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C SUN MFG. LTD

Annual Report 2024

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Chapter 1 Letter to Shareholders

I. 2024 Business Report

Dear Shareholders,

First, we extend our gratitude for your long-standing support to C SUN. Below is the operational performance report for 2024:

(I) Operating Results:

Unit: NT\$/Thousand

Item	2024	2023	Increase/ (decrease) ratio
Net operating revenue	4,818,209	3,625,801	32.9%
Operating gross profit	1,983,100	1,506,158	31.7%
Operating expenses	1,347,104	1,103,502	22.1%
Operating gains	635,996	402,656	58.0%
Non-operating income/(expenses)	343,568	181,376	89.4%
Net profit after tax	756,575	530,121	42.7%
Net profit attributable to the parent company	719,160	486,324	47.9%

(II) Overview on Financial Income and Expenses and Profitability:

1. Financial structure:

Equity to assets ratio = 48.74%

Debt to assets ratio = 51.26%

2. Solvency:

Current ratio = 198.76%

Quick ratio = 162.32%

3. Profitability:

Return on assets = 7.66%

Return on shareholders' equity (ROE) = 16.60%

Net profit margin = 14.93%

Earnings per share (EPS) = 4.80

2024 R&D Status:

Industry category	Item
Semiconductor process equipment	Panel-level vacuum pressurized oven, semiconductor equipment development project, PLP roller lamination module development, WTW bonder project, and semiconductor R&D special program
Printed circuit board (PCB) process equipment	RCC pre-lamination machine, high-end roller laminator, ABF film peeler, and outer layer film peeler
Advanced processes and other electronic applications	Quartz oscillator photolithography equipment, panel-level plasma residue removal systems

II. 2025 Business Plan Overview

(I) Operating Policy for the Year

1. Business Focus

- (1) Grasp the business opportunities related to capital expenditures on 2.5D, 3D IC packaging, FoPLP, Micro LED, 8K4K TV, OLED, LTPS, IGZO, SLP HDI/MSAP, RCC manufacturing process, ABF/BT SLP and other advanced and forward-looking manufacturing processes.
- (2) Expand into the Thailand, Malaysia, Singapore, Indian, US and Japan markets.

2. Focus on appeals related to energy-saving, environmental protection, and circular economy: Improve the energy-saving feature of ovens and different machines, adhere to energy-saving and reuse, and facilitate a sustainable environment during its operations.

3. R&D: Improve the internal core technologies and exchanges and strengthen the cooperative relationships with external strategic partners for R&D and marketing to allow a more comprehensive product portfolio.

2025 Product & Technology Development Plans:

Industry category	Item
Semiconductor process equipment	Panel-level high-precision hotplate ovens, panel-level vacuum pressure ovens, panel bonder/anneal module development, panel semiconductor vacuum/roller lamination module development
Printed circuit board (PCB) process equipment	RCC pre-lamination machine, high-end roller laminator, ABF film peeler, and outer layer film peeler
Advanced processes and other electronic applications	Panel-level ICP plasma etching equipment

4. Management

(1) Organization

Establish an operational center organizational structure based on industry categories and core technologies.

Each operational center shall leverage expertise in specialized processes through its relevant core technologies, while developing cross-industry integrated innovation R&D mechanisms and capitalizing on the scale advantages of distribution channels across the group's management platform.

(2) Talent Cultivation

Introduce outstanding talent, international industry-academia collaborations, and external consultants; assign senior executives as internal instructors integrated with the Problem Analysis & Conclusions (PAC) system, You Should Know (YSK) frontline operation guidelines, internal knowledge management systems, and digital transformation management to systematically cultivate core technology R&D teams and PARPROs (Professional Partners) with managerial and integrative capabilities, thereby organically extending C SUN into a learning organization with core competitiveness.

(3) Asset Management

Strengthen risk controls for cash flow liquidity; enhance the reduction of accounts receivable and clearance of both new and obsolete inventory.

(4) Production Management

Elevate the quality management system from QC (Quality Control) to QA (Quality Assurance) to quality assurance; introduce the Problem Analysis & Conclusions (PAC) system and You Should Know (YSK) frontline operation guidelines to comprehensively enhance product reliability. Enable rapid market response through effective division of labor and lean operations across the Taiwan Strait, while integrating sustainability concepts and the practice of corporate social responsibility (CSR).

(II) Expected Sales Volume and Basis:

Unit: Set

Industry category	Quantity
Semiconductor process equipment	177
Printed circuit board (PCB) process equipment	306
Advanced processes and other electronic applications	775
Total	1,258

Note: Forecast based on current orders, production schedules, delivery timelines, and industry trends.

(III) Key Production & Sales Policies

To better align with the demand trends in semiconductor advanced packaging processes and future AI chips, while considering the planning of process equipment for other industries at the Guangzhou and Kunshan plants, we will implement the following strategic positioning for production and sales policies:

1. Targeted Production Allocation and Operational Flexibility: Taiwan Linkou Plant and Taichung Plant will expand the development of production equipment and capacity preparation for semiconductor advanced packaging processes and future AI chips to meet the demands of the high-end semiconductor market. Meanwhile, the Guangzhou and Kunshan plants will focus on serving process technology and equipment development for other electronic industries such as PCB, FPD, Touch Panel, and LED, ensuring all facilities flexibly adjust production capacity and technical direction based on market demands and economic conditions.
2. Comprehensive Solution Provider: Strengthen the capabilities of Taiwan Linkou Plant and Taichung Plant in providing Total Solutions that integrate materials, equipment, and process technologies, with a focus on meeting specialized requirements for advanced processes and AI chip manufacturing-related equipment. The Guangzhou and Kunshan plants will continue enhancing integration and innovation capabilities in other electronic process technologies.
3. Consolidation and Expansion of Regional Leadership: Taiwan Linkou Plant and Taichung Plant will strive to become leaders in semiconductor advanced packaging process equipment, while the Guangzhou and Kunshan plants will concentrate on solidifying and expanding their market-leading positions in opto-thermal process equipment for PCB and other electronic industries across Greater China.
4. High-Efficiency, Energy-Saving, and High-Precision Production Solutions: Taiwan Linkou Plant and Taichung Plant will develop technologies and equipment specifically designed for semiconductor advanced packaging, IC substrates, and HBM (High Bandwidth Memory), emphasizing high performance, energy efficiency, and precision.
5. Active Participation in Innovation and Sustainable Development: All bases will actively engage in the R&D and application of smart automation, energy reuse, and environmentally sustainable technologies. Each plant will explore and implement innovative technologies and eco-friendly solutions to lead the industry towards a more efficient and more eco-friendly future.

With these strategic adjustments, we aim to satisfy the market demands for semiconductor advanced packaging equipment, strengthen technological innovation, actively secure a leadership position in global semiconductor and electronic equipment industries, and drive the Company's long-term growth alongside industry advancements.

III. Future Company Development Strategies

Upholding the Company's consistent business philosophy, we specialize in providing equipment for bonding, lamination, peeling, thermal processing, UV curing, wet processes, and plasma technologies. As AI technologies and their applications (e.g., cloud computing servers, big data analytics, AI model training/inference, and autonomous driving) demonstrate significant growth potential, semiconductor advanced packaging technologies, particularly 2.5D/3D chip stacking, have become critical to meeting these demands. These technologies integrate multiple chips onto a single substrate, reducing interconnect spacing while achieving advantages such as smaller form factors, lower power consumption, cost savings, and enhanced performance.

As a key equipment supplier to leading global semiconductor manufacturers, we plan to apply innovative technologies to these advanced packaging fields to support the rapid development and emerging needs of AI. By connecting with G2C+ strategic partners in technology and markets, we will leverage decades of accumulated core equipment technologies as a robust operational foundation. We will extend these innovations to other industries, expand business and overseas outreach, and aim to deepen and broaden core technologies and smart automation/AI capabilities, delivering more comprehensive products and services to customers.

IV. Impacts from External Competitive Environment, Regulatory Environment, and Overall Operational Conditions

(I) External Competitive Environment:

The external competitive environment sees that our TFT LCD/touch panel manufacturing process equipment has achieved remarkable results in the Cross-Strait market, and the proactive transformation towards AR/VR, vehicle applications, MicroLED and FoPLP manufacturing process fields is in progress.

We are currently the exclusive manufacturer capable of providing large-format TFT front-end process equipment - multi-layer ovens, which not only highlights our market uniqueness but also establishes a solid foundation for future technological innovation and market expansion. As the semiconductor industry continues to advance, Taiwan's leadership in advanced packaging technologies is particularly critical, especially in areas such as CoWoS (Chip on Wafer on Substrate) and HBM (High Bandwidth Memory).

Such technologies powerfully underpin AI, big data, high-performance computing and other cutting-edge applications. As a core player in this progress, the Company has attained global leadership in key equipment for PCB ABF/BT substrate processes, including laminators, film peelers, and IC packaging ovens. Guided by sustained technological innovation, we plan to deepen our presence in Taiwan, Southeast Asia, and Europe/US/Japan markets, particularly in advanced packaging technologies like CoWoS and HBM. We will continue increasing R&D investments

and collaborate with G2C+ partners to drive the semiconductor industry toward greater efficiency, sustainability, and innovation.

As global demand for high-performance computing capabilities rises, we are confident that through continuous technological innovation and market strategy adjustments, we will maintain our competitive edge in the global arena. By delivering diversified, high-quality products and services to leading clients worldwide, we aim to pioneer new frontiers in IC substrates, semiconductor advanced packaging, and HBM memory industries.

(II) Regulatory Environment:

C SUN operates with strict legal compliance and social responsibility. Adaptations to regulatory changes are managed through the responsiveness of professional managers and consultations with legal experts to ensure adherence.

(III) Overall Operating Environment:

C SUN's business spans diverse equipment industries, including PCB, FPD, Touch Panel, SEMI, PV, and Printing & Coating. Evolving customer strategies underscore the growing importance of core competitiveness.

2024 marked a pivotal year for C SUN Industrial (2467) in semiconductor advanced packaging. Following ChatGPT's global emergence in 2023, AI infrastructure accelerated rapidly. Our expertise in bonding, film lamination, and baking technologies - honed over years in advanced packaging - gained client recognition. On December 7, 2023, we received TSMC's Mass Production Support Award, becoming the first Taiwan equipment supplier in a decade to earn this honor. In 2024, we further secured TSMC's Continuous Improvement Award, making C SUN the sole Taiwan equipment supplier to win consecutive accolades. We anticipate continued growth in semiconductor revenue share through 2025.

C SUN operates across four key industries: PCB, FPD, SEMI, and electronic applications. In 2024, global economic conditions led to a downturn in FPD. Over the years, the PCB industry has experienced rapid expansion in IC substrate production. Although the pace of substrate factory expansion has slowed, the industry has seen a shift in production locations due to the "China+1" strategy. In response to this trend, C SUN established a subsidiary in Thailand in 2024 to seize the opportunities arising from this market transition, ensuring that its PCB revenue remains unaffected.

The AI sector dominated 2024. As a key supplier for advanced packaging, semiconductor revenue doubled compared to 2023, reaching 35% of total revenue, fueled by major clients' rapid capacity expansion.

Looking ahead to 2025, the AI arms race will persist, and synergies from the G2C+ Alliance will expand. Beyond existing CoWoS (Chip-on-Wafer-on-Substrate) process benefits from client expansions, oS (outer substrate) processes are extending from TSMC to OSAT (Outsourced Semiconductor Assembly and Test) clients. As a critical OSAT partner, C SUN expects long-term R&D investments in new site equipment to yield returns. We project another doubling of semiconductor equipment revenue share in 2025, aligned with ESG (Environmental, Social, and Governance) and AI trends to explore new industries and applications.

In 2025, C SUN invested in LoLin Tech to expand agency operations in Japan through this subsidiary, aiming to unlock new revenue streams via innovative business models.

Upholding the ethos of "Collaborative Innovation, Shared Progress," we strive to create greater value for customers, shareholders, and employees while fulfilling our corporate social responsibilities.

Finally, we extend our best wishes to all shareholders

for good health and prosperity in all endeavors.

Chairman Morrison Liang

Chapter 2 Corporate Governance Report

I. Information on Directors, Supervisors, Presidents, Vice Presidents, Assistant Vice Presidents, and Officers of Departments and Branches:

(I) Information on Directors and Supervisors:

March 29, 2025 (book closure day)

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected Date	Term of Office	Date Initially Elected	Shares held when elected (Note 2)		Current shares held (Note 2)		Current shares held by spouse and minor children		Shares held under others' names		Major Experience (Educational Background)	Current Positions in the Company and Other Companies	Spouse or Relatives within the Second Degree of Kinship Serving as Executives, Directors, or Supervisors			Remarks
							Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relationship	
Chairman	Republic of China	Morrison Liang	Male 77	June 9, 2022	3 years	April 18, 1978	3,963,215	2.60%	2,377,866	1.52%	346,222	0.22%	None	—	Bachelor, Department of Chemical Engineering, National Taiwan University 7th Business Administration Executive Program, National Chengchi University Vice President, Taiwan Electronic Equipment Industry Association (TEEIA) Supervisor, Association for Taiwan-Japan Cooperation on Industrial Technology (TJCIT) Vice Chairman, Taiwan Printed Circuit Association Environment Foundation (TPCF) Director, Taiwan Display Union Association (TDUA)	CEO, C SUN Independent Director, King Polytechnic Engineering Co., Ltd.	Vice Chairman	Mao Chung Liang	Brothers	Notes 1, 2
Vice Chairman	Republic of China	Mao Chung Liang	Male 72	June 9, 2022	3 years	April 18, 1978	2,410,045	1.58%	3,192,949	2.04%	1,137,260	0.73%	None	—	Chengyuan Junior High School Honorary President, Guangzhou Huadu Taiwanese Business Association Vice President, Guangdong Cross-Strait Exchange Promotion Association	Deputy Executive Officer, C SUN Chairman, C SUN Technology (Guangzhou) Co., Ltd.	Chairman	Morrison Liang	Brothers	Note 2
Director	Republic of China	Hsien Ho Shen	Male 71	June 9, 2022	3 years	June 13, 2019	—	—	—	—	—	—	None	—	Bachelor, Department of Electronic Engineering, Chung Yuan Christian University Vice President, Module, Resource and Material Center, AU Optronics Corporation Manager/Plant Director, Department of Resources and Materials, United Microelectronics Corporation	Director, Taiwan Surface Mounting Technology Corp. Supervisor, Chem Tec Corporation Co., Ltd. Independent Director/Remuneration Committee Member/Audit Committee Member, Ennostar Inc. Independent Director, ProLight Opto Technology Corporation	—	—	—	—
Director	Republic of China	Cheng Hsing Chen	Male 60	June 9, 2022	3 years	June 13, 2019	15,301	0.01%	15,760	0.01%	—	—	None	—	Master, Institute of Mechanical Engineering, National Sun Yat-sen University Head of Design Department, Chunghwa Picture Machinery Works Corporation Deputy General Manager, Gallant Precision Machining Co., Ltd. Legal Representative Director, Gallant Micro. Machining Co., Ltd.	Chairman/General Manager, Gallant Precision Machining Co., Ltd. Director, C SUN MFG. Ltd. Director, Shinyu Light Co., Ltd. Chairman, Apex-I International Co., Ltd. Legal Representative Director, Gallant-Rapid Corporation Limited Chairman & General Manager, GPM Machinery (Suzhou) Co., Ltd. Director, ESG World Citizens & Digital Governance Foundation Vice Chairman, Taiwan Electronic Equipment Industry Association (TEEIA) Vice Chairman, Taiwan Automation Intelligence and Robotics Association (TAIROA) Independent Director, Tongtai Machine & Tool Co., Ltd. Chairman, Jinn Peng Investment Co., Ltd.	—	—	—	—

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected Date	Term of Office	Date Initially Elected	Shares held when elected (Note 2)		Current shares held (Note 2)		Current shares held by spouse and minor children		Shares held under others' names		Major Experience (Educational Background)	Current Positions in the Company and Other Companies	Spouse or Relatives within the Second Degree of Kinship Serving as Executives, Directors, or Supervisors			Remarks
							Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relationship	
Director	Republic of China	Hsien Tseng Yang (Note 4)	Male 69	June 9, 2022	3 years	June 9, 2022	—	—	—	—	—	—	None	—	Master of Laws, Ehime University Chairman, Microtips Technology Inc. Chairman, CloudRiches Digital Technology Co., Ltd. Supervisor, Taiwan Printed Circuit Association (TPCA) Supervisor, TPCA Environment Foundation	-				
Independent Director	Republic of China	Ming Chieh Lin	Male 75	June 9, 2022	3 years	June 14, 2016	32,343	0.02%	33,313	0.02%	—	—	None	—	Ph.D., Department of Business Administration, National Chengchi University Director, Joint Credit Information Center (JCIC) Supervisor, Taipei Exchange (TPEX) Professor, Department of Business Administration, National Central University	Independent Director/Remuneration Committee Member/Audit Committee Member, Chicony Electronics Co., Ltd. Independent Director/Remuneration Committee Member/Audit Committee Member, Unitech Computer Co., Ltd.	—	—	—	—
Independent Director	Republic of China	Chih Yuan Chu	Male 77	June 9, 2022	3 years	June 14, 2016	—	—	—	—	—	—	None	—	EMBA, Chung Yuan Christian University Senior Vice President and Chief Finance Officer, Delta Electronics Inc.		—	—	—	—
Independent Director	Republic of China	Shu Hsien Lin	Male 55	June 9, 2022	3 years	June 13, 2019	—	—	—	—	—	—	None	—	Department of Chemical Engineering, Tamkang University Director, Opus Microsystems Inc. Director, United Construction Development Co., Ltd. Director, Dayu Optoelectronics Co., Ltd.	Corporate representative director, Control Technology Co., Ltd. Director, Darzhen Venture Corporation Chairman, Tung Ling Refrigeration Co., Ltd.	—	—	—	—
Independent Director	Republic of China	Chia Chun Tsou (Note 5)	Male 59	June 9, 2022	3 years	June 9, 2022	—	—	—	—	—	—	None	—	Department of Computer Engineering, National Chiao Tung University	Chairman, Utechzone Co., Ltd. Director, Utechzone Global Corp. Director, Evervision Global (SAMOA) Co., Ltd. Chairman, KGKAZA Co., Ltd. Chairman, ZF Investment Co., Ltd. Chairman, Rich Wing Co., Ltd. Executive Director, Utechzone Information Technology (Shanghai) Co., Ltd. Chief Executive Officer, Utechzone Global Corp.	—	—	—	—

※Major shareholders of corporate shareholders: None.

Note 1: When the Chairman and the General Manager or equivalent positions (chief managerial officer) are held by the same person, spouse, or relatives within the first degree of kinship, the reason, relevant information on the reasonableness, necessity, and future improvement measures shall be explained (such as methods of increasing the number of seats for Independent Directors and the majority Directors not concurrently being employees or managers):
The reason for the Chairman and the General Manager of the Company being within the first degree of consanguinity is to facilitate the efficiency of the operation and the decision-making process. However, to reinforce the independence of the Board; furthermore, the Chairman also closely and fully communicates with Directors from time to time regarding the Company's recent operations and prepares guidelines to realize corporate governance. Currently, the Company has the following specific measures in place:

1. Three current Independent Directors possess expertise in the industrial field and are capable of effectively exerting their supervisory functions.
2. The Company arranges Directors to participate in professional directorial programs provided by external institutions on a yearly basis to improve the operating results of the Board.
3. Independent Directors may carry out comprehensive discussions at meetings of functional committees and propose their viewpoints for the Board's reference to realize corporate governance.
4. The majority of Directors are not concurrently employees or managers.

Note 2: 2,200,000 shares and 4,100,000 shares held by Chairman Morrison Liang and Vice Chairman Mao Chung Liang, respectively, are trust shares under the category of "trust shares with discretion reserved."

Note 3: The re-election of the Company's Directors took place on June 9, 2022; the appointment of the newly elected Directors Morrison Liang, Mao Chung Liang, Hsien Ho Shen, Cheng Hsing Chen, Hsien Tseng Yang, Chih Yuan Chu, Ming Chieh Lin, Shu Hsien Lin, and Tsou Chia Chun became effective on June 9, 2022.

Note 4: Director Hsien Tseng Yang has resigned on December 4, 2023.

Note 5: Independent Director Tsou Chia Chun has resigned on November 4, 2024.

(II) Professional Qualifications of Directors and Supervisors, and Disclosure of Independence of Independent Directors:

1. Professional Qualifications of Directors and Supervisors

Criteria Name	Professional qualification and experience (Note 1)	Independence status (Note 2)	Number of independent director roles in other public companies
Morrison Liang Mao Chung Liang Hsien Ho Shen Cheng Hsing Chen Hsien Tseng Yang (Note 3)	For the qualification and experience of Directors, please refer to "Chapter 3. II.(I) Information on Directors and Supervisors" (pages 10 to 12) of the Annual Report.	N/A	1 - 2 1 -
Ming Chieh Lin Chih Yuan Chu Shu Hsien Lin Chia Chun Tsou (Note 4)	None of the circumstances in subparagraphs under Article 30 of the Company Act occurred to any Director (Note 1)	All independent directors meet the following conditions: 1. Compliance with Article 14-2 of the Securities and Exchange Act and the "Regulations Governing the Appointment and Compliance Matters of Independent Directors for Public Companies" (Note 2) issued by the Financial Supervisory Commission. 2. The independent director (whether directly or through third parties), their spouse, and minor children hold no shares in the Company. 3. No remuneration has been received within the past two years for providing commercial, legal, financial, or accounting services to the Company or its affiliates.	2 - - -

Note 1: Persons meeting any of the following conditions are disqualified from serving as managers. Incumbent managers automatically dismissed if any condition applies:

1. Conviction of crimes stipulated in the Organized Crime Prevention Act with a final guilty verdict, where the sentence has not been executed, has not been fully executed, or where less than five years have passed since completion of sentence, parole period expiration, or pardon.
2. Conviction of fraud, breach of trust, or misappropriation resulting in a final sentence of imprisonment for one year or more, where the sentence has not been executed, has not been fully executed, or where less than two years have passed since completion of sentence, parole period expiration, or pardon.
3. Conviction of crimes stipulated in the Anti-Corruption Act with a final guilty verdict, where the sentence has not been executed, has not been fully executed, or where less than two years have passed since completion of sentence, parole period expiration, or pardon.
4. Declaration of bankruptcy or court-ordered commencement of liquidation proceedings, with civil rights not yet reinstated.
5. Current suspension of banking transactions due to dishonored negotiable instruments where the penalty period has not expired.
6. Legal incapacity or restricted legal capacity.
7. Subject to a court-ordered guardianship declaration that has not been revoked.

