivated sales channels in Europe, the United States, and Asia for many years, establishing a complete sales team and agency system. This enables the company to effectively diversify its revenue distribution and reduce market risks.
- (2) With the rising awareness of renewable energy applications and the widespread adoption of new energy vehicles, the company can leverage its existing channels to expand its market presence and drive sales growth.
- (3) The successful introduction of international major brand clients has further enhanced brand trust and attracted similar clients to adopt the company's products.

Unfavorable factors:

- (1) The sluggish market economy has led to disorderly competition, with price becoming the primary consideration for customers. More resources need to be invested in marketing and customer relationship management, extending the resource recovery cycle.
- (2) Rising raw material prices, inflation, and exchange rate fluctuations have increased costs and delivery uncertainties.
- (3) The China-US trade war has affected export and international brand customers' procurement strategies. The company has actively adjusted its production site layout; however, the domestic Chinese market has also strengthened localization requirements, which need to be addressed simultaneously, requiring a diversified resource allocation approach.

Countermeasures:

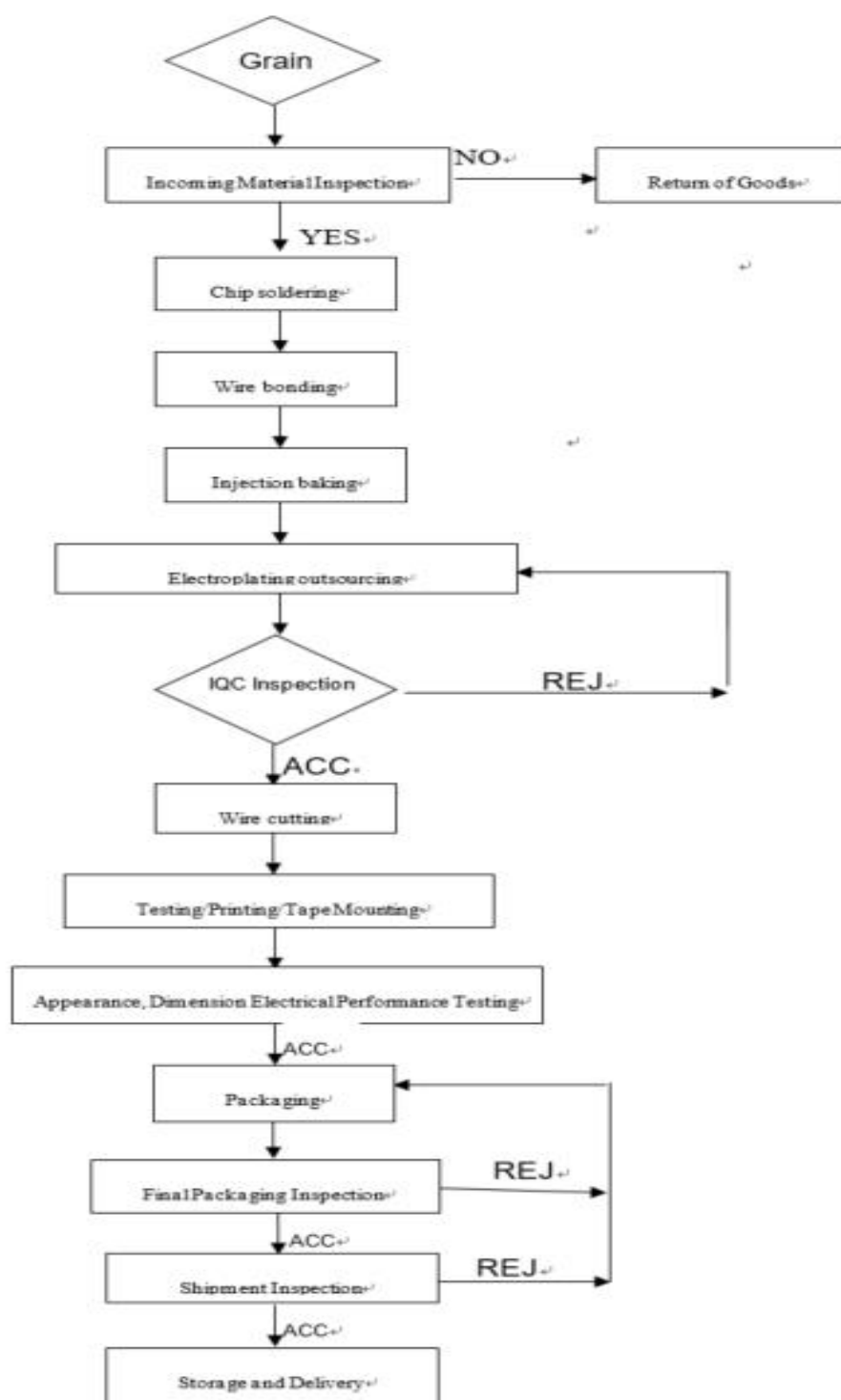
- (1) Actively develop high-profit, high-technology threshold products to avoid falling into the low-price competition market.
- (2) Continuously invest in the development of high-specification products, targeting the new energy, AI, and high-end application markets.
- (3) Strengthen cooperation with supply chain partners to ensure stable supply, enhance customer satisfaction, and improve customer loyalty.