Note 2:

1. Failure to qualify as a government entity, legal entity, or its representative under Article 27 of the Company Act.
2. Concurrent service as an independent director for more than three publicly listed companies.
3. None of the following circumstances occurred two years prior to the election and during the term of office:
 - (1) An employee of the Company or its affiliates.
 - (2) A director or supervisor of the Company or its affiliates.
 - (3) A natural person shareholder who holds shares, together with those held by the person's spouse, minors, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company, or that ranks among the top ten in shareholdings.
 - (4) A manager as specified in (1) nor a spouse or a direct blood relative within the second degree or third degree of kinship as specified in (2) or (3).
 - (5) A director, supervisor, or employee that directly holds 5% or more of the Company's total issued shares, or that ranks among the top five shareholders, or that appoints representatives to serve as directors to the Company under Article 27 of the Company Act.
 - (6) A director, supervisor, or employee of another company with its majority of director seats or voting shares controlled by the same individual.
 - (7) A director, supervisor, or employee of another company or institution who is, or the person's spouse is, holding the position as the Chairman, President, or equivalent positions of the Company.
 - (8) A director, supervisor, manager, or shareholder holding 5% or more of the shares of a specified company or institution that has a financial or business relationship with the Company.
 - (9) A professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, manager, or spouse thereof that provides auditing service for the Company or its affiliates or provides relevant commercial, legal, financial, or accounting services with a cumulative remuneration less than NT\$0.5 million in the latest two years. However, members of the Company's Remuneration Committee are exempt from this restriction.

Note 3: Director Hsien Tseng Yang has resigned on December 4, 2023.

Note 4: Independent Director Tsou Chia Chun has resigned on November 4, 2024.

2. Board Diversity and Independence:

- (1) The Company's *Articles of Association* stipulate that director elections shall fully adopt a candidate nomination system. The *Corporate Governance Best Practice Guidelines* and *Director Election Regulations* further mandate that board composition shall prioritize diversity, with tailored diversity policies aligned with the Company's operations, business model, and developmental needs, including but not limited to standards in two key dimensions: fundamental qualifications/values and professional expertise/skills.
- (2) The Company maintains an ongoing director succession plan, establishing a candidate database based on the following criteria:
 - I. Integrity, accountability, innovation, and decision-making capabilities, aligning with the Company's core values and demonstrating professional knowledge and skills essential for corporate governance.
 - II. Industry experience directly relevant to the Company's business operations.

- III. Potential to contribute to an effective, collaborative, and diverse Board that addresses the Company's evolving needs. Proactive efforts to recruit at least one female director, ensuring the Board's collective expertise spans corporate strategy, accounting and taxation, finance, legal affairs, administrative management, and production management. The Company ensures strict compliance with qualification reviews and regulatory requirements during the selection of director candidates. This process guarantees that vacancies or expansions in Board seats are filled promptly with qualified individuals who meet the Company's governance standards.
- (3) The Company implements regular board performance evaluations conducted by external independent professional institutions. In 2024, the Taiwan Integrity Governance Association was commissioned to provide a professional external evaluation report, which delivered improvement recommendations to serve as references for future member nominations;
- (4) The Company has established the "Measures for Board Performance Evaluation," utilizing assessment metrics that include the operational efficiency of board meetings, management of internal relationships and communication, board composition and competencies, and self-assessments by directors. These measures ensure the effective functioning of the Board, evaluate director performance, and provide guidance for future director nominations.

Board Diversity Policy:

1. The Company's Board Diversity Policy is established in accordance with Chapter 3, Article 20 of the Corporate Governance Best Practice Guidelines, which mandates that the composition of the Board of Directors shall prioritize diversity. The policy formulates appropriate diversity objectives aligned with the Company's operational model, business needs, and developmental goals, including but not limited to the following two dimensions:
 - (1) Fundamental Qualifications and Values: Gender, age, nationality, and cultural background.
 - (2) Professional Expertise and Skills: Professional backgrounds (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.
2. All Board members shall possess the knowledge, skills, and competencies necessary to fulfill their duties effectively. To achieve the ideal goals of corporate governance, the Board as a whole should possess the following capabilities:
 - (1) Operational judgment.
 - (2) Accounting and financial analysis.
 - (3) Management expertise.

- (4) Crisis management.
- (5) Industry knowledge.
- (6) Global market perspective.
- (7) Leadership.
- (8) Decision-making skills.

Specific Management Objectives for Board Member Diversity:

The Company's Board of Directors is responsible for guiding corporate strategy, overseeing management, and fulfilling duties to the Company and shareholders. All corporate governance procedures and arrangements shall ensure the Board exercises its authority in accordance with laws, Articles of Association, or shareholder resolutions. Specific management objectives are as follows:

1. The Company's Board of Directors emphasizes gender equality among members, with the board required to include at least one female director.
2. The Board prioritizes operational judgment, management capabilities, and crisis handling competence. At least two-thirds of directors must possess expertise in relevant core competencies.
3. Independent directors shall not serve more than three consecutive terms to maintain independence.
4. Directors holding employee positions in the Company, its parent, subsidiaries, or affiliates shall not exceed one-third (inclusive) of total board seats to ensure oversight effectiveness.

Implementation Status of Board Member Diversity:

To strengthen corporate governance and promote sound board organization, the Company considers diversity in director selection while adhering to appropriate diversity policies aligned with operational characteristics and developmental needs. All directors possess essential knowledge, skills, qualifications, and industry-specific decision-making and management capabilities required for their duties. The Company consistently provides diversified continuing education programs for directors to enhance decision-making quality, fulfill supervisory responsibilities, and strengthen Board functionality.

The current Board comprises seven members, including three independent directors (42.9%). None of the independent directors have served more than three consecutive terms, ensuring Board independence. Two directors (28.6%) concurrently hold employee positions.

When the representation of either gender on the Company's Board of Directors falls below one-third, the Company shall disclose the reasons and outline measures adopted to enhance gender diversity in Board composition:

- (1) Reason: While emphasizing gender equality in board composition with a minimum target of one director from different genders, the current Board consists entirely of male members (7 directors,

100%) due to industry-specific challenges in identifying qualified female candidates within a short timeframe.

(2)Measures Implemented: Upon the expiration of the current Board term during reelection, the Company will actively seek female director candidates through industry and academic channels, aiming to appoint 1-2 female directors. The ultimate goal is to achieve at least one-third representation of different genders on the Board, thereby enhancing corporate governance efficacy and implementing Board diversity policies.

The current seven Board members exhibit diverse professional backgrounds spanning multiple industries, academia, and legal expertise. The implementation status of the board diversity policies is set out in the following table:

Implementation status of the board diversity policies									
Title	Chairman	Vice Chairman	Director	Director	Director	Independent Director	Independent Director	Independent Director	Independent Director
Name	Morrison Liang	Mao Chung Liang	Hsien Ho Shen	Cheng Hsing Chen	Hsien Tseng Yang (Note 1)	Ming Chieh Lin	Chih Yuan Chu	Shu Hsien Lin	Chia Chun Tsou (Note 2)
Over 70 years old	V	V				V	V		
Age 55-70			V	V	V				V
Under the age of 55								V	
Concurrently an employee of the Company	V	V							
Professional knowledge and talents									
Business	V	V	V	V	V	V	V	V	V
Technology	V	V	V	V	V	V	V	V	V
Finance/accounting							V		
Marketing	V	V	V	V	V				
Expertise and experience									
Leadership	V	V	V	V	V	V	V	V	V
Ability to make decisions	V	V	V	V	V	V	V	V	V
International viewpoints	V	V	V	V	V	V	V	V	V
Industrial knowledge	V	V	V	V	V	V	V	V	V
Financial management ability	V		V				V		
Operation and manufacturing	V	V	V	V	V	V		V	V
Business development	V	V	V	V	V	V	V	V	V
Risk management/crisis management	V	V	V	V	V	V	V	V	V
Sustainable environment	V	V							
Social participation	V	V	V	V	V				V

Note 1: Director Hsien Tseng Yang has resigned on December 4, 2023.

Note 2: Independent Director Tsou Chia Chun has resigned on November 4, 2024.

(III) Continuing Education of Directors and Independent Directors

Title	Name	Date of continuing education		Sponsor	Program	Number of hours
		Start	Until			
Director	Morrison Liang	November 4, 2024	November 4, 2024	Association - Taiwan Corporate Governance Association (TCGA)	The sole path to corporate sustainability - external innovation	3
		October 31, 2024	October 31, 2024	Association - Taiwan Corporate Governance Association (TCGA)	Trends and risk management in digital technology and artificial intelligence	3
		May 6, 2024	May 6, 2024	Association - Taiwan Corporate Governance Association (TCGA)	AI applications, legal compliance and auditing	3
Director	Cheng Hsing Chen	October 31, 2024	October 31, 2024	Association - Taiwan Corporate Governance Association (TCGA)	Trends and risk management in digital technology and artificial intelligence	3
		June 19, 2024	June 19, 2024	Association - Taiwan Institute of Directors	Uncovering international competitiveness of Taiwan enterprises in global competition	3
		May 2, 2024	May 2, 2024	Association - Taiwan Institute of Directors	Achieving corporate growth through strategic mergers and acquisitions	3
		March 8, 2024	March 8, 2024	Association - Taiwan Digital Governance Association	2024 Board operation trends and strategies	3
Director	Hsien Ho Shen	November 6, 2024	November 6, 2024	Foundation - Securities and Futures Institute (SFI)	Strategic thinking of issue management required for corporate governance	3
		October 31, 2024	October 31, 2024	Association - Taiwan Corporate Governance Association (TCGA)	Trends and risk management in digital technology and artificial intelligence	3
Independent Director	Shu Hsien Lin	October 31, 2024	October 31, 2024	Association - Taiwan Corporate Governance Association (TCGA)	Trends and risk management in digital technology and artificial intelligence	3
		May 22, 2024	May 22, 2024	Association - Taiwan Corporate Governance Association (TCGA)	Trends and visions for building green ecosystems - Carbon Exchange operations and prospects	3
		May 14, 2024	May 14, 2024	Association - Taiwan Corporate Governance Association (TCGA)	Renewable energy certificate system and green electricity trading analysis	3

Title	Name	Date of continuing education		Sponsor	Program	Number of hours
		Start	Until			
Independent Director	Ming Chieh Lin	October 31, 2024	October 31, 2024	Association - Taiwan Corporate Governance Association (TCGA)	Trends and risk management in digital technology and artificial intelligence	3
		August 7, 2024	August 7, 2024	Association - Taiwan Corporate Governance Association (TCGA)	Trends and challenges in information security governance (Part 1)	3
		August 7, 2024	August 7, 2024	Association - Taiwan Corporate Governance Association (TCGA)	Trends and challenges in information security governance (Part 2)	3
Independent Director	Chih Yuan Chu	December 10, 2024	December 10, 2024	Association - Taiwan Corporate Governance Association (TCGA)	Offensive and defensive strategies for non-consensual mergers and acquisitions and related corporate governance issues	3
		October 31, 2024	October 31, 2024	Association - Taiwan Corporate Governance Association (TCGA)	Trends and risk management in digital technology and artificial intelligence	3
Independent Director	Chia Chun Tsou	July 3, 2024	July 3, 2024	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit Forum	6

Note: Refer to the number of hours, scope, system, arrangement for continuing education, and information disclosure required by the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies."

(IV) Information on General Manager, Vice General Managers, Assistant Managers, Directors of Departments and Branches

March 29, 2025 (book closure day)

Title	Nationality	Name	Gender	Date of election (appointment)	Shares held ^(Note 1)		Shares held by spouse and minor children		Shares held under others' names		Key professional/educational background ^(Note 2)	Concurrent positions in other companies	Managers with spouse or relatives within the second degree of kinship			Remarks
					Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding			Title	Name	Relationship	
CEO	Republic of China	Morrison Liang	Male	June 15, 2007	2,377,866	1.52%	346,222	0.22%	None	—	Graduated from Department of Chemical Engineering, National Taiwan University 7th Business Administration Executive Program, National Chengchi University	Chairman of C SUN Independent Director, King Polytechnic Engineering Co., Ltd.	Deputy Executive Officer	Mao Chung Liang	Brothers	
Deputy Executive Officer	Republic of China	Mao Chung Liang	Male	June 15, 2007	3,192,949	2.04%	1,137,260	0.73%	None	—	Graduated from Chengyuan Junior High School President, Guangzhou Huadu Taiwanese Business Association	Vice Chairman, C SUN	CEO	Morrison Liang	Brothers	
General Manager	Republic of China	Yu Wen Liang	Male	June 17, 2022	1,922,647	1.23%	—	—	None	—	Class 40, Department of Business Administration, National Chengchi University Being granted the degree of Master of Business Administration (MBA), Washington State University (WSU) Being granted the degree of Master of Laws, Northwestern University Completed the Business Administration Courses at Northwestern University Supervisor, ViewMove Technologies, Inc. Director, Taiwan Printed Circuit Association (TPCA)	Chairman and CEO, Gallant Micro. Machining Co., Ltd. Legal Representative Director, Utron Technologies Corp. & Gallant Micro. Machining Co., Ltd. Director, Utron Technologies Corp. Chairman, Heighten Int'L Business Corp. Director, Good Team International Enterprise Limited Director, Suzhou Top Creation Intelligent Machines Co., Ltd. Director, Nantong Top Creation Photoelectric Equipment Co., Ltd. Supervisor, Guangxin Venture Capital Co., Ltd. Legal Representative Director, Phoenix Silicon International Corporation & Gallant Precision Machining Co., Ltd. Independent Director, Contrel Technology Co., Ltd. Chairman, Navigation Technology Co., Ltd.; Legal Representative Director, C SUN MFG. Ltd. Chairman and CEO, Gallant Precision Machining Co., Ltd.	CEO	Morrison Liang	Father & son	Assumed position in June 2022
Deputy General Manager	Republic of China	Chien Hung Wang	Male	August 1, 2020	75,036	0.05%	664	0.00%	None	—	Lee-Ming Institute of Technology / Mechanical Engineering	Chairman, C SUN Technology (Guangzhou) Co., Ltd.	None	None	None	
Assistant Manager	Republic of China	Kai Chun Yuan	Male	October 5, 2018	11,121	0.01%	—	—	None	—	National Changhua University of Education / Mechatronics Engineering	None	None	None	None	
Assistant Manager	Republic of China	Yen Cheng Wu	Male	October 5, 2018	62,709	0.04%	—	—	None	—	Feng Chia University / Industrial Engineering and Systems Management	None	None	None	None	
Assistant Manager	Republic of China	Pao Wei Tung	Male	January 21, 2021	92,777	0.06%	—	—	None	—	Tunghai University / Business Administration	None	None	None	None	

Note 1: 2,200,000 shares and 4,100,000 shares held by Chairman Morrison Liang and Vice Chairman Mao Chung Liang, respectively, are trust shares under the category of "trust shares with discretion reserved."

Note 2: Information shall be disclosed for the General Manager, Deputy General Manager, Assistant Manager, heads of all departments and branch offices, as well as any positions equivalent to General Manager, Deputy General Manager or Assistant Manager, regardless of their titles.

Note 3: For experiences related to current positions, when any manager held positions in the CPA's firm or its affiliates during the above period, the positions held, and responsible duties shall be described.

Note 4: Where the positions of General Manager and the Chairman or equivalent position (top executive) are held by the same person, by married couples, or by relatives within the first degree of consanguinity, the information relevant to the reason, rationality, necessity, and measures to be taken shall be disclosed (such as an increase of the number of independent directors, and the requirement that more than half of the Directors should not concurrently serve as employees or managers): The reason for the Chairman and General Manager of the Company being within the first degree of consanguinity is to facilitate the efficiency of the operation and the decision-making process and to reinforce the independence of the Board. The Chairman and the General Manager also closely and fully communicates with Directors from time to time regarding the Company's recent operations and prepares guidelines to realize corporate governance. Currently, the Company has the following specific measures in place:

1. Incumbent Independent Directors possess expertise in the industrial field and are capable of effectively exerting their supervisory functions.

2. The Company arranges Directors to participate in professional directorial programs provided by external institutions on a yearly basis to improve the operating results of the Board.

3. Independent Directors may carry out comprehensive discussions at meetings of functional committees and propose their viewpoints for the Board's reference to realize corporate governance.

4. The majority of Directors are not concurrently employees or managers.

(V) Remuneration Paid to Directors, Independent Directors, Presidents, and Vice Presidents in the Recent Fiscal Year

(1) Remuneration of General Directors and Independent Directors (Disclose the Name and the Corresponding Remuneration Separately):

Unit: NT\$/Thousand

Title	Name	Remuneration of Directors								Ratio of the sum of items A, B, C, and D to net profit after tax (%) (Note 10)		Relevant remuneration received by Directors who are also employees								A, B, C, D, E, F and G as a % of the Net Profits After Tax (Note 10)		Remuneration from Invested Enterprises Outside Subsidiaries or From the Parent Company (Note 11)
		Compensation (A)		Severance pay and retirement pension (B)		Remuneration of Directors (C)		Allowances for Business Execution (D) (Note 4)				Salaries, bonus, and allowance (E) (Note 5)		Remuneration of Directors (F)		Remuneration of Employees (G) (Note 6)						
		(Note 2)				(Note 3)																
		The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company		All companies in the financial statements (Note 7)		The Company	All companies in the financial statements (Note 7)	
																Amount in cash	Amount in shares	Amount in cash	Amount in shares			
Chairman	Morrison Liang	-	-	-	-	3,310	3,310	-	-	3,310 0.46%	3,310 0.46%	8,483	10,149	90	90	281	-	281	-	12,164 1.69%	13,830 1.92%	-
Vice Chairman	Mao Chung Liang	-	-	-	-	2,272	2,272	-	-	2,272 0.32%	2,272 0.32%	8,486	8,486	92	92	278	-	278	-	11,128 1.55%	11,128 1.55%	-
Director	Hsien Ho Shen	-	-	-	-	2,310	2,310	70	70	2,380 0.33%	2,380 0.33%	-	-	-	-	-	-	-	-	2,380 0.33%	2,380 0.33%	-
Director	Cheng Hsing Chen	-	-	-	-	2,310	2,310	70	70	2,380 0.33%	2,380 0.33%	-	-	-	-	-	-	-	-	2,380 0.33%	2,380 0.33%	-
Director	Hsien Tseng Yang (Note)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Independent Director	Chih Yuan Chu	-	-	-	-	2,348	2,348	70	70	2,418 0.34%	2,418 0.34%	-	-	-	-	-	-	-	-	2,418 0.34%	2,418 0.34%	-
Independent Director	Ming Chieh Lin	-	-	-	-	2,348	2,348	70	70	2,418 0.34%	2,418 0.34%	-	-	-	-	-	-	-	-	2,418 0.34%	2,418 0.34%	-
Independent Director	Shu Hsien Lin	-	-	-	-	2,329	2,329	60	60	2,389 0.33%	2,389 0.33%	-	-	-	-	-	-	-	-	2,389 0.33%	2,389 0.33%	-
Independent Director	Chia Chun Tsou (Note)	-	-	-	-	2,291	2,291	40	40	2,331 0.32%	2,331 0.32%	-	-	-	-	-	-	-	-	2,331 0.32%	2,331 0.32%	-
Note: Director Hsien Tseng Yang has resigned on December 4, 2023. Independent Director Tsou Chia Chun has resigned on November 4, 2024.																						
1. Please describe the remuneration payment policy, system, standards, and structure, and the connectivity with the duties and risks assumed and time invested by the Independent Director:																						
(1) The remuneration for directors of the Company includes compensation and operational execution fees.																						
(2) Director remuneration is determined by the Board of Directors in accordance with the Company's Articles of Association, based on their level of participation in the Company's operations, the value of their contributions, and prevailing domestic and international industry standards.																						
(3) The Articles of Association also stipulate that director remuneration shall not exceed 2.25% of the annual profit. The principles for paying director compensation are as follows:																						
1) Independent directors all serve as audit committee members and compensation committee members. Considering their responsibilities, assumed risks, and time commitment, a reasonable remuneration is separately determined.																						
2) Business execution expenses are travel allowances, paid according to the number of meetings attended.																						
Except for the disclosures made in the above table, remuneration received by Directors for providing services (such as being a non-employee consultant) to all companies in the financial report for the Latest year: None.																						

*Please separately set out the information related to Directors (general Directors who are not Independent Directors) and Independent Directors.

(2) Remuneration Range Table:

Remuneration ranges for the directors of the Company	2024			
	Total amount of the first four remunerations (A+B+C+D)		Total amount of the first seven remunerations (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies in the financial statements (Note 9) H	The Company (Note 8)	All companies in the financial statements (Note 9) I
Below NT\$1,000,000	—	—	—	—
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	—	—	—	—
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	Morrison Liang, Mao Chung Liang, Hsien Ho Shen, Cheng Hsing Chen, Chih Yuan Chu, Ming Chieh Lin, Shu Hsien Lin, and Tsou Chia Chun	Morrison Liang, Mao Chung Liang, Hsien Ho Shen, Cheng Hsing Chen, Chih Yuan Chu, Ming Chieh Lin, Shu Hsien Lin, and Tsou Chia Chun	Morrison Liang, Mao Chung Liang, Hsien Ho Shen, Cheng Hsing Chen, Chih Yuan Chu, Ming Chieh Lin, Shu Hsien Lin, and Tsou Chia Chun	Morrison Liang, Mao Chung Liang, Hsien Ho Shen, Cheng Hsing Chen, Chih Yuan Chu, Ming Chieh Lin, Shu Hsien Lin, and Tsou Chia Chun
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	—	—	—	—
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	—	—	—	—
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	—	—	Morrison Liang and Mao Chung Liang	Morrison Liang and Mao Chung Liang
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	—	—	—	—
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	—	—	—	—
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	—	—	—	—
Above NT\$100,000,000	—	—	—	—
Total	8	8	8	8

- Note 1: Name of the Directors shall be set out separately (title of the corporate shareholder and the name of the representative shall be set out separately for a corporate shareholder), and general Directors and Independent Directors shall be set out separately to disclose the amount of different payment in aggregate.
- Note 2: Refers to the remuneration for directors in the most recent year (including directors' salaries, position bonuses, severance payments, various bonuses, incentives, etc.).
- Note 3: Refer to the amount of Director's remuneration distributed after being passed by the Board for the Latest year.
- Note 4: Refers to the relevant business execution expenses for directors in the most recent year (including travel expenses, special expenses, various allowances, and in-kind provision such as dormitories and vehicles). For the provision of houses, vehicles, and other transportation or exclusive personal expenses, nature, costs, and rental imputed using the actual or fair market price of assets provided, oil expenses, and other payment shall be disclosed. For personal driver provided, please provide explanations on relevant compensation paid by the Company to the drive; however, such compensation is not included in the remuneration.
- Note 5: Refer to salaries, duty allowance, severance pay, bonuses, incentives, traffic allowance, special allowance, subsidies, dormitory, vehicle, and other benefits in kind received by Directors who are also employees (including concurrently holding the position as General Manager, Vice General Manager, other managers, and employees) for the latest year. For the provision of houses, vehicles, and other transportation or exclusive personal expenses, nature, costs, and rental imputed using the actual or fair market price of assets provided, oil expenses, and other payment shall be disclosed. For personal driver provided, please provide explanations on relevant compensation paid by the Company to the drive; however, such compensation is not included in the remuneration. Furthermore, salary expenses recognized according to IFRS 2 "Share-based Payment" (including employee stock options, restricted stock awards, and participation in share subscription for the capital increase by cash) shall be included in the remuneration.
- Note 6: Refer to remuneration of employees received by Directors who are also employees (including concurrently holding the position as General Manager, Vice General Manager, other managers, and employees) for the Latest year; the amount of employees' remuneration distributed after being passed by the Board for the Latest year shall be disclosed; where it is unable to make such estimations, calculated the amount to be distributed for the year based on the ratio of the actual distribution amount in the preceding year, and otherwise complete Schedule 1-3.
- Note 7: The total remuneration paid to the Company's Directors by all companies in the consolidated report (including the Company) shall be disclosed.
- Note 8: Regarding the total remuneration paid to the Directors by the Company, the names of Directors are disclosed in the corresponding range of their remuneration.
- Note 9: The total remuneration paid to the Company's Directors by all companies in the consolidated report (including the Company) shall be disclosed, and the names of Directors shall be disclosed in the corresponding range of their remuneration.
- Note 10: Tax net profit refers to the net profit after tax for the most recent fiscal year of the individual or individual financial report.
- Note 11:
- a. The column shall explicitly set out the relevant remuneration amount received by the Company's Directors from investee companies other than subsidiaries or the parent company (please fill in "None" when there is no such amount).
 - b. For relevant remuneration received by the Company's Directors from investee companies other than subsidiaries or the parent company, the remuneration received by the Company's Directors from investee companies other than subsidiaries or the parent company shall be included in column I in the table of remuneration range, and the title of the column shall be altered as "Parent company and all investee companies."
 - c. The remuneration refers to relevant remuneration such as compensation, remuneration (including remuneration of employees, Directors, and supervisors), and business execution expenses received by the Company's Directors due to being directors, supervisors, or managers of investee companies other than subsidiaries or the parent company.
- * The remuneration disclosed in this table is different from the concept of income under the Income Tax Law, so the purpose of this table is for information disclosure and not for taxation.

(3) Remuneration of General Manager and Vice General Managers (Disclose the Name and the Corresponding Remuneration Separately):

Unit: NT\$/Thousand

Title	Name	Salaries (A) (Note 2)		Severance pay and retirement pension (B)		Bonuses and allowance (C) (Note 3)		Remuneration of Employees (D) (Note 4)				Ratio of the sum of items A, B, C, and D to net profit after tax (%) (Note 8)		Remuneration from Invested Enterprises Outside Subsidiaries or From the Parent Company (Note 9)
		The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company		All companies in the financial statements (Note 5)		The Company	All companies in the financial report	
								Amount in cash	Amount in shares	Amount in cash	Amount in shares			
CEO	Morrison Liang	2,302	2,302	92	92	6,184	6,184	278	-	278	-	8,856 1.23%	8,856 1.23%	-
Deputy Executive Officer	Mao Chung Liang	2,229	3,896	90	90	6,254	6,254	281	-	281	-	8,854 1.23%	10,521 1.46%	-
General Manager	Yu Wen Liang	2,702	3,777	108	108	11,416	11,685	514	-	514	-	14,740 2.05%	16,084 2.24%	-
Deputy General Manager	Chien Hung Wang	1,846	1,846	108	108	1,549	1,549	70	-	70	-	3,573 0.50%	3,573 0.50%	-

* Regardless of the title, positions equivalent to General Managers and Vice General Managers (such as president, CEO, and COO) shall be disclosed.

(4) Remuneration Range Table:

Grades of remuneration paid to the Company's General Manager and Vice General Managers	2024	
	The Company (Note 6)	All companies in the financial statements (Note 7)
Below NT\$1,000,000	—	—
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	—	—
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	—	—
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	Chien Hung Wang	Chien Hung Wang
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	Morrison Liang and Mao Chung Liang	Morrison Liang
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	Yu Wen Liang	Mao Chung Liang
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	—	Yu Wen Liang
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	—	—
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	—	—
Above NT\$100,000,000	—	—
Total	—	—

Note 1: Name of the General Manager and Vice General Managers shall be set out separately to disclose the amount of different payments in aggregate.

Note 2: Refer to the salaries, duty allowance, and severance pay of the General Manager and Vice General Managers for the Latest year.

Note 3: Refer to bonuses, incentives, traffic allowance, special allowance, subsidies, dormitory, vehicle, and other benefits in kind received by General Manager and Vice General Managers for the latest year. When providing housing, vehicles, other means of transportation, or personal expenses, the nature and cost of the assets provided, the actual or fair market value-based rent, fuel costs, and other payments should be disclosed. For personal driver provided, please provide explanations on relevant compensation paid by the Company to the driver; however, such compensation is not included in the remuneration. Furthermore, salary expenses recognized according to IFRS 2 "Share-based Payment" (including employee stock options, restricted stock awards, and participation in share subscription for the capital increase by cash) shall be included in the remuneration.

Note 4: Refer to the amount of employees' remuneration (including shares and cash) of General Manager and Vice General Managers distributed after being passed by the Board for the latest year.

Note 5: The total remuneration paid to the Company's General Manager and Vice General Managers by all companies in the consolidated report (including the Company) shall be disclosed.

Note 6: Regarding the total remuneration paid to the General Manager and Vice General Managers by the Company, the names of General Manager and Vice General Managers are disclosed in the corresponding range of their remuneration.

Note 7: The total remuneration paid to the Company's General Manager and Vice General Managers by all companies in the consolidated report (including the Company) shall be disclosed, and the names of General Manager and Vice General Managers shall be disclosed in the corresponding range of their remuneration.

Note 8: Tax net profit refers to the net profit after tax for the most recent fiscal year of the individual or individual financial report.

Note 9:

- The column shall explicitly set out the relevant remuneration amount received by the Company's General Manager and Vice General Managers from investee companies other than subsidiaries or the parent company (please fill in "None" when there is no such amount).
- For relevant remuneration received by the Company's General Manager and Vice General Managers from investee companies other than subsidiaries or the parent company, the remuneration received by the Company's General Manager and Vice General Managers from investee companies other than subsidiaries or the parent company shall be included in column I in the table of remuneration range, and the title of the column shall be altered as "Parent company and all investee companies."
- The remuneration refers to relevant remuneration such as compensation, remuneration (including remuneration of employees, Directors, and supervisors), and business execution expenses received by the Company's General Manager and Vice General Managers due to being directors, supervisors, or managers of investee companies other than subsidiaries or the parent company.

* The remuneration disclosed in this table is different from the concept of income under the Income Tax Law, so the purpose of this table is for information disclosure and not for taxation.

(5) Names of the managers assigning employee remuneration and the status of assignments:

Unit: NT\$/Thousand

Title ^(Note 1)		Name ^(Note 1)	Amount in shares	Amount in cash	Total	Ratio of the sum to the net profit after tax (%)
Manager	CEO	Morrison Liang	—	1,501	1,501	0.21%
	Deputy Executive Officer	Mao Chung Liang				
	General Manager	Yu Wen Liang				
	Deputy General Manager	Chien Hung Wang				
	Assistant Manager	Pao Wei Tung				
	Assistant Manager	Yen Cheng Wu				
	Assistant Manager	Kai Chun Yuan				
	Chief of Finance	Qiong Yao Zhang				
	Chief Accountant	Chiu Yen Lai				

Note 1: Name and titles shall be set out separately to disclose the profit distribution in aggregate.

Note 2: This section reflects the employee compensation amount (including stocks and cash) for managers approved by the Board of Directors for the most recent fiscal year. If the amount cannot be reasonably estimated, the proposed allocation is calculated based on the prior year's actual distribution ratio. Net profit after tax refers to the net profit after tax for the Latest Year; for those who had adopted IFRSs, net profit after tax refers to the net profit after tax in the individual or standalone financial report for the Latest Year.

Note 3: Applicable scope of managers: According to the requirements under the Letter Tai-Cai-Zheng-San-Zi No. 0920001301 issued by the former Securities and Futures Bureau on 27 March 2003, the scope is as follows:

- (1) Those equivalent to General Manager
- (2) Those equivalent to Vice General Managers
- (3) Those equivalent to assistant managers
- (4) Head of Finance Department
- (5) Head of Accounting Department
- (6) Other persons with rights to sign for management affairs of the Company

(VI) Compare and explain the analysis on the ratio of the remuneration paid to the Company's directors, supervisors, general manager, and vice general managers by the Company and all companies in the consolidated statements, respectively, and explain the policies, standards, and packages for remuneration payment, procedures for determining the remunerations, and the connection with operating performance:

1. Analysis of the ratio of remuneration paid to directors, supervisors, general managers and deputy general managers of the Company in the net profit after tax in the last two years:

Item	The Company				All companies in the consolidated financial statements			
	2023		2024		2023		2024	
	Total amount	Proportion of net profit after tax	Total amount	Proportion of net profit after tax	Total amount	Proportion of net profit after tax	Total amount	Proportion of net profit after tax
Remuneration of Directors	25,233	5.19%	37,608	5.23%	26,840	5.52%	39,274	5.46%
Remuneration of the General Manager and	30,244	6.22%	36,023	7.41%	33,457	6.88%	39,034	8.03%
Net profit after tax	486,324	-	719,160	-	486,324	-	719,160	-

2. Policies, standards, and composition of remuneration, procedures for determining remuneration, and its correlation with operational performance

(1) Performance evaluation of directors and managers, as well as remuneration policies, are as follows:

C SUN references market salary standards and industry norms to formulate remuneration schemes for directors and managers. In the process of determining remuneration, the following factors are comprehensively considered to ensure fairness and competitiveness:

- Responsibilities undertaken and time invested
- Achievement of goals and individual performance
- Overall performance in other positions
- Salary standards for equivalent positions in recent years

Moreover, C SUN evaluates the reasonable correlation between individual performance, business outcomes, and future risks, while balancing short-term and long-term business objectives and financial conditions to ensure the rationality and robustness of the remuneration mechanism.

(2) Remuneration Policy

According to Article 31 of the Articles of Association of the Company, if the company makes a profit in any given year, it shall allocate 1% to 9% of the profits as employee remuneration, which will be distributed by the Board of Directors in the form of stocks or cash. The distribution targets include employees of affiliated companies who meet certain criteria.

The Company may allocate up to 2.25% of the aforesaid profits as director remuneration, subject

to the resolution of the Board of Directors. The proposal on allocating the remuneration for employees and directors shall be reported to the shareholders' meeting.

However, if the Company still has accumulated losses, the amount required to offset such losses must be reserved first, followed by allocations for employee bonuses and director remuneration at the aforesaid ratios.

(3)Manager Remuneration Policy

C SUN's manager remuneration system is closely linked to the Company's operational performance, aiming to enhance operational efficiency and create long-term shareholder value. The remuneration structure includes:

- Fixed Salary:** Provides stable remuneration to attract and retain top talent.
- Variable Bonuses:** Distributed based on individual performance and corporate operational results to motivate the management team to improve performance.

To ensure that the remuneration system aligns with the Company's operational performance and sustainability strategy, starting from 2023, variable remuneration will be linked to sustainability strategies and goals to promote long-term business operations. Furthermore, when determining the compensation of senior executives, the Compensation Committee collaborates with external professional compensation consultants to ensure that the remuneration is competitive in the market and aligns with market trends.

(4)Duties and Operations of the Remuneration Committee

The Remuneration Committee is responsible for regularly reviewing the performance evaluation standards, remuneration policies, and systems for directors and managers, ensuring they align with the Company's development strategy and market levels. The review of annual performance targets and remuneration allocation content must be confirmed and approved by the Remuneration Committee.

In 2024, the attendance rate of the Remuneration Committee was 100%, and the Board of Directors fully adopted the recommendations of the Remuneration Committee without any modifications or rejections. Through the sound operation of the Remuneration Committee, C SUN ensures that the performance evaluation and remuneration decisions for directors and managers comply with reasonable standards, safeguarding the Company's interests and demonstrating transparency and regular review of the remuneration system.

II. Operations of Corporate Governance:

(I) Operations of the Board of Directors:

(1) In the most recent year, the Board held five meetings (A), and the attendance records of directors and independent directors are as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Chairman	Morrison Liang	5	0	100%	—
Vice Chairman	Mao Chung Liang	4	1	80%	—
Director	Hsien Ho Shen	5	0	100%	—
Director	Cheng Hsing Chen	5	0	100%	—
Director	Hsien Tseng Yang				Resigned on December 4, 2023
Independent Director	Ming Chieh Lin	5	0	100%	—
Independent Director	Chih Yuan Chu	5	0	100%	—
Independent Director	Shu Hsien Lin	4	0	80%	—
Independent Director	Chia Chun Tsou	3	1	60%	Resigned on November 4, 2024

Term	18th Term					
Date	2024/3/5	2024/5/9	2024/8/1	2024/10/31	2024/12/17	Remarks
Morrison Liang	V	V	V	V	V	
Mao Chung Liang	V	V		V	V	
Hsien Ho Shen	V	V	V	V	V	
Cheng Hsing Chen	V	V	V	V	V	
Hsien Tseng Yang						Resigned on December 4, 2023
Ming Chieh Lin	V	V	V	V	V	
Chih Yuan Chu	V	V	V	V	V	
Shu Hsien Lin	V	V		V	V	
Chia Chun Tsou	V	V	V			Resigned on November 4, 2024

Other matters required to be recorded:

I. If any of the following circumstances occurred during Board operations, the meeting date, session, proposal content, opinions of all independent directors, and the Company's handling of such opinions should be described:

- (I) Matters set out in Article 14-3 of the Securities Exchange Act: The Company has established an Audit Committee and is not subject to the provisions of Article 14-3 of the Securities and Exchange Law. For explanations on matters set out in Article 14-5 of the Securities Exchange Act, please refer to "Operations of the Audit Committee" of the Annual Report.
- (II) Other resolutions of the Board of Directors that have been opposed or reserved by independent directors with records or written statements, apart from the above matters: None.

II. Implementation of directors' abstention from matters involving conflicts of interest:

Name	Motion content	Reason for abstention due to interests	Voting participation status
Morrison Liang and Mao Chung Liang	Proposal for Director Remuneration Allocation	Related to directors' own interests	Not participating in voting

III. Objectives for strengthening the functions of the Board (such as the establishment of the Audit Committee and improvement of information transparency) during the current year and the latest year and the execution evaluation:

- (1) Establish the discussion methods for proposals related to strategic operations.
- (2) The Company is committed to improving information transparency; relevant information is published on the Market Observation Post System (MOPS) to safeguard shareholders' interests.
- (3) The Company has established its Remuneration Committee, responsible for assisting the Board in regular evaluation and examine the policies, systems, standards, and structures of performance evaluation and remuneration of Directors and managers.
- (4) The company established its Corporate Sustainability Committee in December 2017, responsible for promoting matters related to corporate social responsibility (CSR), ethical management, and corporate governance and reporting to the Board regarding the execution.

Note 1: For directors and supervisors who are legal entities, the names of the legal shareholders and their representatives should be disclosed.

Note 2:

- (1) For directors and supervisors who resign before the end of the fiscal year, the resignation date should be noted in the remarks column, and the actual attendance rate (%) should be calculated based on the number of board meetings attended during their tenure.
- (2) For any re-election of directors or supervisors before the end of the fiscal year, both the outgoing and incoming directors/supervisors should be listed, with a note in the remarks column indicating whether they are outgoing, newly elected, or re-elected and the date of re-election. The actual attendance rate (%) shall be calculated based on the number of board meetings held during their tenure and the actual attendance record.

(2) Implementation of Board Evaluation:

Evaluation cycle ^(Note 1)	Evaluation duration ^(Note 2)	Evaluation scope ^(Note 3)	Evaluation method ^(Note 4)	Content of evaluation ^(Note 5)
Conducted annually	January 1, 2024 to December 31, 2024	Board performance evaluation, performance evaluation on individual directors, performance evaluation on Audit Committee, and performance evaluation on Remuneration Committee	Self-assessment by Board Members	<p>Board Performance Evaluation:</p> <ol style="list-style-type: none"> 1. Degree of participation in company operations 2. Enhancement of the Board's decision-making quality 3. Composition and structure of the Board 4. Election and continuing education of directors 5. Internal control <p>Performance evaluation on individual directors:</p> <ol style="list-style-type: none"> 1. Understanding of the Company's goals and tasks 2. Directors' awareness of duties 3. Degree of participation in company operations 4. Management of internal relationships and communication 5. Professionalism and continuing education of directors 6. Internal control <p>Performance evaluation on Audit Committee:</p> <ol style="list-style-type: none"> 1. Degree of participation in company operations 2. Audit Committee's awareness of duties 3. Enhancement of the Audit Committee's decision-making quality 4. Internal control <p>Performance evaluation on Remuneration Committee:</p> <ol style="list-style-type: none"> 1. Degree of participation in company operations 2. Remuneration Committee's awareness of duties 3. Enhancement of the Remuneration Committee's decision-making quality 4. Composition of Remuneration Committee and member selection
Conducted every three years	January 1, 2024 to December 31, 2024	Performance evaluation on Board of Directors	Appointment of external professional institutions for evaluation	<ol style="list-style-type: none"> 1. Board professional competencies 2. Board decision-making effectiveness 3. Oversight of corporate internal controls by the Board 4. Commitment to sustainable operations

2024 Performance Evaluation Report on the Board and Functional Committees

➤ 2024 Performance Evaluation Report on the Board and Directors

Board Evaluation Questionnaire - Composite Score: 4.89

Five dimensions, 18 evaluation items:

Evaluation Item		Composite Score	4.89
A.	Degree of participation in company operations	Average score of 4 items in Section A	4.96
B.	Enhancement of the Board's decision-making quality	Average score of 4 items in Section B	4.50
C.	Composition and structure of the Board	Average score of 3 items in Section C	5.00
D.	Election and continuing education of directors	Average score of 4 items in Section D	5.00
E.	Internal control	Average score of 3 items in Section E	5.00

Director Evaluation Questionnaire - Composite Score: 5.00

Six dimensions, 19 evaluation items:

Evaluation Item		Composite Score	5.00
A.	Understanding of the Company's goals and tasks	Average score of 3 items in Section A	5.00
B.	Directors' awareness of duties	Average score of 3 items in Section B	5.00
C.	Degree of participation in company operations	Average score of 4 items in Section C	5.00
D.	Management of internal relationships and communication	Average score of 3 items in Section D	5.00
E.	Professionalism and continuing education of directors	Average score of 3 items in Section E	5.00
F.	Internal control	Average score of 3 items in Section F	5.00

2024 Performance Evaluation Report on Functional Committees

Audit Committee Evaluation Questionnaire - Composite Score: 5.00

Four dimensions, 15 evaluation items:

Evaluation Item		Composite Score	5.00
A.	Degree of participation in company operations	Average score of 3 items in Section A	5.00
B.	Audit Committee's awareness of duties	Average score of 4 items in Section B	5.00
C.	Enhancement of the Audit Committee's decision-making quality	Average score of 6 items in Section C	5.00
D.	Internal control	Average score of 2 items in Section D	5.00

Remuneration Committee Evaluation Questionnaire - Composite Score: 99.33

Four dimensions, 15 evaluation items:

Evaluation Item		Composite Score	5.00
A.	Degree of participation in company operations	Average score of 4 items in Section A	5.00
B.	Remuneration Committee's awareness of duties	Average score of 3 items in Section B	5.00
C.	Enhancement of the Remuneration Committee's decision-making quality	Average score of 6 items in Section C	5.00
D.	Composition of Remuneration Committee and member selection	Average score of 2 items in Section D	5.00

Note 1: Refer to the cycle of execution for the Board evaluation, such as execute once a year.