(2) Major product applications and production processes

(1) Major product applications:

The company's main products are used in household appliances, communication devices, computers, and new energy vehicles.

(2) Production processes:



(3) Main Raw Material Supply Situation

The main materials used in the production of our company's power semiconductor devices are non-special components. We maintain good technical cooperation and long-term business relationships with our suppliers, ensuring a high level of supply stability.

(4) Customer Names and Purchase (or Sales) Amounts for any Year in the Past Two Years that Accounted for more than 10% of the Total Purchase (or Sales) Amount, and Explanation of the Changes. Due to contractual agreements and the confidentiality of customer names and transaction parties, especially when they involve individuals who are not related parties, they will be represented by code names.

1. Key suppliers in the recent two years

Unit: NTD in thousands

Year 2023					Year 2024				As of the fiscal year ending on March 31, 2025(unaudited figures)			
Item	Name	Amount	Percentage of net purchase amount for the full year. (%)	Relation to the issuer	Name	Amount	Percentage of net purchase amount for the full year. (%)	Relation to the issuer	Name	Amount	Percentage of the net purchase of the current fiscal year(%)	Relation to the issuer
1	T11	48,989	14	Note 1	Z35	50,800	14	Note 1	Z35	11,707	12	Note 1
2	Z25	38,215	11	Note 1	T11	40,493	11	Note 1	Z30	11,779	12	Note 1
					Z30	39,459	11	Note 1				
	Others	255,029	75	Note 1	Others	244,636	64	Note 1	Others	74,830	76	Note 1
Total	Net purchase	342,233	100		Net purchase	375,388	100		Net purchase	98,316	100	

Note 1: Non-related persons

Note 2: Reasons for Changes in the List of Major Purchasing Customers in the Last Two Years: The main reason is that some electronics industries have increased or decreased their purchases due to delivery conditions, quality, and prices. Based on the consideration of the timeliness of customer orders, they have gradually switched to manufacturers with better delivery times and better quality.

2. Key customers in the recent two years

Unit: NTD in thousands

	Year 2023				Year 2024				As of March 31, 2025(unaudited figures)			
Item	Name	Amount	Percentage of the net sales of the year(%)	Relation to the issuer	Name	Amount	Percentage of the net sales of the year(%)	Relation to the issuer	Name	Amount	Sales-to-Net Sales Ratio for the period ending the previous quarter of the current fiscal year (%)	Relation to the issuer
1	T14	102,905	14	Note 1	T21	115,159	15	Note 1	T21	27,326	14	Note 1
2	T21	76,046	11	Note 1	T14	80,649	11	Note 1	T18	18,387	10	Note 1
					T18	72,020	10	Note 1				
	Others	537,594	75		Others	489,629	64		Others	147,763	76	
Total	Net sales	716,545	100		Net sales	757,457	100		Net sales	193,476	100	

Note 1: Non-related persons

Note 2: Reasons for the changes in the list of major customers in the past two years: There have been no significant changes among the major customers, mostly variations in their sales rankings.