Note 2: Refer to the period involved for the Board evaluation, such as the evaluation on the performance of the Board from 1 January 2024 to 31 December 2024.

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

Note 4: The method of evaluation includes the performance evaluation conducted by using the internal self-evaluation of the Board, the self-evaluation of Directors, peer evaluation, engaging external professional institutions or experts, or other appropriate methods.

Note 5: The content of evaluation shall at least include the following items:

- (1) Performance evaluation on the Board: At least include the level of participation in corporate operations, the quality of the Board's decision-making, composition and structure of the Board, election and continuing education of Directors, and internal control.
- (2) Performance evaluation on individual Directors: At last include understanding of the Company's goals and tasks, understanding of the duties of Director, the level of participation in corporate operations, internal relationship management and communication, professional and continuing education of Directors, and internal control.
- (3) Performance evaluation on functional committees: The level of participation in corporate operations, the understanding of the duties and functions of the functional committee, quality of the functional committee's decision-making, the composition of the functional committee and election of committee members, and internal control.

2024 External Evaluation Report on Board Performance

The Company commissioned an external professional and independent organization, the "Taiwan Corporate Integrity Governance Association," to conduct an evaluation of board effectiveness in October 2024 (the evaluation was conducted in 2024, assessing the performance for the year 2024). The organization assigned three executive members to perform the evaluation. Both the organization and the executing experts have no business dealings with the Company, ensuring independence, and they issued a declaration of independence. The Board effectiveness evaluation was conducted across four key dimensions: Board professional competence, Board decision-making effectiveness, the Board's emphasis on and oversight of internal controls, and the Board's attitude toward sustainable operations. The assessment was carried out through the collection of the Company's internal regulations and records, evaluation questionnaires, and individual interviews with directors. The Board effectiveness evaluation report was issued on December 17, 2024, and presented to the Board. Relevant recommendations and improvement measures are as follows:

Overall Observations and Conclusions:

- (I) Board professional competencies:
The evaluated company's current Board consists of four non-independent directors and three independent directors, with professional backgrounds covering business, technology, finance, accounting, and marketing, among other areas. The composition of the Board is considered diverse, enabling directors to provide professional opinions from their respective perspectives.
- (II) Board decision-making effectiveness:
Directors can access information through multiple channels to understand the Company's operational status. When encountering major business development decisions, Board members and executives engage in in-depth discussions, enabling appropriate decisions to be made based on sufficient information.
- (III) Board's oversight of corporate internal controls:
The evaluated company has established a dedicated internal audit unit under the Board, which regularly conducts internal control self-assessments and reports audit findings to the Board to ensure effective audit execution. The Company has also established an information security policy, actively promoting information risk management to safeguard internal controls and information security.
- (IV) Attitude toward sustainable operations:
The evaluated company continues to strengthen corporate governance and has established a Sustainable Operations Committee to implement sustainable development and enhance risk assessment. All directors place high importance on sustainability issues. However, the evaluated company's current planning for succession pipelines and systematic talent succession could be further refined and strengthened to ensure long-term organizational stability and sustainable development.

Optimization Recommendations:

- (I) Strengthen Board diversity in composition
It is recommended to enhance gender and age diversity on the Board by incorporating female directors and talent from diverse backgrounds to improve the Board's decision-making diversity and risk assessment capabilities. A reminder that, during next year's director election, the Company must comply with regulations to appoint at least one director of a different gender and fill the vacancy for an independent director as soon as possible.
- (II) Improve the recording of discussions in Board meeting minutes
It is recommended that Board meeting minutes appropriately document the discussion process and

summaries of directors' remarks to facilitate the review of decision-making experiences and their application to future planning.

(III) Elevate the Sustainable Operations Committee to a functional committee

It is recommended to upgrade the Sustainable Operations Committee to a functional committee under the Board to leverage the diverse backgrounds and perspectives of directors, institutionalize discussions on sustainability issues and strategy transmission, and strengthen the implementation of sustainable development practices.

(IV) Enhance talent development and succession planning

It is recommended to establish a systematic talent development and succession plan, incorporating on-the-job training, job rotations, and external learning opportunities, along with monitoring and feedback mechanisms to ensure continuity in key positions and the Company's long-term development.

(V) Advance corporate sustainable operations objectives

It is recommended to continue monitoring domestic and international sustainability trends, improve ESG information disclosure, and provide directors with sustainability-related training. Additionally, the Company should proactively prepare for greenhouse gas inventory and verification timelines to solidify the foundation for sustainable development and enhance market trust.

The Company's Future Improvement Plans and Actions:

(I) Strengthen Board diversity in composition

Enhance gender and age diversity by incorporating female directors and talent from diverse backgrounds. During the 2025 election, the Company will comply with regulations to appoint at least one director of a different gender.

(II) Improve the minutes of Board meetings

Summarize directors' remarks and key discussion points in the meeting minutes.

(III) Elevate the Sustainable Operations Committee to a functional committee

Incorporate the Sustainable Operations Committee into the Board's structure, strengthening its functions and authority to institutionalize discussions on sustainability issues and strategy implementation.

(IV) Enhance talent development and succession planning

Establish a systematic talent development and succession plan, incorporating diverse learning approaches and evaluation mechanisms to ensure continuity in key positions.

(V) Advance corporate sustainable operations objectives

Enhance ESG information disclosure, proactively prepare for greenhouse gas inventory timelines, and strengthen directors' sustainability-related training to improve market trust.

(II) Operations of the Audit Committee:

The Audit Committee held 5 meetings (A) in 2024. The attendance records of independent directors are as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Notes 1&2)	Remarks
Independent Director	Ming Chieh Lin	5	0	100%	-
Independent Director	Chih Yuan Chu	5	0	100%	-
Independent Director	Shu Hsien Lin	5	0	100%	-
Independent Director	Chia Chun Tsou	3	1	60%	Resigned on November 4, 2024

● Five meetings were convened in 2024:

Date of meeting	Chih Yuan Chu	Ming Chieh Lin	Shu Hsien Lin	Chia Chun Tsou
2024/03/05	V	V	V	V
2024/05/09	V	V	V	V
2024/08/01	V	V		V
2024/10/31	V	V	V	
2024/12/17	V	V	V	

Date	Meeting title	Content
March 5, 2024	2nd Term, 10th Audit Committee Meeting	<ol style="list-style-type: none">Proposal to approve the 2023 financial statements and consolidated financial reports, along with matters communicated between the auditors and corporate governance units. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.Proposal to approve the 2023 business report. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.Proposal on appointment and remuneration of CPAs for 2024. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.Proposal on confirmation that overdue accounts receivable as of December 31, 2023, do not constitute fund lending. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.Proposal to approve the 2023 internal control system effectiveness assessment and statement. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.

		<p>6. Proposal to approve the 2023 profit distribution plan. Resolution: Discussed together with the 7th proposal; unanimously approved by all attending members and submitted to the Board for resolution.</p> <p>7. Proposal to Approve the Capitalization of 2023 Retained Earnings and Issuance of New Shares. Resolution: Discussed together with the 6th proposal; as the dividend distribution will primarily be in cash, the capital increase through retained earnings will not be executed this time.</p> <p>8. Proposal to amend the "Rules on Transfer of the First Repurchased Company's Shares in 2023 to Employees". Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.</p> <p>9. Proposal on the transfer of treasury shares to employees. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.</p> <p>10. Proposal to Issue Restricted Employee Stock Awards to Employees. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.</p>
May 9, 2024	2nd Term, 11th Audit Committee Meeting	<p>1. Proposal to approve the Q1 2024 financial statements and consolidated financial reports, along with matters communicated between the auditors and corporate governance units. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.</p> <p>2. Propose to review overdue accounts receivable (as of March 31, 2024) of the Company with the nature being not loaning of funds. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.</p>
August 1, 2024	2nd Term, 12th Audit Committee Meeting	<p>1. Proposal to approve the Q2 2024 financial statements and consolidated financial reports, along with matters communicated between the auditors and corporate governance units. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.</p> <p>2. Propose to review overdue accounts receivable (as of June 30, 2024) of the Company with the nature being not loaning of funds. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.</p> <p>3. Proposal to establish the "Sustainability Report Preparation and Submission Management Guidelines." Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.</p> <p>4. Proposal to approve the purchase of office space by a Thai subsidiary. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.</p> <p>5. Proposal to amend the "Rules on Transfer of the First Repurchased Company's Shares in 2023 to Employees". Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.</p> <p>6. Proposal on the transfer of treasury shares to employees. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.</p>
October 31, 2024	2nd Term, 13th Audit Committee Meeting	<p>1. Proposal to approve the Q3 2024 financial statements and consolidated financial reports, along with matters communicated between the auditors and corporate governance units. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.</p>

		<p>2. Propose to review overdue accounts receivable (as of September 30, 2024) of the Company with the nature being not loaning of funds. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.</p> <p>3. Proposal to authorize the purchase of land in Gongyi Industrial Zone. Resolution: Unanimously approved by all attending members, authorizing the acquisition of plots 191-194 in Gongyi Industrial Zone in batches within a budget of NT\$1.5 billion, and submitted to the Board for resolution.</p> <p>4. Proposal for the Company's First Share Buyback in 2024. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.</p> <p>5. Proposal on the transfer of treasury shares to employees. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.</p>
December 17, 2024	2nd Term, 14th Audit Committee Meeting	<p>1. Proposal to approve the 2025 audit plan, submitted for ratification. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.</p> <p>2. Proposal to approve the 2025 annual plan, submitted for ratification. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.</p> <p>3. Proposal for Endorsements/Guarantees. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.</p> <p>4. Proposal for the Assessment of Independence and Competence of Current CPAs. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.</p> <p>5. Proposal to Establish the Company's "Sustainable Information Management Procedures." Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.</p> <p>6. Proposal on amendments to the "Articles of Association". Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.</p> <p>7. Proposal on the transfer of treasury shares to employees. Resolution: Unanimously approved by all attending members and submitted to the Board for resolution.</p>

Other matters required to be recorded:

- I. Where any of the following circumstances occurred in the operations of the Audit Committee, the Company shall set out the date of the Audit Committee meeting, the session, the content of the resolution, dissenting opinions, qualified opinions, or significant recommendations expressed by Independent Directors, resolution results of the Audit Committee, and measures adopted by the Company for the opinions of the Audit Committee.
 - (I) Matters set out in Article 14-5 of the Securities Exchange Act.
 - (II) Except for the above matter, other resolutions not passed by the Audit Committee but received consent from two-thirds of all Directors.
- II. For the execution of Independent Director's recusal from resolutions in which they have interests, the name of the Independent Directors, the content of the resolution, the reason for the recusal due to interests, and the participation in voting shall be set out: None.

III. Communication between Independent Directors and Chief Internal Auditor and CPAs (the content shall include significant matters, methods, and results communicated regarding the Company's finance and business conditions):		
Date	Matter of communication	Recommendations and correction
2nd Term, 10th Meeting on March 5, 2024 (Audit Committee)	1. 2023 Internal Audit Implementation Report. 2. 2023 Internal Control System Statement. 3. Report on the audit results of the 2023 audit report.	None
2nd Term, 11th Meeting on May 9, 2024 (Audit Committee)	1. 2024 Q1 Internal Audit Implementation Report. 2. Report on the review results of the Q1 2024 review report.	None
2nd Term, 12th Meeting on August 1, 2024 (Audit Committee)	1. 2024 Q2 Internal Audit Implementation Report. 2. Report on the review results of the Q2 2024 review report.	None
2nd Term, 13th Meeting on October 31, 2024 (Audit Committee)	1. 2024 Q3 Internal Audit Implementation Report. 2. Report on the review results of the Q3 2024 review report.	None
2nd Term, 14th Meeting on December 17, 2024 (Audit Committee)	1. Internal Audit Implementation Report. 2. 2025 Annual Audit Plan.	None

Note 1: For independent directors who resigned before the end of the fiscal year, the resignation date should be indicated in the remarks column. The actual attendance rate (%) should be calculated based on the number of Audit Committee meetings held during their tenure and their actual attendance.

Note 2: For independent directors who were re-elected before the end of the fiscal year, both outgoing and incoming independent directors should be listed, with remarks indicating whether they are outgoing, incoming, or re-elected, along with the re-election date. The actual attendance rate (%) shall be calculated based on the number of Audit Committee meetings held and the number of its actual attendance during its term of office.

(III) Corporate Governance Practices and Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, with Explanations:

Evaluation Item		Status of operation (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Its Causes	
		Yes	No	Summary Description		
I.	Has the Company established and disclosed its Corporate Governance Best Practice Principles based on the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has established its Corporate Governance Best Practice Principles and disclosed it on the Company's website: https://www.csun.com.tw/investor-relations/corporate-governance	No deviation	
II.	Equity structure and shareholders' interests of the company	(I)	Has the Company established an internal operating procedure to process shareholders' recommendations, suspicions, disputes, and litigations and implemented such processing based on the procedure?	V		No deviation
		(II)	Does the Company possess the list of its major shareholders and the ultimate controlling parties of the major shareholders?	V		
		(III)	Has the Company established and executed the risk control and firewall system with its affiliates?	V		
				The Company has established its internal control regulations such as the "Procedures for Transactions with Related Parties" and "Regulations for Monitoring the Operations and Management of Subsidiaries" and established a risk control and firewall system with its affiliates; the audit department will carry out an audit on the execution each year.		

	(IV)	Has the Company established its internal regulations to forbid internal parties from using undisclosed information in trading securities?	V		The Company has established its "Procedures for Processing Significant Information" to forbid internal parties of the Company from using undisclosed information in trading securities; the Procedures are available on the Company's corporate website; the Company organizes promotional programs according to the requirements each year.	
III. Composition and responsibilities of the Board	(I)	Has the Board developed a diversification policy for its composition and substantial management objectives and made implementation?	V		The Company has established its "Corporate Governance Best Practice Principles," and Directors possess the knowledge, skills, and attributes required for the execution of their duties; there are Independent Directors in place, and each Independent Director possesses expertise from different industrial backgrounds, so as to fully realize the diversification of the Board.	No deviation
	(II)	Has the Company voluntarily established other functional committees in addition to the Remuneration Committee and the Audit Committee established according to the law?	V		Except for establishing the Remuneration Committee according to the law, the Company has established its Corporate Sustainability Committee comprised of its operating team; the execution status and results are available on the Company's corporate website.	
	(III)	Has the Company established the regulations for the performance evaluation of the board of directors and its evaluation methods, regularly carried out the regular performance evaluation each year, reported to the Board regarding the results of the performance evaluation, and used the results as a reference for the remuneration and nomination for re-appointment of the	V		<p>The Company has established its Regulations for the Performance Evaluation and Remuneration Payment of the Board of Directors to regularly carry out the performance evaluation on the Board each year. After the end of each year, the Company carries out the performance evaluation by way of self-evaluation using questionnaires in terms of aspects of the Company's target, Directors' duties and responsibilities, and continuing education. The evaluation process ends after the end of the year of evaluation and before the upcoming meeting of the Board. The scoring results are reported to the Board to improve the operating function of the Board. The Regulations for the Performance Evaluation of the Board of Directors and the results are disclosed on the Company's website and reported to the Board on February 25, 2025.</p> <p>The implementation of the Board performance evaluation for the Company shall be conducted at least once every three years by an external professional independent institution or a team of external experts and scholars. The Company commissioned the "Taiwan Corporate Integrity Governance Association" to perform the Board effectiveness evaluation (conducted in 2024, assessing the performance for 2024). The association assigned three executive members to perform the evaluation. Both the organization and the executing experts have no business dealings with the Company, ensuring independence, and they</p>	

	individual Directors.			issued a declaration of independence. The "Taiwan Corporate Integrity Governance Association" conducted the Board effectiveness evaluation across four key dimensions: Board professional competence, Board decision-making effectiveness, the Board's emphasis on and oversight of internal controls, and the Board's attitude toward sustainable operations. The assessment was performed by obtaining the Company's internal regulations and records, evaluation questionnaires, and conducting individual interviews with directors. The Board effectiveness evaluation report was issued on December 17, 2024, and presented to the Board.	
	(IV) Has the Company regularly evaluated the independence of CPAs?	V		<p>The Audit Committee and the Board of Directors evaluate the independence and competency of the current accountants every year; before reviewing the accountants, in addition to requiring the certified accountants to provide a "Declaration of Detached Independence" and "Audit Quality Indicators (AQIs)", they shall also comply with standards and 13 AQI indicators are evaluated. It is confirmed that the accountant's confirmation has no other financial interests and business relationships with the Company except for fees for accountant's confirmation signature and financial and tax cases. The accountant's family members do not violate the independence requirements. It is also confirmed that the accountant and the firm have audit experience and experience with reference to the AQI indicator information. The number of training hours is better than the industry average. In addition, in the past three years, we will continue to introduce digital audit work to improve audit quality. Another letter requested the Company's stock agency to confirm its shareholding status. After being reviewed and confirmed by the Company's accounting department to meet independence and suitability, it will be submitted to the Audit Committee for review and submitted to the Board of Directors for resolution; 2024 accountant review and evaluation form has been submitted to the Audit Committee and the Board of Directors for approval on December 17, 2024. The Company's important standard items for assessing the independence requirements of accountants, operations and suitability inspections are listed as follows:</p> <ul style="list-style-type: none"> • The accountant himself, his spouse, and minor children do not have any investment or financial interest-sharing relationship with the Company. • The accountant himself, his spouse, and minor children do not have any funds or loans from the Company. 	

			<ul style="list-style-type: none"> Accountants or audit service team members do not promote or broker stocks or other securities issued by the Company. The accountant has no disciplinary record from the Accountant Disciplinary Committee in the past two years. The accountant or any audit service team member does not currently hold the position of director or manager of the Company or has a significant impact on the audit case or has held a position with significant influence on the audit case within the past two years. The accountant or any member of the audit service team does not have a spouse, direct blood relative, direct marriage relative, or second blood relative within the collateral line of blood with the Company's directors, managers, or personnel with positions that have a significant impact on the audit case. The accountant is not currently employed by the client or the person under investigation to hold regular work, receive a fixed salary, or serve as a director or supervisor. <p>When the accountants provide auditing, review, compilation, or special examination services and issue an audit opinion, it is important for them to maintain not only substantive independence but also formal independence.</p>	
IV.	Has the listed company allocated an appropriate number of persons in charge of corporate governance who are appropriate for such positions and designated a Chief of Corporate Governance to be responsible for affairs related to corporate governance (including but not limited to providing data required for the execution of businesses to Directors and supervisors, assisting Directors and supervisors in legal compliance, handling matters related to meetings of the Board and shareholders' meeting according to the law, and preparing meeting minutes for meetings of the Board and shareholders' meeting)?	V	<p>The Corporate Sustainability Committee of the Company is responsible for promoting matters related to corporate governance, and the Chief of Finance is responsible for supervising matters related to corporate governance. The Corporate Sustainability Committee of the Company is responsible for handling matters related to meetings of the Board and shareholders' meeting according to the law, preparing meeting minutes for meetings of the Board and shareholders' meeting, carrying out company registration and alteration registration, and arranging continuing education programs for Directors.</p>	No deviation
V.	Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a stakeholder section on the Company's website, and duly responded to significant issues of corporate social responsibility concerned by stakeholders.	V	<p>The Company has established a spokesman system, maintained smooth communication channels with stakeholders, and disclosed contact information of relevant operating personnel, and set out a stakeholder section on the Company's website to duly respond to relevant issues (including CSR) concerned by stakeholders.</p>	No deviation

VI.	Has the Company appointed a professional stock affairs agency to process affairs related to shareholders' meetings?		V		The Company has appointed its professional stock affairs agency, the Shareholder Services Department of President Securities Corporation, to process matters related to shareholders' meetings and stock affairs.	No deviation	
VII.	Open information	(I)	Has the Company established its website to disclose information on its financial operations and corporate governance?	V		The Company has disclosed information related to financial operations and corporate governance on its website. https://www.csun.com.tw/investor-relations	No deviation
		(II)	Has the company adopted other methods for information disclosure (such as building an English website, appointing dedicated personnel to be responsible for the information collection and disclosure, implementing a spokesman system, and uploading the course of investor conferences on the Company's website)?	V		The Company has regularly and unscheduledly declared its financial and business information on MOPS and disclosed the latest news on its products and business on the Company's website: www.csun.com.tw .	
		(III)	Has the Company published and declared its annual financial report within two months after the end of a fiscal year and published and declared its financial reports for the first, second, and third quarters as well as its operating status for each month before the specified deadline?	V		The Company published and declared its annual financial report within two months after the end of a fiscal year and published and declared its financial reports for the first, second, and third quarters as well as its operating status for each month before the specified deadline.	
VIII.	Is there any other significant information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employees' interests, care for employees, investor relations, supplier relations, rights of stakeholders, Directors and supervisors' continuing education		V		<u>Employees' interests and care for employees</u> The Company has established its Employee Benefits Committee to promote various subsidy activities, ensuring employees' interests. <u>Investor relations</u> The dedicated department of the Company is responsible for publishing and disclosing information related to finance and business on MOPS and the Company's website, in the hope of achieving open	No deviation	

<p>records, the execution of risk management policies and risk evaluation standards, the execution of customer policies, and the purchase of responsibility insurance for Directors and supervisors)?</p>		<p>information and transparency.</p> <p><u>Supplier relations</u> The Company has established its "Procedures for the Management of Suppliers" to review the business conducts between suppliers and the Company, so as to avoid harming the reputation and interest of both parties. When necessary, both parties would sign a "non-disclosure agreement" (NDA) after completing the review on the supplier and before the commencement of the cooperation to protect the rights and obligations of both parties.</p> <p><u>Rights of stakeholders</u> The Company has established a stakeholder section to provide a communication channel for protecting the legal interests of both parties.</p> <p><u>Execution of policies on risk management and the risk measuring standards.</u> The Company established internal rules and regulations according to the laws and performed risk management and evaluations.</p> <p><u>Execution of customer policies</u> The Company generally maintains close contact with customers. It has set up a professional customer service team and comprehensive after-sales service system to provide comprehensive premium services, in the hope of assisting customers in improving their competitiveness and creating higher added values.</p> <p><u>Purchase of responsibility insurance for Directors and supervisors</u> The Company had purchased the directors and supervisors' responsibility insurance for all Directors to reduce and spread the risk of significant harm to the Company and shareholders due to errors or mistakes made by Directors; the Company has published the status of the purchase of insurance policy on MOPS.</p>	
<p>IX. According to the results of the Corporate Governance Evaluation by the Corporate Governance Center of TWSE for the Latest Year, explain the improvements, and propose the matters to be improved first and measures regarding any conditions not improved: Adhering to the concept of sustainable operations, the Company aims to realize sustainable corporate operations, establish long-term partnerships with customers and social communities, and fulfill its responsibilities as a corporate citizen; the Company established its Corporate Sustainability Committee in 2017, responsible for promoting matter related to CSR and ethical management and reporting to the Board regarding the execution and results each year.</p> <p>➤ Matters improved:</p> <ol style="list-style-type: none"> 1. Continual optimization of the new official website: The Company optimized the user interface, provided abundant and public corporate data that caters to the demand of users, and provided instant and direct contact windows for consultation. 2. The Company has set up the CSR section to allow investors, customers, suppliers, and stakeholders to understand the promotion and execution of the Company's CSR. <p>➤ Matters to be improved first and measures regarding any conditions not improved:</p> <ol style="list-style-type: none"> 1. The Company continued to optimize the arrangements on its new website, allowing the Company's website to align with the demands of investors and relevant stakeholders. 2. The Company continued to optimize the CSR section on the Company's website, allowing investors, customers, suppliers, and stakeholders to understand the promotion and execution of the Company's CSR. 			

(IV) Disclosure on Composition, Responsibilities, and Operations of Remuneration or Nomination Committee (if established):

(1) Information on the Members of the Remuneration Committee:

Identity (Note 1)	Criteria Name	Professional qualification and experience (Note 2)	Independence Status (Note 3)	Number of Other Public Companies in Which the Director is A Member of the Remuneration Committee
Independent Director (Convener)	Ming Chieh Lin	The Remuneration Committee of the Company comprises all three independent directors; for the qualification and experience of members, please refer to "Section II, I(1) Information on Directors and Supervisors" of this Annual Report.	All members of the Remuneration Committee comply with the following descriptions: 1. Comply with relevant requirements under Article 14-2 of the Securities and Exchange Act and "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" (Note) promulgated by the Financial Supervisory Commission. 2. The independent director (whether directly or through third parties), their spouse, and minor children hold no shares in the Company. 3. No remuneration has been received within the past two years for providing commercial, legal, financial, or accounting services to the Company or its affiliates.	2
Independent Director	Chih Yuan Chu			—
Independent Director	Shu Hsien Lin			—
Independent Director	Chia Chun Tsou (Note 4)			—

Note: None of the following circumstances occurred two years prior to the election and during the term of office:

- (1) An employee of the Company or its affiliates.
- (2) A director or supervisor of the Company or its affiliates.
- (3) A natural person shareholder who holds shares, together with those held by the person's spouse, minors, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company, or that ranks among the top ten in shareholdings.
- (4) A manager as specified in (1) nor a spouse or a direct blood relative within the second degree or third degree of kinship as specified in (2) or (3).
- (5) A director, supervisor, or employee that directly holds 5% or more of the Company's total issued shares, or that ranks among the top five shareholders, or that appoints representatives to serve as directors to the Company under Article 27 of the Company Act.
- (6) A director, supervisor, or employee of another company with its majority of director seats or voting shares controlled by the same individual.
- (7) A director, supervisor, or employee of another company or institution who is, or the person's spouse is, holding the position as the Chairman, President, or equivalent positions of the Company.
- (8) A director, supervisor, manager, or shareholder holding 5% or more of the shares of a specified company or institution that has a financial or business relationship with the Company.
- (9) A professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, manager, or spouse thereof that provides auditing service for the Company or its affiliates or provides relevant commercial, legal, financial, or accounting services with a cumulative remuneration less than NT\$0.5

million in the latest two years. However, members of the Company's Remuneration Committee are exempt from this restriction.

- Note 1: Please specify the seniority, qualification and experience, and independence status related to members of the Remuneration Committee; for Independent Directors, make notes to refer to relevant content under Schedule 1 Information of Directors and Supervisors (I) on page []. For the identity, please fill in Independent Director or others (please make a remark for the convenor).
- Note 2: Qualification and experience: Describe the qualification and experience of members of the Remuneration Committee.
- Note 3: Compliance with the independence status: Describe the independence status of the Remuneration Committee's members, including but not limited to whether the member, its spouse, or its relative within the second degree of kinship is a Director, supervisor, or employee of the Company or its affiliates, the shareholding of the member, its spouse, or its relative within the second degree of kinship (or in other's name), whether the member, its spouse, or its relative within the second degree of kinship is a director, supervisor, or employee of a company with a particular relationship with the Company (please refer to subparagraphs 5 to 8, paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange), and the amount of compensation obtained from the provision of business, legal, financial, or accounting services to the Company or its affiliates for the past two years.
- Note 4: Independent Director Tsou Chia Chun has resigned on November 4, 2024.

(2) Duties of the Remuneration Committee

The Committee shall exert the duty of care of a good administrator and duly fulfill the following functions and submit their recommendations to the Board for discussion.

(A) Establish the policy, system, standards, and structure for the performance evaluation and remuneration of Directors, Independent Directors, and managers, and perform regular examinations.

(B) Regularly evaluate and establish the remuneration of Directors, Independent Directors, and managers.

(3) Information on the Operations of the Remuneration Committee

- I. The Company's Remuneration Committee comprises four persons.
- II. Current term of office: From June 9, 2022 to June 8, 2025. There were five Remuneration Committee meetings (A) held in the most recent year. The qualifications and attendance of the Remuneration Committee members are as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Remarks
Convener	Ming Chieh Lin	5	0	100%	
Member	Chih Yuan Chu	5	0	100%	
Member	Shu Hsien Lin	4	0	80%	
Member	Chia Chun Tsou	3	1	60%	Resigned on November 4, 2024

● Five meetings were convened in 2024:

Date of meeting	Ming Chieh Lin	Chih Yuan Chu	Shu Hsien Lin	Chia Chun Tsou
March 5, 2024	V	V	V	V
May 9, 2024	V	V	V	V
August 1, 2024	V	V		V
October 31, 2024	V	V	V	
December 17, 2024	V	V	V	

Date	Meeting title	Content
March 5, 2024	7th Meeting of the 5th Term Remuneration Committee	<ol style="list-style-type: none"> 1. Proposal of the total amount of director and employee remuneration for the Company's 2023 fiscal year. Resolution: Approved as proposed after the chairperson has solicited all attending members' opinions. 2. Proposal to Approve the Transfer of Treasury Shares to Managers and Employees, submitted for resolution. Resolution: Approved as proposed after the chairperson has solicited all attending members' opinions.

May 9, 2024	8th Meeting of the 5th Term Remuneration Committee	<ol style="list-style-type: none"> 1. Proposal of the distribution details of director remuneration for the Company's 2023 fiscal year. Resolution: Approved as proposed after the chairperson has solicited all attending members' opinions. 2. Proposed salary adjustment plan for the Company's 2024 fiscal year, submitted for deliberation. Resolution: Approved as proposed after the chairperson has solicited all attending members' opinions.
August 1, 2024	9th Meeting of the 5th Term Remuneration Committee	<ol style="list-style-type: none"> 1. Proposed salary adjustment plan for the Company's managers in 2024, submitted for deliberation. Resolution: Approved as proposed after the chairperson has solicited all attending members' opinions. 2. Proposed compensation and reward plan for the Company's managers in 2024, submitted for deliberation. Resolution: Approved as proposed after the chairperson has solicited all attending members' opinions. 3. Proposal on the transfer of treasury shares to managers of the Company, submitted for deliberation. Resolution: Approved as proposed after the chairperson has solicited all attending members' opinions.
October 31, 2024	10th Meeting of the 5th Term Remuneration Committee	<ol style="list-style-type: none"> 1. Proposed compensation and reward plan for the Company's managers in 2024, submitted for deliberation. Resolution: Approved as proposed after the chairperson has solicited all attending members' opinions. 2. Proposal to Approve the Transfer of Treasury Shares to Managers and Employees. Resolution: Approved as proposed after the chairperson has solicited all attending members' opinions.
December 17, 2024	11th Meeting of the 5th Term Remuneration Committee	<ol style="list-style-type: none"> 1. Proposal on the 2024 performance evaluation results and year-end total compensation for the Company's managers, submitted for deliberation. Resolution: Approved as proposed after the chairperson has solicited all attending members' opinions. 2. Proposal on the transfer of treasury shares to both managerial and non-managerial personnel of the Company, submitted for deliberation. Resolution: Approved as proposed after the chairperson has solicited all attending members' opinions.

Other matters required to be recorded:

- I. Where the Board refused to adopt or amend the recommendations from the Remuneration Committee, the Company shall set out the date of the Board meeting, the session, the content of the resolution, resolution results of the Board, and measures adopted by the Company for the opinions of the Remuneration Committee: None.
- II. For matters resolved by the Remuneration Committee, where any member expressed opposing or qualified opinions with records or written declarations, the Company shall set out the date of the Remuneration Committee meeting, the session, the content of the resolution, opinions of all members, and measures adopted by the Company for the opinions of the members: None.

Note:

- (1) For Remuneration Committee members who resigned before the end of the fiscal year, the resignation date should be indicated in the remarks column. The actual attendance rate (%) should be calculated based on the number of Remuneration Committee meetings held during their tenure and their actual attendance.
- (2) For Remuneration Committee members who were re-elected before the end of the fiscal year, both outgoing and incoming members should be listed, with remarks indicating whether they are outgoing, incoming, or re-elected, along with the re-election date. The actual attendance rate (%) should be calculated based on the number of Remuneration Committee meetings held during their respective tenures and their actual attendance. The actual attendance (%) shall be calculated based on the number of meetings of the Remuneration Committee held during the term of office and the actual attendance.

(V) Implementation of Sustainable Development Initiatives and Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, with Explanations

Promotion Item	Implementation Status (Note 1)			Deviations from Sustainable Development Best Practice Principles
	Yes	No	Summary Description	
I. Has the Company established a governance structure to promote sustainable development and established a dedicated (part-time) unit to promote sustainable development, for which the senior management is authorized by the Board to handle such matters, and the Board is responsible for supervising?	V		<p>The Company established the "Sustainable Development Committee" in 2017, with General Manager Yu Wen Liang serving as chairman to oversee and coordinate sustainable development initiatives. Under this committee, five subcommittees have been formed: Corporate Governance, Environmental Safety & Health, Product/Customer Care, Employee Care, and Sustainable Supply Chain, effectively integrating resources to implement sustainability strategies across all departments.</p> <p>The Sustainable Development Committee reports to the Board at least annually on sustainability strategies and project implementation results. The Board regularly reviews progress reports from management on key issues, evaluates strategy feasibility, provides recommendations, and tracks implementation progress while urging management to assess and adjust plans as needed. Discussion topics include: greenhouse gas inventory progress, ISO 14001 Environmental Management System implementation, ISO 45001 Occupational Health and Safety Management System execution, and TCFD climate-related financial disclosures. In 2024, sustainability-related proposals were discussed in 4 out of 5 Board meetings, accounting for 80% of all Board meetings.</p>	No material deviations

II. Has the Company carried out risk assessments on environmental, social, and corporate governance issues related to the operations of the Company and established relevant risk management policies or strategies? (Note 2)		V		<p>The Company's Sustainability Report discloses information covering sustainability performance from January 2024 to December 2024 at major operational sites, including the Linkou Headquarters, Taipei Plant, and Taichung Plant.</p> <p>The Sustainable Development Committee identifies material topics based on industry characteristics, internal focus areas, GRI Standards, domestic and international sustainability trends, industry benchmarks, and peer information. Through intersection analysis, eight material topics have been identified: Product Innovation, Corporate Governance, Customer Service/Product Quality & Safety, Ethical Business Practices, Occupational Safety & Health, Talent Attraction & Retention, Talent Development & Training, and Climate Change Response. Based on the material topics thus identified, the Company has established risk management policies for supervision and control and implemented specific action plans to mitigate the impacts of related risks. Details of the relevant risk management policies are set forth in the Sustainability Report.</p>	No material deviations
III. Environmental Issues	(I) Has the Company established an appropriate environmental management system based on the features of the industry in which it operates?	V		<p>The Company maintains an Environmental Management System (EMS) certified under ISO 14001 through third-party verification and conducts annual greenhouse gas inventories following ISO 14064-1 standards to track emission reduction progress, with results disclosed in the Sustainability Report and on the Company's website.(https://csun.com.tw/energy-and-greenhouse-gas/)</p>	No material deviations
	(II) Does the Company commit to improving the energy use efficiency and using renewable supplies with low impacts on the environmental loads?	V		<ol style="list-style-type: none"> 1. The Company adopts energy-saving measures in equipment design, such as selecting smaller power transmission components for lighter machinery or high-efficiency power supply units with superior heat exchangers. 2. Consumables recycling and reuse initiatives include promoting paper recycling and reusing consumables. 3. Proper waste management includes promoting waste classification and reduction. The Company categorizes and recycles resources, entrusting licensed vendors for waste disposal. 	No material deviations

				<p>4. Collaborating with domestic sustainability leaders, the Company engages in energy-saving and carbon reduction R&D projects to enhance manufacturing technologies. Taking the current product "thermal recovery energy-saving equipment " as an example, each equipment can reduce 1.58 tonnes of carbon dioxide equivalent.</p> <p>5. The Company substituted the wooden pallets with the plastic pallets to reduce the volume of wooden trash; the rate of repetitive use of plastic pallets is also better.</p>	
	(III) Has the Company evaluated the potential risks and opportunities of climate change of the Company and adopted countermeasures related to climate change issues?	V		<p>Facing climate change, the Company actively promotes and reforms its GHG reduction management measures, including the improvement plan for energy-saving efficiencies, such as:</p> <ol style="list-style-type: none"> 1. Improve the ratio of energy-saving vehicles on a yearly basis. 2. Prohibit smoking in offices; smokers are required to go to designated outdoor venues to comply with regulations. Furthermore, the Company regularly performs sanitization, as well as rodent control and pest control. 3. The Company substitutes all lights with energy-saving light tubes (LED light). 	No material deviations
	(IV) Has the Company calculated the emission of GHGs, water consumption, and the total weight of wastes for the past two years and established management policies related to energy-saving and carbon dioxide reduction, GHG reduction, and water consumption or other	V		<p>To duly perform its corporate social responsibility and commits to environmental protection so as to achieve the social responsibility of "protect the earth and love the earth," the Company has formulated its environmental protection management requirements. Please refer to "(VI) Climate-related Information of TWSE/TPEx Listed Companies, III Operations of Corporate Governance, Chapter 3. Corporate Governance Report" in this Annual Report for the details about the implementation.</p>	No material deviations

	waste reduction?				
IV. Social Issues	(I) Has the Company established relevant management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		To fulfill corporate social responsibilities, protect the fundamental human rights of all employees and stakeholders, and prevent any human rights violations, C SUN complies with domestic and international labor laws and gender equality regulations while establishing human rights protection policies, labor policies and related implementation measures. C SUN adheres to internationally recognized human rights standards including the "United Nations Universal Declaration of Human Rights," "United Nations Global Compact," "United Nations Guiding Principles on Business and Human Rights," and "International Labour Organization" conventions by formulating work rules and personnel management regulations to safeguard employee rights. The Company legally convenes labor-management meetings, providing multiple communication channels for open dialogue between employees and management while promoting company policies, welfare measures and various activities to ensure employees' opinions are fully expressed and properly addressed. Human rights policies are also promoted during irregular new employee training sessions and monthly company-wide meetings. For details, please refer to Chapter IV, Business Overview — Section VII, CSR: Employee Human Rights Protection.	No material deviations
	(II) Has the Company established and implemented reasonable employees benefit measures (including	V		(1) The Company regularly evaluates its operating costs, profitability, internal and external salary fairness, and performance management, combined with social responsibility considerations, to establish reasonable remuneration policies. The Company promotes the code of ethical conduct and specifications related to corporate ethics when employees	No material deviations

	remuneration, leave, and other benefits) and appropriately reflected the operating performances or results on employees' remuneration?			<p>assume their posts, and it discloses its working rules on the employees' portal website for employees to inquire and make self-examination at all times. For any acts violating the rules, the Company imposes punishments based on the materiality of the circumstances, and such punishments are connected with the performance evaluation system.</p> <p>(2) Operational performance is reflected through quarterly performance bonuses and year-end bonuses:</p> <ul style="list-style-type: none"> - The Company implements a performance bonus system based on quarterly EPS and key indicators (e.g., quality metrics, environmental emissions, carbon reduction, occupational safety indicators), allowing employees to share profits (calculated as 19% of quarterly operating income) to effectively motivate staff. - The Company's governance and operational management policies meticulously align sustainability indicators with corporate social responsibility missions through detailed operational targets at executive-level metrics, departmental objectives, and individual performance benchmarks. <p>(3) Detailed implementation of employee welfare measures can be found in Section V of this annual report "Operations Overview – Labor Relations."</p>	
	(III) Does the Company provide a safe and healthy working environment for employees and regularly organize safety and health education?	V		<ol style="list-style-type: none"> 1. The Company arranges health checkups for all employees at least once annually with subsidized examination items. 2. The Company implements disaster control arrangements and monthly occupational disaster promotion. 3. The Company engages Lee Way Electronics, subordinated to Taiwan Secom, to provide AEDs, portable first-aid devices for general persons who are not medical staff to use for heart arrest. 4. All work-related injury cases are documented, categorized, and statistically analyzed by type and frequency. Cross-factory executive quarterly meetings and administrative quarterly 	No material deviations

				<p>reviews are held to propose preventive improvement measures, ensuring a secure working environment.</p> <p>Detailed implementation can be found in Section IV of this annual report "Operations Overview – Workplace Environment and Personal Safety Protection Measures (3)."</p>	
	(IV) Has the Company established effective career and ability development and training plans for employees?	V		<p>To allow employees to possess professional literacy and development advantages, the Company organizes internal training courses and sends employees to external parties for professional training from time to time.</p>	No material deviations
	(V) Has the Company complied with relevant regulations and international standards for issues related to customer privacy, marketing, and labeling of its products and services, and established relevant policies and complaint procedures to protect the interests of consumers or customers?	V		<p>The business philosophy that the Company posted on its website starts with: "innovative and improved products and services of C SUN provide satisfaction for customers"; the quality policy of the Company is: "adhering to quality, customer satisfaction, professionalism and practices, and sustainability"; our Articles of rules specify that the after-sales customer complaint procedures are handled in our quality handbook. In addition, based on the "procedures for customer satisfaction survey," the Company executes annual customer satisfaction surveys for feedback to grasp customers' satisfaction in terms of products, technologies, quality, delivery terms, and services and make further improvements.</p>	No material deviations

	(VI) Has the Company established its management policies for supplier management and required suppliers to comply with requirements related to environmental protection, occupational safety and health, or labor human rights?	V		What is the implementation status? The Company has established its "environmental protection management requirements," stating requirements for suppliers in terms of environmental protection as well as safety and health, improving its social and environmental responsibilities; the Company and its suppliers are jointly committed to green environmental protection technologies. For any violation, the Company may immediately terminate its cooperation with the supplier.	No material deviations
V. Has the Company prepared its sustainability report or other reports for the disclosure of non-financial information with reference to report preparation standards or guidelines internationally accepted? Has the abovementioned report received the assurance or guarantee opinions from a certifying institution?		V		<p>The Sustainability Report issued by the Company primarily follows the GRI Standards 2021 released by the Global Reporting Initiative (GRI) in 2021, the "Operating Procedures for the Preparation and Submission of Sustainability Reports by Listed Companies," and the "Climate-Related Information for Listed Companies," while referencing the "Task Force on Climate-related Financial Disclosures (TCFD)" framework for compilation.</p> <p>The report data and metrics are consolidated by the Sustainable Development Committee, submitted to the Board for review, and approved by the Board prior to publication. The Company engaged PricewaterhouseCoopers (PwC) Taiwan to perform independent limited assurance in accordance with Republic of China Assurance Standard 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" on selected indicators, with the assurance report attached in the appendix. Additionally, for</p>	No material deviations

			the quality management system (ISO 9001), occupational health and safety management system (ISO 45001), environmental management system (ISO 14001), and greenhouse gas inventory (ISO 14064-1), internal audits are conducted annually, and external institutions perform greenhouse gas inventories to ensure data accuracy. The Sustainability Report is publicly available on the Company's website: https://www.csun.com.tw/esg/	
<p>VI. Where the Company has established its Sustainable Development Best Principles according to the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe its operations and the deviation from the Principles established:</p> <p>The Company has formulated the "Corporate Social Responsibility Code," "Corporate Social Responsibility Best Practice Principles for Listed Companies," and "Sustainability Information Management Procedures," with no material discrepancies. These documents are available for download on the Company's website or the Market Observation Post System. For CSR implementation details, please refer to this annual report or the Company's website. The Company manages economic, environmental, and social risks and impacts under these codes and continuously improves accordingly. No discrepancies have been observed in implementation to date.</p>				
<p>VII. Other material information facilitating understanding of sustainability implementation: For details on sustainability operations, please refer to the Company's website or Sustainability Report.</p>				