3. Number of employees in the company.

Employee Information for the Recent Two Years Up to the Publication Date of This Annual Report
March 31, 2025

Year		Year 2023	Year 2024	As of the end of the current fiscal year March 31, 2025
Number of Employees	Staff Members	96 persons	94persons	92 persons
	Total Workforce	54 persons	49persons	49 persons
	Total	150 persons	143persons	141 persons
Average age		48 years old	47years old	47 years old
Average years of service		14 years	13years	14 years
Educational attainment distribution Ratio	Doctorate	0 persons	0 persons	0 persons
	Master's degree	2 persons	2 persons	2 persons
	College degree	65 persons	59 persons	58 persons
	High school	54 persons	54 persons	53 persons
	Below high school	37 persons	28 persons	28 persons

4. Environmental expenditure information

- (1) The company's factory is located in the Tucheng Industrial Zone, New Taipei City. Our company complies with environmental regulations and takes relevant environmental protection measures to prevent pollution.
- (2) In response to the requirements of the European Union's environmental directive (ROHS), the company adopts green design, green management, green manufacturing management, and green marketing management. The company actively requests that the raw materials supplied by its suppliers comply with ROHS regulations, enabling the smooth export of products to the European region.
- (3) In the past two years, the company has not incurred any losses or disposals due to environmental pollution.

5. Labor-Management Relations

1. List of employee welfare measures, training and development programs, retirement system, and their implementation, as well as the agreements and measures for safeguarding employee rights.

- (1) Employee welfare measures include

- (a) Group insurance, accident insurance, and medical insurance.
- (b) Subsidies for marriage, funeral, and joyous occasions.
- (c) Annual company trips.
- (d) Bonuses during major festivals.
- (e) Retirement benefits system.

- (2) Employee training and development

The company organizes periodic external training programs to enhance employees' skills, knowledge, and work efficiency. The effectiveness of education and training is assessed and included in the performance evaluation criteria.

- (3) Retirement system and its implementation:

To ensure stable post-retirement lives for our employees, our company has established a labor retirement policy in accordance with the law. We have also set up a Labor Retirement Reserve Supervisory Committee, which regularly allocates retirement reserves to the "Labor Retirement Reserve Fund" account at the Taiwan Bank, based on a fixed ratio of the total payroll expenses. This is done to safeguard the rights of our employees. Starting from July 1, 2005, we have also adopted the government's new retirement policy, whereby a monthly contribution of 6% of the employee's total wages is made to the employee's individual retirement account. For employees who voluntarily contribute to their retirement funds, an additional amount is deducted from their monthly salary based on their voluntary contribution rate, which is then remitted to the Bureau of Labor Insurance's individual retirement account.

- (4) Agreements between labor and management and measures for safeguarding employee rights:

The company has established legal provisions for working conditions and has implemented systems such as work rules. In addition to complying with the Labor Standards Act to protect

employees' rights at work, there is a mechanism for resolving labor disputes. As a result, the labor-management relationship in the company has always been harmonious, and there have been no labor disputes. The employees have a strong sense of belonging and there are no issues regarding labor disputes. Furthermore, the company maintains open channels of communication through autonomous management within the organization. Regular employee trips are organized externally to alleviate work-related stress and fatigue.

2. Specify the losses incurred due to labor disputes in the most recent fiscal year and up to the date of the annual report's printing, and disclose the estimated amounts and strategies to address current and potential future losses: None.