(VI) **Climate-related Information of TWSE/TPEX Listed Companies**

1. Implementation Status of Climate-related Information

Item	Implementation Status
1. Clarify the supervision and governance of the Board of Directors and the management level on climate-related risks and opportunities.	<p>1. According to the World Economic Forum's (WEF) 2023 Global Risks Report, "failure of climate change mitigation and adaptation" and "natural disasters and extreme weather events" remain significant long-term risks, with escalating threats from climate extremes.</p> <p>To address climate change's potential impacts and implement effective management strategies, C SUN adopted the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in 2023. Aligned with the four pillars of governance, strategy, risk management, and metrics/targets, C SUN enhances its identification and response to climate risks and opportunities, establishes governance strategies and objectives, and integrates them into operational processes to continuously monitor and mitigate climate-related impacts.</p> <p>■ Board of Directors (the "Board")</p> <p>The Board of Directors serves as the supreme unit of C SUN's climate governance. Its main responsibilities include advancing and supervising the strategic directions of climate-related topics, discussing the opportunity trend of current climate risks on an irregular basis, and determining the specific strategies, goals for key climate risks, thus maintaining the sustainable operation of the Company steadily. The General Manager serves as the chairperson of Sustainable Operation Committee under the Board of Directors, and shall report the sustainable operation progress and implementation results of the Company to the Board of Directors.</p> <p>■ Sustainable Operation Committee</p> <p>The Sustainable Development Committee serves as C SUN's dedicated unit for sustainable development and climate governance. Responsible for identifying key climate-related risks and opportunities pertinent to C SUN's operations, the committee is convened regularly by the General Manager to collaborate with departments on climate response strategies, target setting, and management plans. Execution outcomes are reported to the Board, facilitating internal communication and integration.</p>

<p>2. Clarity how the identified climate-related risks and opportunities affect the business, policies and finance (short, medium and long-term) of the corporate.</p>	<p>2. Current assessments indicate no immediate physical risks. However, based on disaster potential evaluations, abnormal weather conditions such as short-term heavy rainfall - though unlikely to directly impact operational sites - could indirectly affect employee attendance, product distribution, and transportation logistics due to flood-prone areas within a 500-meter radius of the facilities.</p> <p>Under long-term transition risk assessments, market and technological risks exist, primarily driven by global net-zero initiatives that may shift consumer demand toward low-carbon technologies or products. Additionally, regulatory risks associated with low-carbon policies and legislation, including domestic carbon pricing, emissions caps, and international carbon border adjustment mechanisms, could introduce uncertainties in raw material costs, product pricing, and market competitiveness.</p> <p>In alignment with financial planning, the short-term (1–5 years) strategy focuses on operational transformation by strengthening supply chain resilience, monitoring market trends, and developing low-carbon products to address mid-term (5–15 years) demands during the net-zero transition period. The long-term (15–30 years) strategy aligns with national net-zero goals to formulate emission reduction and improvement plans.</p>
<p>3. Specify the financial influence of extreme climatic events and transformation actions.</p>	<p>3. Extreme climate events such as extreme heat or torrential rains may lead to unstable raw material prices or supply shortages, directly or indirectly impacting product pricing. Continuous development of alternative materials and establishment of a multiple-supplier mechanism are necessary to prevent supply disruptions or price gouging. Furthermore, in response to low-carbon and zero-carbon trends, the Company is continuously evaluating investments in low-carbon technologies and renewable or new energy sources. Confirmed initiatives will involve defined financial expenditure ratios and payback periods.</p>
<p>4. Specify how the identification, assessment and management procedures of climate-related risks are integrated with the overall risk management systems.</p>	<p>4.</p> <p>(1) Climate Risk Identification: By integrating international climate and sustainability frameworks into internal operations through staff training, the Company assesses risks posed by climate change, including extreme weather events, climate policy risks, and market volatility. Available scientific tools, data, and climate models are utilized to enhance risk identification.</p> <p>(2) Climate Risk Evaluation: The probability and impact severity of risks are analyzed to assess the criticality and potential consequences of climate risks. This process involves evaluating risks under diverse climate scenarios, including extreme events and uncertainties, and determining their potential effects on corporate operations, sales activities, asset management, supply chains, brand reputation, and related domains.</p>

<p>5. Where the situational analysis is applied to assess the resilience against climate change risks, the used situations, parameters, assumptions, factors for analysis, and major financial impacts shall be specified.</p>	<p>(3) Integration into Risk Management Systems: Climate risks are incorporated into all stages of corporate risk management: identification, assessment, control, tracking, and review. Climate risk management is embedded into corporate policies and procedures, complemented by training programs to ensure cross-departmental comprehension and timely engagement in climate risk mitigation efforts.</p> <p>(4) Development of Response Measures: Tailored response strategies and actions such as risk transfer, avoidance, or mitigation are developed based on evaluation outcomes. Synergies between climate risk management and other risk control measures are systematically explored to minimize overall risks.</p> <p>(5) Track and Improvement: An internal sustainability ESG taskforce, after receiving external professional training, develops climate risk assessment capabilities. It performs regular evaluations of short-, medium-, and long-term risks and opportunities, with findings reported to executive leadership and functional oversight committees.</p> <p>5.</p> <p>(1) Scenario Description: Scenarios incorporating abnormal climate phenomena and rising global average temperatures are defined to assess mid- to long-term physical risks impacting operational facilities.</p> <p>(2) Parameters and Assumptions: Parameters are referenced from the carbon reduction targets outlined in Nationally Determined Contributions (NDCs) and the pathways detailed in the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5). Analytical assumptions are based on a long-term global average temperature rise exceeding 2°C, with Representative Concentration Pathways RCP 4.5 and RCP 8.5 adopted as foundational models for future climate projections.</p> <p>(3) Analysis Factors: Factors influencing operational resilience are identified, including supply chain stability, sales performance, and capital liquidity, which are utilized as evaluation metrics.</p> <p>(4) Key Financial Impacts: Potential financial impacts are assessed through data collection and analysis under various climate scenarios, including direct losses, indirect costs, and shifts in market demand. Potential impacts on financial performance are further assessed.</p> <p>(5) Risk Assessment: Financial impacts are quantified, and resilience levels are further evaluated to address potential risks and challenges under different scenarios.</p>
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<p>6. Where there are transformation plans in terms of management of climate-related risks, the plan content, indicators used for identifying and managing entity risks and transformation risks, and targets shall be specified.</p> <p>7. Where the Internal Carbon Pricing (ICP) is employed as the planning tool, the pricing basis shall be specified.</p> <p>8. Where climate-related goals are set, the covered activities, GHG emission scope, planned term durations, and yearly emission goal progress shall be specified; where carbon offsets or Renewable Energy Certificates (RECs) are used to achieve the related goals, source and volume of the offset carbon credit or the amount of RECs shall be specified.</p>	<p>6. The Company has not yet established a major transition plan;</p> <p>7. The Company does not utilize carbon pricing tools;</p> <p>8.</p> <p>(1) To effectively manage climate-related threats and strengthen climate resilience, C SUN has set climate management targets, which are integrated into facility and departmental operations. C SUN completed a greenhouse gas (GHG) inventory in 2022 in accordance with international standards, which will serve as the baseline year for future carbon reduction target setting. C SUN has defined climate-related targets, with annual progress monitored by the Sustainable Development Committee across all operational sites. Climate goals are iteratively refined and reported annually to the Board of Directors to verify their effectiveness and appropriateness.</p> <p>(2) The Company does not use carbon offsets or renewable energy certificates (RECs);</p>
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<p>9. Greenhouse gas (GHG) inventories, assurance status, reduction targets, strategies, <u>and specific plans of action</u> (to be completed in sections 1-1 <u>and 1-2</u>).</p>	<p>9. Refer to Tables 1-1 and 1-2;</p>
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Table 1

Risk/Opportunity	Description	Time Horizon	Potential Financial Impact	Response Strategies and Control Measures
Physical Risk Acute	Increased severity of extreme weather events such as typhoons, wildfires, and blizzards	Short-term (within 3 years)	Increased operating costs Decreased operating revenue	<ol style="list-style-type: none"> 1. Diversification of Supply Chain: Implement diversified supply chain strategies to reduce reliance on a single region or supplier. This can help mitigate the impact of a single extreme weather event on the supply chain. 2. Emergency Plans: Establish corresponding emergency plans to address operational disruptions caused by extreme weather events. 3. Climate Risk Assessment and Monitoring: Conduct climate risk assessments and continuous monitoring to evaluate potential risks and adjust response strategies and measures in a timely manner to ensure business and production continuity and growth.
Market	Rising environmental and low-carbon demands from stakeholders and customers	Medium-term (3–10 years)	Increased operating costs Decreased operating revenue	<ol style="list-style-type: none"> 1. Existing Equipment: Promote energy-saving retrofits and revitalization of older production lines. 2. New Equipment: Integrate energy-saving planning into equipment design. 3. Environmental Management Systems: The Company has adopted the ISO 14001 management system, and equipment is designed using recyclable, reusable, and non-toxic materials.

Technology	Replacing existing products and services with low-carbon alternatives	Medium-term (3–10 years)	Increased production and R&D costs Decreased operating revenue	<ol style="list-style-type: none"> 1. Establish In-House Low-Carbon Projects and Practices: Utilize regular R&D quarterly meetings to discuss or define R&D strategies and goals for low-carbon development. 2. Optimize R&D Processes: Streamline R&D processes to ensure high efficiency and quality. This may include introducing project management tools and methods to control project schedules and promptly identify and resolve potential issues. 3. Resource Allocation and Budget Management: Allocate R&D resources—including manpower, financial, and technical inputs—effectively to ensure smooth project execution. Finance, production planning, and project leaders must manage R&D budgets efficiently and monitor expenditures to prevent overspending or resource waste. 4. Technology and Knowledge Management: Apply for patents and manage intellectual property generated during R&D; convert technical documents to PAC formats for knowledge retention.
Market	Development/increase of low-carbon products or services	Medium-term (3–10 years)	Increased operating revenue	<ol style="list-style-type: none"> 1. Existing Equipment: Promote energy-saving retrofits and revitalize old production lines. 2. New Equipment: Incorporate energy-saving planning in equipment design. 3. Participate in ASE-Led Projects: Engage in projects led by ASE to develop energy-efficient, low-carbon equipment. 4. Customer-Specific Solutions: Collaborate with customers and equipment vendors to implement heat recovery and power-saving modifications.

1.1 Greenhouse Gas Inventory and Assurance Status in the Recent Two Years

1.1.1 GHG Inventory Information

Clarify the emissions (metric tons CO₂e) of GHG in the recent two years, emission intensity (metric tons CO₂e/million NTD), and information coverage scope.

Scope of execution		2023		2024	
		Emission (Ton of CO ₂ e)	Intensity (Ton of CO ₂ e/ million NTD of revenue)	Emission (Ton of CO ₂ e)	Intensity (Ton of CO ₂ e/ million NTD of revenue)
The Company	Scope 1	485.18		487.31	
	Scope 2	1,297.51		1,471.65	
	Scope 3	413.05		550.53	
Total		2,195.74	0.61	2,509.49	0.52

The information coverage scope includes the summarized information of the headquarters, Taipei Plant, Taichung Plant, and South Office.

Note 1: Direct emissions (Scope 1, direct emissions from owned or controlled sources), indirect emissions from the generation of purchased energy (Scope 2, indirect GHG emissions associated with the purchase of electricity, steam and heat), and all other indirect emissions (scope 3, emissions that are a consequence of the activities of the reporting company, beyond the scope of indirect emissions from the generation of purchased energy, but occur at sources owned or controlled by another company).

Note 2: The information coverage scope of direct emissions and indirect emissions from the generation of purchased energy shall be handled according to the term duration specified in Paragraph 2, Article 10 of the Principles, while the information of other indirect emissions shall be disclosed by themselves.

Note 3: GHG Inventory Standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by International Organization for Standardization (ISO).

Note 4: The intensity of GHG emissions shall be calculated with per unit of a product/service or revenue, but the data calculated with revenues (unit: million NTD) shall be clarified at least.

1.1.2 GHG Assurance Information

Clarify the assurance information, including assurance scope, assurance institutions, assurance standards and assurance opinions of the recent two years till the printing day of the annual report.

Complete assurance information will be disclosed in the sustainability report.

Note 1: It shall be handled according to the term duration specified in Paragraph 2, Article 10 of the Principles. If the Company fails to obtain the complete GHG assurance opinions on or before the printing day of the annual report, it shall be indicated that "complete assurance information will be disclosed in the sustainability report"; if the Company does not compile the sustainability report, it shall be indicated that "complete assurance information will be disclosed at the MOPS", and will be disclosed at the next year's annual report.

Note 2: Assurance institutions shall be in line with the regulations on sustainability report assurance institutions specified by Taiwan Stock Exchange (TWSE) and Taipei Exchange (TPEX).

Note 3: Please refer to the best practice reference examples on the Corporate Governance Center website of TWSE for the disclosure content.

1.2 GHG emission reduction goals, strategies and specific plans of action

Clarify the baseline year and relevant data of GHG emission reduction, reduction goals, strategies, specific plans of action, and reduction goal achievement results.

(1) Baseline year and relevant data of GHG emission reduction:

To effectively manage climate-related threats and strengthen climate resilience, C SUN has set climate management targets, which are integrated into facility and departmental operations. C SUN completed a greenhouse gas (GHG) inventory in 2022 in accordance with international standards, which will serve as the baseline year for future carbon reduction target setting. C SUN has defined climate-related targets, with annual progress monitored by the Sustainable Development Committee across all operational sites. Climate goals are iteratively refined and reported annually to the Board of Directors to verify their effectiveness and appropriateness. Short-, medium-, and long-term goals:

1. Gradually advance consolidated GHG inventory across the Group and establish GHG reduction targets.
2. Evaluate the cost-effectiveness and consider increasing the proportion of renewable energy usage year by year through self-consumption or external procurement of solar energy.
3. Achieve net-zero emissions by 2050.

Scope of execution		2022 (baseline year)		2023		2024	
		Emission (Ton of CO ₂ e)	Intensity (Ton of CO ₂ e/ million NTD of revenue)	Emission (Ton of CO ₂ e)	Intensity (Ton of CO ₂ e/ million NTD of revenue)	Emission (Ton of CO ₂ e)	Intensity (Ton of CO ₂ e/ million NTD of revenue)
The Company	Scope 1	443.09		485.18		487.31	
	Scope 2	1,438.19		1,297.51		1,471.65	
	Scope 3	384.49		413.05		550.53	
Total (Scopes 1–3)		2,265.77	0.42	2,195.74	0.61	2,509.49	0.52

*Note 1: The information coverage scope includes the summarized information of the headquarters, Taipei Plant, Taichung Plant, and South Office.

*Note 2: 2024 data is pending assurance body review. Detailed and assured information will be disclosed in the current year's Sustainability Report.

(2) Action plans:

1. Conduct regular key climate opportunity assessments under the TCFD framework, establishing response measures and management targets.
2. Gradually expand GHG inventory scope and evaluate the adoption of ISO 14067 product carbon footprint standards.
3. Upgrade equipment and optimize production/assembly processes to reduce energy waste.
4. Incentivize employee proposals for energy-saving R&D and low-carbon product/service development.

Note 1: Comply with timelines specified in Article 10, Paragraph 2 of the regulatory guidelines.

Note 2: The baseline year shall be the year completing the inventory within the consolidated financial statement boundary. For example, according to the rules in Paragraph 2, Article 10 of the Principles, companies with the capital sum over 10 billion NTD shall complete the inventory of 2024 consolidated financial statement in 2025, therefore, the baseline year is 2024. In case that the Company completes the inventory of the consolidated financial statement in advance, the earlier year of completion shall be the base year. Furthermore, the data of baseline year shall be calculated as the value of one-single-year-data or the mean of several years of data.

(VII) Performance of Ethical Management and Its Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Its Cause:

Evaluation Item		Status of operation (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Its Causes
		Yes	No	Summary Description	
I. Establishment of ethical management policies and programs	(I) Has the Company established its ethical management policies that are passed by the Board, and expressively declared its ethical management policies and measures in its rules and documents for external parties, and the commitments made by the Board and the senior management to actively implement the operating policies?	V		The Company has established its "Ethical Corporate Management Principles" and "Regulations for the Whistleblowing of Illegal and Unethical Behaviors" to stipulate a code of conduct for the corporate and employees. The Company communicates with its employees from time to time; the execution and handling status are disclosed on the Company's website.	No deviation
	(II) Has the Company established an evaluation system for the risk of unethical behaviors, regularly analyzed and evaluated operating activities with higher risks of unethical behaviors within its scope of business, and established an unethical behavior preventive plan that at least covers the preventive measures for behaviors set out in paragraph 2 under Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"?	V		The Company's "Ethical Corporate Management Principles" set out preventive measures for unethical behaviors, such as providing and accepting bribes, providing illegal political donations, providing or accepting unreasonable gifts, social engagement, or other unjust interests, or infringement on business secrets and intellectual property rights.	No deviation
	(III) Has the Company stated the operating procedures, behavioral guidelines, punishments for violations, and the complaint system in its unethical behavior preventive plan, duly implemented the plan, and regularly examined and amended the abovementioned plan?	V		Except for "Ethical Corporate Management Principles," the Company also established its "Procedures for the Acquisition or Disposal of Assets," "Procedures for Endorsement and Guarantee," "Procedures for Loans to Others" and "Procedures for Transactions with Related Parties."	No deviation

Evaluation Item		Status of operation (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Its Causes															
		Yes	No	Summary Description																
II. Implement ation of Ethical Corporate Managem ent	(I) Has the Company evaluated business counterparties' ethical records and included clauses related to ethical management in contracts with business counterparties?	V		The Company engages in business activities in a fair and transparent manner. Before engaging in business activities, the Company duly evaluates the counterparties to avoid conducting transactions with unethical counterparties. Furthermore, when entering into business contracts with business counterparties, the department of legal affairs would review the contract terms to avoid conducting transactions with those with records of unethical behaviors.	No deviation															
	(II) Has the Company established a dedicated department supervised by the Board to be in charge of corporate ethical management?Has the dedicated department regularly (at least once a year) reported to the Board regarding the ethical management policies, unethical behavior preventive plan, and the execution of supervision?	V		<p>The Company has established the Sustainable Development Committee, which reports its implementation status to the Board annually. The Committee establishes corporate integrity and ethical standards, maintains ethical governance, implements operational and financial management, safeguards corporate interests, protects shareholder rights, adheres to business conduct and moral codes, and ensures the Company’s sustainable growth.</p> <p>On April 24, 2024, the Company invited the Deputy Director and investigators from the New Taipei City Investigation Bureau to deliver a training session to employees on the topic of “Corporate Anti-Corruption, Anti-Fraud, and Cybersecurity Awareness.” This session aimed to strengthen employees’ awareness of anti-corruption practices and ensure that such principles are implemented in daily operations. A total of 178 participants attended, contributing 178 training hours.</p> <p>All new employees are required to sign an Integrity and Ethics Commitment upon onboarding, reinforcing the importance of ethical business practices. In 2024, a total of 105 such commitments were signed.</p> <p>In addition, the Company’s advocacy units periodically reinforce the importance of ethical conduct during joint monthly meetings held at the facilities, encouraging all employees to uphold the principles of integrity and compliance. The details of these awareness activities are as follows:</p> <table><tr><th>Date</th><th>Educational training program</th><th>Target audience</th><th>Participants</th><th>Number of hours</th></tr><tr><td>2024/8/31</td><td>Anti-corruption and anti-bribery</td><td>All employees</td><td>371</td><td>93</td></tr><tr><td>2024/8/31</td><td>Integrity and ethics as core elements of corporate governance and culture</td><td>All employees</td><td>371</td><td>93</td></tr></table>	Date	Educational training program	Target audience	Participants	Number of hours	2024/8/31	Anti-corruption and anti-bribery	All employees	371	93	2024/8/31	Integrity and ethics as core elements of corporate governance and culture	All employees	371	93	No deviation
Date	Educational training program	Target audience	Participants	Number of hours																
2024/8/31	Anti-corruption and anti-bribery	All employees	371	93																
2024/8/31	Integrity and ethics as core elements of corporate governance and culture	All employees	371	93																

Evaluation Item		Status of operation (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Its Causes
		Yes	No	Summary Description	
	(III) Has the Company established policies to prevent conflicts of interest and provide appropriate communication channels, and implemented such policies?	V		For internal parties, the Company's relevant rules and regulations and working procedures for employees and the Company are published on the Company's internal website, and the Company sends letters to notify all our fellow colleagues upon any amendment. For external parties, the Company establishes a stakeholder section on its corporate website (URL: https://www.csun.com.tw/investor-relations/stakeholders).	No deviation
	(IV) Has the Company established effective accounting systems and internal control systems to implement ethical management, with the internal audit department being responsible for devising relevant audit plans based on the evaluation results of the risk of involvement in unethical behaviors, and examining, accordingly, the compliance with the unethical behavior preventive plan, or engaged CPAs to carry out the audit?	V		The Company has established its internal control system, provisions for implementing internal audits, accounting system, and management regulations that operate normally. The Company also fully realizes the requirements of ethical management. The internal auditors of the Company perform audits according to the audit plan and prepare audit reports, and regularly report to the Board regarding the audit results.	No deviation
	(V) Has the Company regularly held internal and external educational training on ethical management?	V		The Company regularly organizes educational training related to ethical management and has disclosed the procedures and regulations of relevant specifications on the Company's internal website for employees to inquire about at all times.	No deviation