6. Information on information technology and cybersecurity management.

1. Information Security Organization:

The company has established a cross-departmental task force called the "Information Security Management Team." The team is led by the Vice President of Administration and is responsible for planning and executing the company's information security initiatives. They also develop measures for information security management, crisis reporting, and emergency response.

2. Information Security Policy:

The company's information security policy is to "maintain the confidentiality, integrity, availability, and legality of the company's information, and to prevent unauthorized use, disclosure, alteration, destruction, or loss of assets in the event of human error, intentional sabotage, or natural disasters, which could impact the company's operations or compromise its interests."

In addition to adhering to the requirements of the information security policy, the company regularly conducts information security awareness programs and provides employee training.

3. Risk Control for Information Security:

With rapidly evolving cyber-attack techniques, it is impossible to completely avoid paralyzing network attacks from any third party. Network attacks can occur through methods such as email phishing, network spoofing, or brute force attacks, resulting in the introduction of malicious programs into the company's internal network for disruption or data theft. Disruptive attacks can lead to operational interruptions, while data theft attacks can result in the leakage of important operational data or personal information of employees and customers.

The company actively plans and implements information security measures to continuously improve the information security environment and reduce information security risks. In terms of management, relevant management standards are established in areas such as policy and system, organizational responsibilities, manpower security, document control, asset management, communication and operation management, access control, physical environment, system development and maintenance, business continuity management, security incident management, and regulatory compliance. On the technical side, various measures are deployed, including network firewalls, intrusion detection systems, email security systems, automated detection and updating of operating systems, virus protection

systems, network access systems, security monitoring systems, and vulnerability scanning systems. Internal auditors and organizations conduct annual audits of the company's information security management system. The security operations, risk control, and incident improvements are reviewed annually and reported to the Information Security Committee to control and reduce information security risks.

4. Employee Information Security Training:

Basic information security education and training are provided to new employees upon their onboarding. Regular information security education and training are conducted for employees to enhance their awareness of information security. Internal information audit findings are addressed through immediate information security controls and preventive measures to minimize the risk of employees leaking confidential information about the company and its clients. In the event of external information security incidents, timely information security notifications are issued to strengthen the company's information security maturity and raise employee awareness of defending against external malicious attacks. These measures provide information security assurance for the company's production and operational activities.

5. In 2024, no significant network attacks that impacted the company's operations occurred.

6. Management Measures:

Our company places great importance on the field of information security and is committed to building a comprehensive defense architecture to ensure the confidentiality, integrity, and availability of company, customer, and supplier data.

(1) Network protection includes the deployment of firewalls for multi-layered isolation and protection.

(2) Access control is implemented through permission management and various authentication methods.

(3) Each endpoint is required to install antivirus software for virus defense and early warning.

The company will take a more proactive approach in terms of information security strategy, incident response mechanisms, and technical infrastructure to assess the exposure level of information security risks and plan appropriate insurance measures to ensure optimal control of information security risks.

In the most recent fiscal year and up to the date of printing of the annual report, there have been no significant losses, potential impacts, or necessary measures resulting from major information and communication security incidents: The company has not been affected by any significant information and communication security incidents that would impact its operations in the most recent fiscal year up to the date of printing of the annual report.

7. Key contracts and agreements.

Type of contract	Parties involved	Contract start and end date	Key content	Restrictions
Financing agreement	Hua Nan Commercial Bank, Nansongshan Branch	2024.09-2025.09	Financing borrowings	None
Financing agreement	Panshin Commercial Bank, Huajiang Branch	2024.08-2025.08	Financing borrowings	None
Financing agreement	Shin Kong Commercial Bank, Chang'an Branch	2023.12-2024.12	Financing borrowings	None
Financing agreement	First Commercial Bank, Tatung Branch	2024.07-2025.07	Financing borrowings	None
Sales and Purchase Agreement	Jiashan Economic Development Asset Management Co., Ltd.	2023.09	Agreement on Land and Factory Withdrawal for Zhejiang Rectron	None
Sales and Purchase Agreement	Jiashan Economic Development Asset Management Co., Ltd.	2024.08	Purchase of Factory by Zhejiang Rectron	None

5. Review Analysis and Risk Assessment of Financial Status and Financial Performance

1. Financial Status

(1) Comparative Analysis of Changes in Consolidated Assets, Liabilities, and Shareholders' Equity for the Past Two Years.

Unit: NTD in thousands

Item	Year 2023	Year 2023	Difference		Change in the proportion of increase and decrease Analysis Description (Note)
			Amount	%	
Current asset	834,662	979,725	145,063	17.38	
Property, plant, and equipment	458,587	635,790	177,203	38.64	Note (2) 1
Intangible Assets	0	0	0	0.00	
Other Assets	1,037,284	1,027,911	-9,373	-0.90	
Other non-current assets	3,769	2,357	-1,412	-37.46	
Total Assets	2,334,302	2,645,783	311,481	13.34	
Current Liability	485,954	735,239	249,285	51.30	Note (2)2
Deferred income tax liabilities	62,684	67,201	4,517	7.21	
Other non-current liabilities	10,067	9,307	-760	-7.55	
Total Liabilities	558,705	811,747	253,042	45.29	Note (2) 2
Capital stock	1,663,029	1,663,029	0	0.00	
Capital surplus	9	9	0	0.00	
Retained earnings	199,702	274,294	74,592	37.35	
Other Equities	(87,143)	-103,296	-16,153	18.54	Note (2) 3
Treasury stock	0	0	0	0	
Non-control equity	0	0	0	0	
Total equity	1,775,597	1,834,036	58,439	3.29	

(2) Analysis of Recent Changes: (the analysis focuses on items with changes exceeding 20% and reaching a threshold of NT\$10,000 thousand.)

1. Property, Plant, and Equipment : The increase in this period was due to the subsidiary's purchase of plant and machinery.
2. Current Liability and Total Liabilities : The increase is primarily due to advance receipt of compensation for land/factory withdrawal by the subsidiary.
3. Other Equity: The increase during the current period is attributable to the reconstruction in Tucheng and the subsidiary's acquisition of plant and machinery.

2. Financial Performance

(1) Consolidated comparative analysis table of financial performance

Unit: NTD

Item	Year Year 2023	Year 2024	Increase (Decrease) in Amount	Change Ratio %
Operating revenue	716,545	757,457	40,912	5.71
Operating gross profit	257,404	276,044	18,640	7.24
Operating expenses	186,106	199,273	13,167	7.08
Operating Profit (Loss)	71,298	76,771	5,473	7.68
Non-operating income and expenses	35,157	78,834	43,677	124.23
Net Profit Before Tax on Continuing Operations	106,455	155,605	49,150	46.17
Income Tax Expense	19,586	30,074	10,488	53.55
Current net profit (loss)	86,869	125,531	38,662	44.51
Current Other Comprehensive Income	(27,270)	-15,538	11,732	-43.02
Total comprehensive income for the period	59,599	109,993	50,394	84.56
Net profit attributable to owners of the parent.	86,869	125,531	38,662	44.51
Net Profit Attributable to Non-Controlling Interests	-	-	-	-
Total Comprehensive Profit and Loss Attributable to Owners of Parent Company	59,599	109,993	50,394	84.56
Total comprehensive income	-	-	-	-
Comprehensive income attributed to non-controlling interests.	-	-	-	-
Earnings Per Share (NT\$)	0.52	0.75	0.23	44.23