Evaluation Item		Status of operation (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Its Causes
		Yes	No	Summary Description	
III. Operations of the Company's whistleblowing system	(I) Has the Company established concrete whistleblowing and incentive system, established convenient whistleblowing channels, and appointed appropriate dedicated handling personnel for the targets being reported?	V		Regarding behaviors violating laws and regulations or code of ethics, the Company has established the "Regulations for the Whistleblowing of Illegal and Unethical Behaviors," whistleblowing and complaint channels (such as e-mail, employees' opinion mailbox, and relevant punishment measures) and carries out examination and amendments from time to time to provide channels to achieve effective and abundant opinion communications, so as to rapidly and effectively communicate and resolve issues upon occurrence. The Company also assigns appropriate dedicated personnel to handle the reported targets.	No deviation
	(II) Has the Company established standard operating procedures for investigating the matters being reported and relevant confidentiality systems?	V		The Company has established whistleblowing regulations and a whistleblowing mailbox. We keep the identity of the whistleblower and the content of the whistleblowing confidential.	No deviation
	(III) Has the Company adopted measures to protect whistleblowers from being mistreated due to whistleblowing?	V		The Company has adopted measures to protect whistleblowers from being mistreated due to whistleblowing.	No deviation
IV. Improve information disclosure	Has the Company disclosed the content of its Ethical Management Principles and the results of its implementation on the Company's website and MOPS?	V		The Ethical Management Principles of the Company have been uploaded to MOPS and disclosed on the Company's website. https://www.csun.com.tw/category	No deviation
V.	Where the Company has established its Ethical Management Principles according to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," please describe its operations and the deviation from the Principles: None.				
VI.	<p>Other important information to facilitate a better understanding of the Company's ethical management operations (such as reviews on and amendments to the Ethical Management Principles):</p> <ol style="list-style-type: none"> 1. The Company observes the Company Act, the Securities Exchange Act, the Business Accounting Act, rules and regulations related to TWSE and TPEX, or other laws and regulations related to business conduct as the basis for fully realizing its ethical management. The Company's "Rules of Procedure for Meeting of the Board of Directors" stipulates the Directors' interest recusal system. 2. For those who have or the corporates they represent have interests in the proposal at the meeting of the Board that may impair the Company's interests, they shall state their opinions and answer to inquiries, and may not participate in the discussion or voting, and they shall recuse themselves from the discussion and voting, and may not represent other Directors in exercising their voting rights. 3. The Company has established its "Operations for the Management of Preventing Insider Transactions," which stated that Directors, supervisors, managers, and employees may not leak the Company's undisclosed significant internal information acknowledged by them, and may not leak the Company's undisclosed significant internal information acknowledged by them due to the execution of businesses to others. 4. The CPA's firm of the Company is PwC Taiwan. The CPAs are not Directors of the Company and possess expertise and independence. The Company reviews the independence of CPAs on a yearly basis. The CPAs regularly perform audits on major cyclic and internal control and provide recommendations on matters related to internal control and accounting of the Company. 				

(VIII) Disclosure of Access Methods for Corporate Governance Codes and Related Regulations (if established):

The Company made disclosures on the investor sector of the Company's corporate website.

(IX) Other key information helpful for understanding the operation of the corporate governance

C SUN is committed to the transparency and immediacy of its operating information, and in turns generate maximum investment interest for shareholders, which has always been the essential operating concept of C SUN; the Company' corporate governance status is as follows:

1. The Board includes three Independent Directors with years of industrial experiences.
2. The professional Independent Directors regularly participate in the decision-making system (one to two meetings of the Board are convened every three months).
3. The Company regularly engages CPAs to perform audits on the operating system in Taiwan and China.
4. The CPAs regularly participate in the meeting of the Board and play the part of supervision and consultation.
5. The Company has established an investor section on its website and made regular updates, allowing all shareholders to acquire real-time information of the Company via a uniform and fair channel.
6. The Company has established a professional Director consultation system.

(X) Implementation of the internal control system:

1. Statement of Internal Control:

C SUN MFG. Ltd.

Statement of Internal Control System

Date: February 25, 2025

Based on the results of the self-examination on the internal control system for 2024, the Company hereby stated as follows:

- I. The Company acknowledges that establishing, implementing, and maintaining the internal control system is the responsibility of the Company's Board and managers. The Company had established the system. The purpose of which is to provide reasonable assurance on the achievements of objectives such as effects and efficiency of operations (including profits, performance, and protection of assets' safety), credibility of financial reports, compliance with relevant laws, and regulations.
- II. An internal control system has inherent limitations. Regardless of the comprehensive design, an effective internal control system may merely provide reasonable assurance on achieving the three objectives mentioned above. Moreover, the effectiveness of an internal control system is subject to changes in the environment and circumstances. Nevertheless, the Company's internal control system contains self-monitoring mechanisms, and the Company adopts immediate remedial actions in response to any identified deficiencies.
- III. The Company established the determination items for the effectiveness of its internal control system based on the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (the "Regulations") to determine whether the design and execution of its internal control system are effective. The determination items for the internal control system adopted by the "Regulations" divide the internal control system into five key components based on the course of management and control: 1. control environment; 2. risk evaluation and response; 3. control operations; 4. information and communications; and 5. supervision. Each component consists of a number of items. For the items mentioned above, please see the requirements under the "Regulations."
- IV. The Company adopted the abovementioned determination items for the internal control system to examine the effectiveness of the internal control system's design and execution.
- V. Based on the examination results above, the Company considered that the design and execution of the internal control system (including supervision and management of subsidiaries) as at December 31, 2024 are effective (including knowing of the level of achievement regarding the objectives of operations' effects and efficiency, credibility of financial reports, compliance with relevant laws and regulations), and the internal control system is able to provide reasonable assurance on the achievement of the above objectives.

- VI. The Statement is a major part of the Company's annual report and prospectus that is disclosed to the public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, Article 32, Article 171, and Article 174 of the Securities and Exchange Act.
- VII. The Statement was approved by the Company's Board of Directors on February 25, 2025. It is hereby stated that all seven attending directors have agreed on the content of the Statement.

C SUN MFG. Ltd.

Chairman: Morrison Liang

General Manager: Yu Wen Liang

2. Where CPAs were engaged to conduct a project audit on the internal control system, the audit report shall be disclosed: None.

(XI) Key Resolutions of Shareholders' Meetings and Board of Directors During the Recent Fiscal Year and Up to the Annual Report Publication Date:

(1) Significant Resolution of the Board:

Date	Meeting title	Content
March 5, 2024	12th Meeting of the 18th Board	<ol style="list-style-type: none"> 1. Proposal to approve the 2023 financial statements and consolidated financial reports, along with matters communicated between the auditors and corporate governance units. 2. Proposal to approve the appointment and remuneration of CPAs for 2024. 3. Proposal to Review Overdue Accounts Receivable as of December 31, 2023, Confirming They Are Not Classified as Fund Lending. 4. Proposal to approve the 2023 internal control system effectiveness assessment and statement. 5. Proposal to approve the 2023 business report. 6. Proposal to approve the 2023 profit distribution plan. 7. Proposal to Approve the Capitalization of 2023 Retained Earnings and Issuance of New Shares. 8. Proposal to Obtain Financing from Banks and Bill Finance Companies and Engage in Derivative Contracts Related to Assets, Interest Rates, Exchange Rates, Indices, or Other Interests. 9. Proposal of the total amount of director and employee remuneration for the Company's 2023 fiscal year. 10. Proposal to amend the "Rules on Transfer of the First Repurchased Company's Shares in 2023 to Employees". 11. Proposal to Approve the Transfer of Treasury Shares to Managers and Employees, submitted for resolution. 12. Proposal to Issue Restricted Employee Stock Awards to Employees. 13. Proposal to Approve the 2024 Shareholders' Meeting Date, Venue, Agenda, and Deadline for Shareholder Proposals.

May 9, 2024	13th Meeting of the 18th Board	<ol style="list-style-type: none"> 1. Proposal to approve the Q1 2024 financial statements and consolidated financial reports, along with matters communicated between the auditors and corporate governance units. 2. Proposal to review overdue accounts receivable (as of March 31, 2024) of the Company with the nature being not loaning of funds, submitted for deliberation. 3. Proposal to Obtain Financing from Banks and Bill Finance Companies and Engage in Derivative Contracts Related to Assets, Interest Rates, Exchange Rates, Indices, or Other Interests. 4. Propose for adoption of establishing issues related to 2023 cash dividend distribution base day. 5. Investment proposal for Hongteng Industrial Co., Ltd. 6. Proposal of the distribution details of director remuneration for the Company's 2023 fiscal year. 7. Proposed salary adjustment plan for the Company's 2024 fiscal year, submitted for deliberation.
August 1, 2024	14th Meeting of the 18th Board	<ol style="list-style-type: none"> 1. Proposal to approve the Q2 2024 financial statements and consolidated financial reports, along with matters communicated between the auditors and corporate governance units. 2. Proposal to review overdue accounts receivable (as of June 30, 2024) of the Company with the nature being not loaning of funds, submitted for deliberation. 3. Proposal to establish the "Sustainability Report Preparation and Submission Management Guidelines." 4. Report on 2024 sustainability report implementation results for ratification. 5. Proposal to Obtain Financing from Banks and Bill Finance Companies and Engage in Derivative Contracts Related to Assets, Interest Rates, Exchange Rates, Indices, or Other Interests. 6. Proposal to approve donations to National Taiwan University, submitted for discussion. 7. Proposal to approve donations to National Taiwan University Hospital, submitted for discussion. 8. Proposal to approve domestic cultural industry sponsorship (donations), submitted for discussion. 9. Proposal to approve the purchase of office space by a Thai subsidiary, submitted for discussion. 10. Proposal to amend the "Rules on Transfer of the First Repurchased Company's Shares in 2023 to Employees". 11. Proposed salary adjustment plan for the Company's managers in 2024, submitted for deliberation. 12. Proposed compensation and reward plan for the Company's managers in 2024, submitted for deliberation. 13. Proposal regarding the 2024 compensation and incentive plan for the Company's managers, submitted for deliberation. 14. Proposal to approve the transfer of treasury shares to managers and employees of the Company as part of the incentive program, submitted for resolution.

October 31, 2024	15th Meeting of the 18th Board	<ol style="list-style-type: none"> 1. Proposal to approve the Q3 2024 financial statements and consolidated financial reports, along with matters communicated between the auditors and corporate governance units. 2. Propose to review overdue accounts receivable (as of September 30, 2024) of the Company with the nature being not loaning of funds. 3. Proposal to Obtain Financing from Banks and Bill Finance Companies and Engage in Derivative Contracts Related to Assets, Interest Rates, Exchange Rates, Indices, or Other Interests. 4. Proposal to Amend the Company's "Related Party Transactions Procedures." 5. Proposal to Amend the Company's "Procedures for Handling Reports of Illegal, Unethical, or Dishonest Conduct." 6. Proposal to Establish the Company's "Risk Management Policy and Procedures." 7. Proposal for Investment. 8. Proposal to Request Authorization for the Purchase of Land in the Gongyi Industrial Zone. 9. Proposal for the Company's First Share Buyback in 2024. 10. Proposal for the 2024 Manager Compensation Plan. 11. Proposal to Approve the Transfer of Treasury Shares to Managers and Employees.
December 17, 2024	16th Meeting of the 18th Board	<ol style="list-style-type: none"> 1. Proposal to Approve the 2025 Annual Audit Plan. 2. Proposal to Approve the 2025 Annual Plan. 3. Proposal for Endorsements/Guarantees. 4. Proposal for the Assessment of Independence and Competence of Current CPAs. 5. Proposal to Obtain Financing from Banks and Bill Finance Companies and Engage in Derivative Contracts Related to Assets, Interest Rates, Exchange Rates, Indices, or Other Interests. 6. Proposal to Establish the Company's "Sustainable Information Management Procedures." 7. Proposal to Amend the Company's "Procedures for Transfer of the First Repurchased Shares in 2023 to Employees." 8. Proposal to Establish the Company's "Procedures for Transfer of the First Repurchased Shares in 2024 to Employees." 9. Proposal to Define the Company's Entry-Level Employees. 10. Proposal to Amend the Company's "Articles of Association". 11. Proposal to Approve the 2024 Performance Evaluation Results and Total Annual Compensation of the Company's Managers. 12. Proposal to Approve the Transfer of Treasury Shares to Managers and Employees.
January 12, 2025	17th Meeting of the 18th Board	<ol style="list-style-type: none"> 1. Proposal to Lift Non-Compete Restrictions on the Company's Managers.

February 25, 2025	18th Meeting of the 18th Board	<ol style="list-style-type: none"> 1. Proposal to Approve the 2024 Financial Report and Consolidated Financial Statements, as well as Matters Communicated by the CPAs and Corporate Governance Unit. 2. Proposal to Review Overdue Accounts Receivable as of December 31, 2023, Confirming They Are Not Classified as Fund Lending. 3. Proposal to Approve the 2024 Internal Control System Effectiveness Assessment and Statement. 4. Proposal to Approve the 2024 Business Report. 5. Proposal to Approve the 2024 Profit Distribution Plan. 6. Proposal to Approve the Capitalization of 2023 Retained Earnings and Issuance of New Shares. 7. Proposal to Acquire Real Estate 8. Proposal to Acquire Real Estate by Subsidiary Csun Technology (Guangzhou) Co., Ltd. 9. Proposal to Obtain Financing from Banks and Bill Finance Companies and Engage in Derivative Contracts Related to Assets, Interest Rates, Exchange Rates, Indices, or Other Interests. 10. Proposal for Investment 11. Proposal to Approve the Total Amount of Directors' and Employees' Compensation for 2024. 12. Proposal to Approve the Transfer of Treasury Shares to Managers and Employees, submitted for resolution. 13. Proposal to Issue Restricted Employee Stock Awards to Employees. 14. Proposal to Elect Directors and Independent Directors for the 19th Term 15. Proposal to Approve the 2024 Shareholders' Meeting Date, Venue, Agenda, and Deadline for Shareholder Proposals.
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(2) Content of Significant Resolutions at the Annual Shareholders' Meeting on May 21, 2024 and Implementation Status:

Significant Resolutions:

1. Passed the 2023 final accounting books and statements.
2. Passed the 2023 earning distribution.
3. Passed the issuance of restricted employee stock awards to employees.
4. Proposal to Lift Non-Compete Restrictions on Directors

Implementation Status:

At the Board meeting on May 9, 2024, June 5, 2024 was designated as the ex-dividend/rights date. A cash dividend of NT\$3 per share was distributed to shareholders on June 21, 2024, with no discrepancies from the resolution passed at the Annual Shareholders' Meeting.

(XII) Records or Written Statements of Dissenting Opinions from Directors/Supervisors Regarding Key Board Resolutions During the Recent Fiscal Year and Up to the Annual Report Publication Date:None.

III. Information on Audit Fees for CPAs:

Unit: NT\$/Thousand

Name of CPA Firm	CPA Name	Audit Period	Audit Fees	Non-audit Fees	Total	Remarks
PwC Taiwan	Dian Yi Li Wei Hao Wu	January 1, 2024 to December 31, 2024	2,500	330	2,830	Consolidated and individual financial statements Translation of English financial reports Transfer Pricing

Please specify the service content of non-audit fees: (i.e., taxation certification, assurance, or other financial consultation services)

Note: For any changes in the CPAs or CPA firm, the audit period shall be stated, explanations for such changes shall be set forth in the remark column, and the information such as the audit fees and non-audit fees paid shall be disclosed in order. Service content shall be specified for non-audit fees.

- (I) Where the Non-Audit Fees Paid to the CPAs, CPA's Firm, and Its Affiliates Accounted for One-Fourth of the Audit Fees and Above, the Audit and Non-Audit Fees and the Content of the Non-Audit Services Shall Be Disclosed: Not applicable.
- (II) When Changing the Accounting Firm and the Audit Fees Paid for the Year in which the Change Took Place Are Lower than Those Paid for the Year Preceding the Change, the Decrease in the Amount of the Audit Fees, the Ratio, and the Reason Shall be Disclosed: Not applicable.
- (III) When the Audit Fees Decreased by 10% and Above as Compared with the Preceding Year, the Decrease in the Amount of the Audit Fees, the Ratio, and the Reason Shall be Disclosed: Not applicable.

IV. Information on the Replacement of CPAs: None.

V. When the Chairman, General Manager, Managers Responsible for Financial or Accounting Affairs of the Company Had Taken Office in the CPAs' Firm or its Affiliates, Names, Titles, and the Period Taken Office in the CPA's Firm or Its Affiliates shall be Disclosed: None.

VI. Changes in the transfer of shares by directors, supervisors, managerial officers, and shareholders with more than 10% shareholding, and changes in the shares pledged during the recent years up to the publication date of annual report:

Refer to the "Aggregate Shareholdings of Directors, Supervisors, Managers, and Major Shareholders" on the Market Observation Post System.

VII. Information on Relationships Among Top 10 Shareholders (e.g., Relatives, Spouses, or Second-Degree Kinship):

March 29, 2025 (book closure day)
Unit: shares; %

Name (NOTE 1)	Shares held by the shareholders		Shares held by spouse and minor children		Shareholding in the name of others		Title, name, or relationship of shareholders with top ten shareholdings who are related parties or spouses or family members within the second degree of kinship. (Note 3)		Remarks
	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Name	Relationship	
Gallant Precision Machining Co., Ltd.	19,957,082	12.73%	—	—	—	—	—	—	—
Hai-Xing Investment Co., Ltd. Representative: Hsiu Hung Fu Liang	17,727,743	11.31%	—	—	—	—	Morrison Liang Mao Chung Liang	Siblings (sister and brother)	—
	843,714	0.54%	—	—	—	—	Morrison Liang Mao Chung Liang	Siblings (sister and brother)	—
Pin-zhi Investment Co., Ltd. Representative: Bi Ju Liang	12,300,560	7.85%	—	—	—	—	Morrison Liang	Parent and child	—
	1,348,393	0.86%	—	—	—	—	Morrison Liang	Parent and child	—
Mao Chung Liang	7,292,949	4.65%	1,137,260	0.73%	—	—	Morrison Liang	Brothers	—
							Hai-Xing Investment Co., Ltd.	Siblings (sister and brother)	—
Treasury Share Special Account of C SUN	5,981,549	3.82%	—	—	—	—	—	—	—
Morrison Liang	4,577,866	2.92%	346,222	0.22%	—	—	Mao Chung Liang	Brothers	—
							Hai-Xing Investment Co., Ltd.	Siblings (brother and sister)	—
							Pin-zhi Investment Co., Ltd.	Parent and child	—
Norges Bank Investment Account Custodied by Citibank	3,669,000	2.34%	—	—	—	—	—	—	—
Jin Tu Jian	2,800,155	1.79%	—	—	—	—	—	—	—
Zhen Sheng Co., Ltd. Representative: Bi Zhen Liang	1,928,237	1.23%	—	—	—	—	Mao Chung Liang	Parent and child	—
							Mao Chung Liang	Parent and child	—

Name (NOTE 1)	Shares held by the shareholders		Shares held by spouse and minor children		Shareholding in the name of others		Title, name, or relationship of shareholders with top ten shareholdings who are related parties or spouses or family members within the second degree of kinship. (Note 3)		Remarks
	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Number of shares	Percentage of shareholding	Name	Relationship	
Yu Wen Liang	1,922,647	1.23%	—	—	—	—	Morrison Liang	Parent and child	—
SPDR Portfolio Emerging Market ETF Special Account under the Custody of Stanrd Chartered	1,619,139	1.03%	—	—	—	—	—	—	—

Note 1: Shareholders with top ten shareholdings shall be fully stated, and the title of the corporate shareholder and the name of the representative for the corporate shareholders shall be separately stated.

Note 2: The calculation of shareholdings refers to the ratio of shares held by the shareholders themselves, their spouses, minors, and in the name of others.

Note 3: The shareholders above include corporates and natural persons, the relationships among such shareholders shall be disclosed according to the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

VIII.Shareholdings of the Company, the Company's Directors, Supervisors, Managers, and Companies Directly or Indirectly Controlled by the Company in the Same Investee Companies, and the Consolidated Shareholding in Aggregation:

Shareholding in Aggregation

December 31, 2024

Unite: Share; %

Investee companies (Note 1)	Investments of the Company		Investments of directors, supervisors, managers, and companies directly or indirectly controlled by the Company		Investments in aggregation	
	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding
CSUN(B.V.I.) LTD.	18,081,750	100.00%	-	-	18,081,750	100.00%
C SUN Technology (Guangzhou) Co., Ltd. (Note 2)	-	100.00%	-	-	-	100.00%
Suzhou Top Creation Intelligent Machines Co., Ltd. (Note 2)	-	77.47%	-	-	-	77.47%
K SUN (SAMOA) LTD.	2,312,160	100.00%	-	-	2,312,160	100.00%
Hong-Teng Corp.	700,000	70.00%	-	-	700,000	70.00%
Navigation Technology Co., Ltd.	1,000,000	50.00%	-	-	1,000,000	50.00%
CSUN EQUIPCARE & TRADE (THAILAND) CO., LTD.	10,000	100.00%	-	-	10,000	100.00%

Note 1: Long-term investments accounted for using the equity method of the Company.