1. Analysis of Changes in Ratios:

- (1) Operating Revenue (Gross Profit): The growth in this period's operating revenue and gross profit is attributable to increased global restocking demand and successful efforts in securing high-margin customer orders.
- (2) Operating Net Profit (Loss): The increase in operating income is due to the growth in operating revenue and gross profit outpacing the rise in selling and administrative expenses.
- (3) Non-operating Income and Expenses: The increase is mainly due to gains from U.S. stock investments, foreign exchange gains from currency fluctuations, and higher interest income from foreign currency time deposits as part of capital utilization.
- (4) Net Profit (Loss) for the Period: The increase in net income compared to the previous period is due to the rise in operating revenue.
- (5) Other Comprehensive Income for the Period (Net of Tax): The decline is mainly due to reduced exchange gains from the translation of financial statements of foreign operations and increased unrealized losses from foreign corporate bonds.

2. Reasons for significant changes in the company's main business activities: None.

3. Forecasted sales quantity for the upcoming fiscal year and the primary factors influencing the company's expected sales growth or decline:

Unit: Thousand Pieces (K/PCS)		
Expected sales quantity for major products		
Primary factors influencing the potential continuous growth or decline in expected sales quantity:		
Item	Year 2025	Year 2024
Rectifier	658,000	599,061
Face mask	5,150	4,845
The company's sales forecast is based on the sales performance and pricing in the years 2023 and 2024.		

3. Cash Flow

Cash Flow Analysis

Unit: NTD in thousands

Initial Cash Balance	Net Cash Flow from Operating Activities for the Year	Total Cash Outflows for the Year	Cash Surplus (Deficit) Amount	Remedial Measures for Cash Shortage	
				Investment plan	Financial Planning
561,703	197,215	194,524	564,394	-	-

(1) Analysis of Annual Cash Flow Changes:

The company experienced a net increase in cash of 2,691 thousand in the fiscal year 2024 compared to 2023. The changes in cash flows from various operating activities are as follows:

- (1) Operating Activities: Due to increased collections in the previous period, as well as higher accounts payable and interest income in the current period, net cash inflows from operating activities increased compared to the previous period.
- (2) Investment Activities: The net cash outflow was due to an increase in the acquisition of financial assets measured at fair value through profit or loss during the current period.
- (3) Financing Activities: The outflow of cash from financing activities was slightly lower than the previous period, mainly due to a decrease in cash dividends paid.

(2) Cash Shortage Remedial Measures and Liquidity Analysis:

1. Cash Shortage Remedial Measures: None.

2. Liquidity Analysis:

	December 31, 2023	December 31, 2024	Increase (decrease) rate %
Cash Flow Ratio (%)	29.54	26.82	(2.72)
Cash Flow Adequacy Ratio (%)	302.31	321.51	19.2
Cash Flow Reinvestment Ratio (%)	0.66	8.48	7.82

- (1) Cash Flow Ratio: The decrease compared to the previous period is due to higher accounts receivable collections in the previous period and an increase in accounts payable in the current period, resulting in lower cash flow ratio this period.
- (2) Cash Liquidity Ratio: The increase is attributable to higher cash inflows from operating activities over the past five years compared to the same period last year.

- (3) Cash Reinvestment Ratio: The increase is due to higher net cash inflows from operating activities compared to the same period last year.

(3) Analysis of Future Cash Liquidity for the Next Year:

Beginning Beginning Cash Balance	Estimated net cash flows from operating activities for the full year.	Estimated cash outflows for the full year.	Estimated surplus (deficiency) of cash remaining.	Expected measures to remedy any cash shortfall.	
				Investment plan	Financial Planning
564,394	110,814	104,587	570,620	-	-

1. Analysis of Expected Cash Flows for the Year 2025:

The Company had a beginning cash balance of \$564,394 thousand. It is estimated that net cash inflow from operating activities over the next year will amount to approximately \$110,814 thousand, while net cash outflow from financing activities is expected to be around \$104,587 thousand. The projected ending cash balance is approximately \$570,620 thousand.

2. Remedial measures and analysis of cash shortfall: None.

4. The impact of significant capital expenditures in the most recent fiscal year on financial operations.

: None.

5. Recent Year's Investment Policy, Main Reasons for Profit or Loss, Improvement Plan, and Future Year's Investment Plan:

1. Investment Policy

The Company's new investments remain primarily focused on the semiconductor business. To mitigate operational risks, the Company will pursue diversified operations as a supplementary strategy in response to market changes.

2. Main Reasons for Profit or Loss.

In 2024, the Company's investee businesses experienced modest revenue growth compared to the previous year, driven by the gradual depletion of excess inventory in the global supply chain and a subsequent recovery in market demand.

3. Future Year Investment Plan.

In addition to maintaining its current investment policy, the Company will continue to monitor industry trends and invest at appropriate times based on changes in the business environment.

6. Analysis and assessment of risk factors.

- (1) Impact of interest rates, exchange rates, and inflation on the company's income and measures to be taken in the future.

Unit: NTD in thousands

Item	Year	Year 2023	Year 2024
Interest expense		594	301
Net exchange (loss) gain		17,988	42,473
Inflation		-	-

1. Impact of interest rates, exchange rates, and inflation on company's revenue and profitability:

The company closely monitors interest rate fluctuations and manages its cash position to control liquidity risk. The company's operating funds are sufficient to meet cash requirements when bank loan contracts mature, mitigating liquidity risk without the need for additional fundraising.

The sensitivity analysis is based on the interest rate exposure of derivative and non-derivative instruments as of the reporting date. For floating-rate liabilities, the analysis assumes that the outstanding amount remains constant throughout the year.

The management reports to key executives using a rate change of +/- 0.5%, which represents a reasonable range of interest rate fluctuations.

If interest rates increase or decrease by 0.5% while all other variables remain constant, the company's pre-tax net profit for the fiscal year 2024 will decrease or increase by 0 thousand NT dollars due to the impact of variable-rate bank borrowings.

2. Specific measures to address exchange rate fluctuations:

- (1) The company regularly analyzes exchange rate trends, monitors its cash position, and plans appropriate fundraising channels. It evaluates bank loan interest rates and maintains close communication with banks to stay informed about the latest exchange rate developments and control liquidity risk.
- (2) Depending on the financial situation and exchange rate fluctuations, the company adjusts foreign currency deposits in a timely manner.

3. Impact of inflation and corresponding measures:

Rising oil and electricity prices and higher raw material costs exert pressure on the company's expenses. The current strategy is to continuously develop suppliers to lower raw material costs and minimize the impact of inflationary pressures on raw material price increases.

- (2) Policies, main reasons for profit or loss, and future response measures for engaging in high-risk, high-leverage investments, lending funds to others, endorsing guarantees, and trading in derivative financial products are analyzed and evaluated on an annual basis and up until the date of the annual report :
 1. The company does not engage in high-risk or highly leveraged investments, nor does it provide funds to others.
 2. Endorsement and guarantees: The company follows its endorsement and guarantee procedures, and as of the date of the annual report printing, the company has not engaged in any endorsement or guarantee transactions.
 3. Derivative transactions: The company follows its procedures for dealing with derivatives, and as of the date of the annual report printing, the company has not engaged in any derivative transactions.
- (3) Future research and development plans and expected R&D expenses:

In 2025, the Company established a wafer design team to actively develop relationships with more high-quality wafer foundries and implement various development projects. The primary focus is on

lead-free processes, particularly those featuring special low-power consumption and ultra-fast recovery characteristics, in order to proactively align with European environmental regulations.

As for packaging, development efforts are mainly driven by the needs of major customers for new products. These include the development of high-power DIP bridge packages as well as lead-free PLP (Panel Level Packaging) processes.

Products under development	Current development progress	Expected R&D and production costs (in NTD)	Expected completion time
ULBF	In progress	6,000,000	2025/06/30
RSBF	In progress	6,000,000	2025/06/30
TO247-IGBT-RI40N1200T7/RI75N650T7	In progress	7,000,000	2026/12/31
PLP Lead-free packaging process	In progress	15,000,000	2027/06/30

(4) Impact of Important Changes in Domestic and International Policies and Regulations on Corporate Finance and Sales, and Response Strategies:

The company constantly monitors significant domestic and international policy and legal changes and evaluates their potential impact. In the past year, there have been no significant policy or legal changes that have adversely affected the company's financial operations.

(5) The impact of technological changes (including cybersecurity risks) and industry transformations on the Company's financial operations and corresponding measures are considered.

The company's products serve as essential components in electronic products, and technological advancements still require the use of the company's products. The company actively invests in research and development to promote the application of its products and enhance competitiveness, which is a key goal for the company. In terms of information security risk management, the company has established and implemented an information security management system. Information security policies have been established to regulate the company's information security practices. Regular internal information security audits are conducted to ensure the effectiveness of the management system and compliance with legal regulations. Therefore, information security risks are not considered significant operational risks for the company.

(6) Impact of changes in corporate image on crisis management and response measures:

The company maintains a good corporate image, and there have been no changes in corporate image that would impact crisis management.

(7) Anticipated benefits, potential risks, and response measures related to mergers and acquisitions: None.

(8) Anticipated benefits, potential risks, and response measures related to expanding facilities: None.

(9) Risks associated with concentration in purchasing or sales and response measures: None.

(10) Impact, risks, and response measures related to the significant transfer or replacement of directors, supervisors, or major shareholders holding more than 10% of shares: None.

(11) Impact, risks, and response measures related to changes in ownership rights: None.

- (12) Disclosure of significant litigation, non-litigation events involving the company, directors, supervisors, general manager, substantial responsible person, major shareholders holding more than 10% of shares, and subsidiary companies, where the outcomes may have a significant impact on shareholders' equity or securities prices. The disclosure should include the disputed facts, amount involved, commencement date of litigation, key parties involved, and the status of the proceedings as of the printing date of the annual report: None.
- (13) Other significant risks and response measures: None.

7. Other significant matters: None.

6. Special Notes

1. Related information on affiliated enterprises

(1) Consolidated business report of affiliated enterprises

Please refer to the "Related Party Transaction Statements Section" under "Single Company > Electronic Document Download" on the Market Observation Post System (MOPS):
https://mopsov.twse.com.tw/mops/web/bfhtm_q2

(2) Consolidated Financial Statements of Related Companies

Since the consolidated financial statements of related parties are identical to those in the annual financial report, and a declaration has already been issued in the annual financial report, please refer to page 3 of the 2024 consolidated financial report of Rectron, available on the Market Observation Post System (MOPS) under: Single Company > Electronic Document Download > Financial Reports

https://mops.twse.com.tw/mops/#/web/t57sb01_q1

(3) Related party report: Not applicable

2. Private placement of tradable securities in the recent fiscal year and up to the date of printing of the annual report: None.

3. Holdings or disposals of the company's shares by subsidiary companies in the recent fiscal year and up to the date of printing of the annual report: None.

4. Other necessary supplementary explanations: None.

7. Major events in the most recent year up until the publication date of the annual report with significant impact on shareholders' equity or stock price: None

(1) Appendix I – Consolidated Financial Report:

Please refer to the 2024 Consolidated Financial Report of Rectron, available on the Market Observation Post System (MOPS) under:

Single Company > Electronic Document Download > Financial Reports

https://mops.twse.com.tw/mops/#/web/t57sb01_q1

(2) Appendix II – Standalone Financial Report:

Please refer to the 2024 Standalone Financial Report of Rectron, available on the Market Observation Post System (MOPS) under:

Single Company > Electronic Document Download > Financial Reports

https://mops.twse.com.tw/mops/#/web/t57sb01_q1