Note 2: Companies in China invested by way of investing the establishment of a company in a third region.

Chapter 3 Capital Raising Activities

I. Capital and Shares of the Company

(I) Equity Capital and Sources:

Source of share capital

March 29, 2025 (book closure day)

Unit: Share

Year & month	Issue price	Authorized capital		Paid-up capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Properties other than cash in substitution of share capital	Others
April 1978	10	300,000	3,000,000	300,000	3,000,000	Establishment	None	-
May 1984	10	600,000	6,000,000	600,000	6,000,000	Capital increase by cash of NT\$3,000 thousand	None	-
July 1985	10	1,500,000	15,000,000	1,500,000	15,000,000	Capital increase by cash of NT\$9,000 thousand	None	-
October 1994	10	4,000,000	40,000,000	4,000,000	40,000,000	Capital increase by cash of NT\$25,000 thousand	None	-
October 1995	10	6,000,000	60,000,000	6,000,000	60,000,000	Capital increase by cash of NT\$20,000 thousand	None	-
November 1996	10	8,500,000	85,000,000	8,500,000	85,000,000	Capital increase by cash of NT\$25,000 thousand	None	-
July 1997	10	30,000,000	300,000,000	17,300,000	173,000,000	Capital increase by cash of NT\$33,000 thousand Capital increase from earnings of NT\$25,000 thousand Capital increase from capital reserve of NT\$30,000 thousand	None	November 4, 1997 (86) T.C.Z. (I) Letter No. 79879
July 1998	10	30,000,000	300,000,000	25,900,000	259,000,000	Capital increase by cash of NT\$49,260 thousand Capital increase from earnings of NT\$36,740 thousand	None	June 5, 1998 (87) T.C.Z. (I) Letter No. 48830
June 1999	10	30,600,000	306,000,000	30,600,000	306,000,000	Capital increase from earnings of NT\$47,000 thousand	None	June 10, 1999 (88) T.C.Z. (I) Letter No. 53483
May 2000	10	88,600,000	886,000,000	46,700,000	467,000,000	Capital increase by cash of NT\$91,000 thousand Capital increase from earnings of NT\$70,000 thousand	None	May 23, 2000 (89) T.C.Z. (I) Letter No. 42313 & May 16, 2000 (89) T.C.Z. (I) Letter No. 42314
May 2001	10	101,300,000	1,013,000,000	60,280,000	602,800,000	Capital increase from earnings of NT\$135,800 thousand	None	May 25, 2001 (90) T.C.Z. (I) Letter No. 132351
June 2002	10	101,300,000	1,013,000,000	76,493,000	764,930,000	Capital increase from earnings of NT\$101,850 thousand Capital increase from capital reserve of NT\$60,280 thousand	None	June 18, 2002 (91) T.C.Z. (I) Letter No. 0910132850
August 2003	10	101,300,000	1,013,000,000	81,395,500	813,955,000	Capital increase from earnings of NT\$33,726.4 thousand Capital increase from capital reserve of NT\$15,298.6 thousand	None	August 28, 2003 (92) T.C.Z. (I) Letter No. 09201253670

Year & month	Issue price	Authorized capital		Paid-up capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Properties other than cash in substitution of share capital	Others
July 2004	10	121,300,000	1,213,000,000	89,915,000	899,150,000	Capital increase from earnings of NT\$52,636.8 thousand Capital increase from capital reserve of NT\$32,558.2 thousand	None	July 14, 2004 (93) J.G.Z. (I) Letter No. 0930131353
July 2005	10	121,300,000	1,213,000,000	93,729,908	937,299,080	Consolidated capital increase in consolidated cash of NT\$38,149.08	None	July 21, 2005 (94) J.G.Z. (I) Letter No. 0940125887
September 2005	10	134,700,000	1,347,000,000	102,482,700	1,024,827,000	Capital increase from earnings of NT\$81,271 thousand Capital increase from capital reserve of NT\$6,256.92 thousand	None	September 9, 2005 (94) J.G.Z. (I) Letter No. 0940137840
January 2006	10	134,700,000	1,347,000,000	103,292,700	1,032,927,000	Employee stock option converted to the issuance of new shares of NT\$8,100 thousand	None	January 25, 2006 J.S.S. ZI No. 09501012510
May 2006	10	134,700,000	1,347,000,000	103,627,700	1,036,277,000	Employee stock option converted for the issuance of new shares of NT\$3,350 thousand	None	May 17, 2006 J.S.S. ZI No. 09501089280
August 2006	10	200,000,000	2,000,000,000	115,959,700	1,159,597,000	Capital increase from earnings of NT\$107,670 thousand Capital increase from capital reserve of NT\$14,000 thousand Employee stock option converted for the issuance of new shares of NT\$1,650 thousand	None	August 18, 2006 J.S.S. ZI No. 09501176280
November 2006	10	200,000,000	2,000,000,000	116,124,700	1,161,247,000	Employee stock option converted for the issuance of new shares of NT\$1,650 thousand	None	November 13, 2006 J.S.S. ZI No. 09501251590
March 2007	10	200,000,000	2,000,000,000	129,106,561	1,291,065,610	Capital increase from merger cash NT\$129,268.61 thousand; Employee stock option converted for the issuance of new shares of NT\$550 thousand	None	March 6, 2007 J.S.S. ZI No. 09601035250
May 2007	10	200,000,000	2,000,000,000	129,171,561	1,291,715,610	Employee stock option converted for the issuance of new shares of NT\$650 thousand	None	May 9, 2007 J.S.S. ZI No. 09601100380
September 2007	10	200,000,000	2,000,000,000	134,998,361	1,349,983,610	Capital increase from capital reserve of NT\$58,268 thousand	None	September 3, 2007 J.S.S. ZI No. 09601215250
November 2007	10	200,000,000	2,000,000,000	135,123,361	1,351,233,610	Employee stock option converted for the issuance of new shares of NT\$1,250 thousand	None	November 16, 2007 J.S.S. ZI No. 09601280890

Year & month	Issue price	Authorized capital		Paid-up capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Properties other than cash in substitution of share capital	Others
March 2008	10	200,000,000	2,000,000,000	135,128,361	1,351,283,610	Employee stock option converted for the issuance of new shares of NT\$50 thousand	None	March 6, 2008 J.S.S. ZI No. 09701055510
July 2008	10	200,000,000	2,000,000,000	135,287,361	1,352,873,610	Employee stock option converted for the issuance of new shares of NT\$1,590 thousand	None	July 2, 2008 J.S.S. ZI No. 09701156110
September 2008	10	200,000,000	2,000,000,000	139,762,861	1,397,628,610	Capital increase from earnings of NT\$44,755 thousand	None	September 24, 2008 J.S.S. ZI No. 09701246900
July 2009	10	200,000,000	2,000,000,000	139,792,861	1,397,928,610	Employee stock option converted for the issuance of new shares of NT\$300 thousand	None	July 13, 2009 J.S.S. ZI No. 09801140360
August 2009	10	200,000,000	2,000,000,000	143,661,610	1,436,616,100	Capital increase from earnings of NT\$38,687 thousand	None	August 20, 2009 J.S.S. ZI No. 09801189850
February 2010	10	200,000,000	2,000,000,000	143,707,610	1,437,076,100	Employee stock option converted for the issuance of new shares of NT\$460 thousand	None	February 5, 2010 J.S.S. ZI No. 09901026100
May 2010	10	200,000,000	2,000,000,000	146,711,620	1,467,116,200	Employee stock option converted to the issuance of new shares of NT\$8,450 thousand; shares converted from corporate bonds of NT\$21,590.1 thousand	None	May 7, 2010 J.S.S. ZI No. 09901092890
September 2010	10	200,000,000	2,000,000,000	150,107,558	1,501,075,580	Employee stock option converted to the issuance of new shares of NT\$7,640 thousand; shares converted from corporate bonds of NT\$26,319.38 thousand	None	September 2, 2010 J.S.S. ZI No. 09901199890
November 2010	10	200,000,000	2,000,000,000	151,184,208	1,511,842,080	Employee stock options converted to the issuance of new shares of NT\$4,510 thousand; shares converted from corporate bonds of NT\$32,986.5 thousand; cancellation of treasury shares of NT\$26,730 thousand.	None	November 9, 2010 J.S.S. ZI No. 09901251530
March 2011	10	200,000,000	2,000,000,000	152,338,304	1,523,383,040	Employee stock option converted to the issuance of new shares of NT\$4,855 thousand; shares converted from corporate bonds of NT\$6,685.96 thousand	None	March 8, 2011 J.S.S. ZI No. 10001044350
May 2011	10	200,000,000	2,000,000,000	153,056,510	1,530,565,100	Employee stock option converted to the issuance of new shares of NT\$3,185 thousand; shares converted from corporate bonds of NT\$3,997.06 thousand	None	May 13, 2011 J.S.S. ZI No. 10001096720

Year & month	Issue price	Authorized capital		Paid-up capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Properties other than cash in substitution of share capital	Others
September 2011	10	200,000,000	2,000,000,000	155,152,820	1,551,528,200	Employee stock option converted to the issuance of new shares of NT\$905 thousand; shares converted from corporate bonds of NT\$20,058.10 thousand	None	September 8, 2011 J.S.S. ZI No. 10001208720
November 2011	10	200,000,000	2,000,000,000	156,045,219	1,560,452,190	Employee stock option converted to the issuance of new shares of NT\$2,200 thousand; shares converted from corporate bonds of NT\$6,723.99 thousand	None	November 2, 2011 J.S.S. ZI No. 10001252220
March 2012	10	200,000,000	2,000,000,000	156,129,130	1,561,291,300	Employee stock option converted to the issuance of new shares of NT\$370 thousand; shares converted from corporate bonds of NT\$469.11 thousand	None	March 21, 2012 J.S.S. ZI No. 10101048670
June 2012	10	200,000,000	2,000,000,000	158,224,515	1,582,245,150	Corporate bonds converted into shares of NT\$20,953.85 thousand	None	June 8, 2012 J.S.S. ZI No. 10101105390
October 2012	10	200,000,000	2,000,000,000	158,744,548	1,587,445,480	Corporate bonds converted into shares of NT\$5,200.33 thousand	None	October 31, 2012 J.S.S. ZI No. 10101226550
April 2019	10	200,000,000	2,000,000,000	149,205,548	1,492,055,480	Cancellation of the Company's treasury shares of NT\$95,390 thousand	None	April 23, 2019 J.S.S. ZI No. 10801042370
August 2021	10	200,000,000	2,000,000,000	152,189,659	1,521,896,590	Capital increase from earnings of NT\$29,841 thousand	None	August 30, 2021 J.S.S. ZI No. 11001149340
August 2022	10	200,000,000	2,000,000,000	156,755,348	1,567,553,480	Capital increase from earnings of NT\$45,657 thousand	None	August 2, 2022 J.S.S. ZI No. 11101144060

(II) Capital and Shares

March 29, 2025 (book closure day)

Category of shares	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Registered ordinary shares	156,755,348 shares	43,244,652 shares	200,000,000 shares	

(III) Summary of Information Related to the Declaration System: Not applicable.

(IV) List of Major Shareholders

List of Major Shareholders

March 29, 2025 (book closure day)

Names of major shareholders	Shares	Number of shares held	Shareholding (%)
Gallant Precision Machining Co., Ltd.		19,957,082	12.73%
Hai-Xing Investment Co., Ltd.		17,727,743	11.31%
Pin-zhi Investment Co., Ltd.		12,300,560	7.85%
Mao Chung Liang		7,292,949	4.65%
Treasury Share Special Account of C SUN		5,981,549	3.82%
Morrison Liang		4,577,866	2.92%
Norges Bank Investment Account Custodied by Citibank		3,669,000	2.34%
Jin Tu Jian		2,800,155	1.79%
Zhen Sheng Co., Ltd.		1,928,237	1.23%
Yu Wen Liang		1,922,647	1.23%
SPDR Portfolio Emerging Market ETF Special Account under the Custody of Stanrd Chartered		1,619,139	1.03%

(V) **Company dividend policy and implementation:**

(1) Dividend Policy:

➤ Article 31 of the Articles of Association:

When the Company recorded profits for the year, the Company shall appropriate 1% to 9% of such profits as the remuneration of employees, and the distribution in shares or cash shall be determined by the Board; the distribution targets include employees of subsidiaries that fulfill certain conditions. The Board may determine to appropriate no more than 2.25% of the amount of the above profits of the Company as the remuneration of Directors and supervisors. The proposal on allocating the remuneration for employees and directors shall be reported to the shareholders' meeting. However, if the Company still has accumulated losses, the amount required to offset such losses must be reserved first, followed by allocations for employee bonuses and director remuneration at the aforesaid ratios.

Where the Company recorded earnings after final annual account:

- I. Pay tax according to the law,
- II. Make compensation for accumulated losses,
- III. Provide 10% as the statutory surplus reserve; however, when the statutory surplus reserve has reached the paid-up capital of the Company, provision is no longer required,
- IV. Provide or reverse special surplus reserve according to the requirements of the laws and regulations regarding the remaining earnings;

The remaining balance shall be combined with the undistributed earnings, and the Board shall prepare the allotment proposal after retaining partial of such balances discretionally subject to the operating status of the Company, and submit the proposal to the shareholders; meeting to determine for the distribution of shareholders' dividends based on the Article 31-1 "Dividend Policy of the Company."

The Company authorizes the Board of Directors to pass a special resolution to distribute all or part of the dividends and bonuses in cash in accordance with the laws, provided that the decision must be reported to the shareholders at shareholders' meetings. In this case, the provisions about the resolution of shareholders' meetings set out in the preceding paragraph shall not apply.

Where the Company distributes statutory surplus reserve and capital reserves in accordance with the laws, in the case of in the form of issuance of new shares, the distribution plan shall be submitted to the shareholders' meeting for resolution; in the case of in cash, the distribution plan shall be passed if more than two-thirds of the Directors attend and more than 50% of the attending Directors approve of the resolution. The resolution shall be reported to the shareholders' meeting.

➤ Article 31-1 of the Articles of Association: Dividend Policy

The Company, taking into account its operating environment, growth situation, future funding needs, and long-term financial planning, and to meet shareholders' demand for cash, ensures that **the cash dividend portion of the shareholder dividend distribution (as outlined in the preceding article) shall not be less than 20%.**

Although the Company's Articles of Association do not explicitly specify the ratio for shareholder dividend and bonus distribution, the Company considers its funding needs, long-term financial planning, and the interests of shareholders. Based on these factors, the Company commits to allocating no less than 20% of the current year's net profit after tax for shareholder dividends and bonuses.

- (2) Dividend distribution resolved at the meeting of the Board of Directors:

The earning distribution of year 2024 resolved at the meeting of the Board of Directors on February 25, 2025 is tabulated as follows.

C SUN MFG. Ltd.
Earning Distribution Table
2024

Unit: NT\$

	Amount	
	Subtotal	Total
Unappropriated earnings at the beginning of the period		348,646,504
Net profit after tax for the year		719,159,532
Items not adjusted according to the retained earnings under the item of profit or loss:		4,881,813
Actuarial profit or loss included in retained earnings	14,136,228	
Disposals of equity instruments at fair value through other comprehensive income	47,033,106	
Changes in affiliates recognized using the equity method	(56,287,521)	
The amount of net profit after tax for the year plus items other than net profit of the period included in the undistributed earnings for the year		724,041,345
Less: Provision of 10% statutory surplus reserve		72,404,135
Earnings available for distribution		1,000,283,714
Distribution item:		
Shareholders' bonus - cash (Issue of NT\$5 per share)		753,868,995
Undistributed earnings at the beginning of the year		246,414,719

(VI) Impact of Proposed Stock Dividends on Business Performance and Earnings Per Share for the Current Shareholders' Meeting: None.

(VII) Remuneration of Employees and Remuneration of Directors

1. The ratio or scope of remuneration of employees and Directors set out in the Articles of Association:

When the Company recorded profits for the year, the Company shall appropriate 1% to 9% of such profits as the remuneration of employees, and the distribution in shares or cash shall be determined by the Board; the distribution targets include employees of subsidiaries that fulfill certain conditions. The Board may determine to appropriate no more than 2.25% of the amount of the above profits of the Company as the remuneration of Directors and supervisors. The proposal of the distribution of remuneration of employees and remuneration of Directors shall be reported to the shareholders meeting. However, if the Company has accumulated losses, it shall reserve an amount for compensation before allocating the remuneration for employees, directors and supervisors at the aforesaid ratios.

2. The estimation basis for the estimation regarding the amount of remuneration of employees and Directors, the calculation basis for the number of shares for share distribution as remuneration of employees, and the accounting for differences between the actual distribution amount or the estimation amount:

The Company adopts the basis by deducting the accumulated losses from the profits of the year (i.e., profit before tax and remuneration of employees and remuneration of Directors) and estimate the remuneration of employees and remuneration of Directors according to the scope of ratio set out in the Articles of Association, and include such remuneration as operating costs or operating expenses. For remuneration of employees distributed in shares, the calculation of the number of shares distributed is based on the closing price of the ordinary shares on the day prior to the discussion of the Board. For any difference between the above estimated amount and the actual distributed amount, the Company processes it as the changes in accounting estimates, and adjusted and accounted for such differences during the year of distribution.

3. Distribution of remuneration as approved by the Board of Directors:

- (1) Amount of remuneration of employees and remuneration of Directors and supervisors made in cash or share distribution. For any difference with the estimation amount for the year recognizing the expenses, the differences, reasons, and handling status shall be disclosed:

From the earnings of 2024, the Company appropriated 1% as the remuneration of employees (NT\$8,674,754) and 2.25% as the remuneration of Directors (NT\$19,518,196), which was approved by the Board through a resolution on February 25, 2025 and distributed in cash, and there was no difference from the expenses recognized in 2024.

- (2) Amount of remuneration of employees in shares and the ratios of the remuneration to the net profit after tax and to the total sum of remuneration of employees for the period: None.

4. Actual distribution of the remuneration of employees and Directors for the preceding year (including the number of share and amount distributed and share price), the differences with the recognized remuneration of employees and Directors, and the explanations on the differences, reasons, and handling status:

Item	Actual distribution	Estimation	Differences
Remuneration for employees	5,191,150	5,191,150	0
Remuneration for directors	11,680,087	11,680,087	0
Total	16,871,237	16,871,237	0

(VIII) Share Buyback Status of the Company:

March 29, 2025 (book closure day)

Time of buyback	11th
Purpose of buyback	Transfer of shares to employees
Period of buyback	November 4, 2024 - December 16, 2024
Interval of Repurchase Price	146.00~331.00
Types and Number of Repurchased Shares	Common shares: 803,000
Sum of Repurchased Shares	NT\$184,634,115
Proportion of Repurchased Shares to Predetermined Repurchase Amount	80.30%
Number of shares that have been canceled or transferred	Common shares: 0
Number of accumulative shares of the Company	5,981,549 shares
Ratio of number of accumulative shares to total amount of issued shares	3.82%

II. Corporate Bond/Preferred Shares/Global Depository Receipt:

- (I) Corporate Bond: None.
- (II) Preferred Shares/Global Depository Receipt: None.

III. Employee Stock Option:

- (I) Outstanding Employee Stock Option and Effects on Shareholders' Interests: None.
- (II) Names, Acquisition, and Subscription of Managers Acquired Employee Stock Option and Top Ten Employees in the Amount of Employee Stock Warrant Acquired with Subscription Amounts Reaching NT\$30 Million and Above: None.

IV. Mergers with or Transfers of Other Companies' Shares for the Issuance of New Shares

- (I) Mergers with or Transfers of Other Companies' Shares for the Issuance of New Shares Completed for the Latest Year and as of the Date of Publishing the Annual Report: None.
- (II) Mergers with or Transfers of Other Companies' Shares for the Issuance of New Shares Passed as Resolutions at the Meeting of the Board of Directors for the Latest Year and as of the Date of Publishing the Annual Report: None.

V. Execution of Fund Utilization Plan

(I) Plan Details:

Regarding previous issuance or private offering of securities had not completed or had been completed for the Latest three years but the effects of the plan had not shown, the content of the plan for each issuance or private offering of securities shall be explained in detail: None.

(II) Implementation Status:

The case-by-case analysis on the use of the plans above as of the quarter preceding the date of publishing the Annual Report and the comparison on their execution and the estimated effects initially: None.

Chapter 4 Business Overview

I. Scope of Business

1. Business Scope:

(1) Description of the business:

- A. Manufacturing of process equipment for AI-related electronic printed circuit board (PCB) industry supply chains, including dehydration, drying, curing, forming, degassing, annealing, test burn-in thermal management, film lamination, pressing, leveling, and related processes. Sales of horizontal/vertical desmear and electroless copper deposition equipment, as well as horizontal wet process equipment for imaging, etching, and photoresist stripping.
- B. Supply of critical equipment and components for AI chip semiconductor advanced packaging (2D, 2.1D, 2.3D, 2.5D, FoPLP, CPO, SoIC 3D) and HBM applications, including but not limited to temporary bonding machines, wafer film laminators, hybrid bonding process equipment, process ovens, test burn-in furnaces, and UV drying machines. UV surface cleaners.
- C. Quotation, tender, and distribution for products related to the above paragraph for domestic or foreign suppliers.
- D. E604010 Mechanical Installation.
- E. CB01990 Other Machinery Manufacturing (Automation Equipment).
- F. CE01030 Optical Instrument Manufacturing.
- G. CB01010 Machinery Manufacturing.
- H. CC01101 Restrained Telecom Radio Frequency Equipment and Materials Manufacturing.
- I. F401021 Restrained Telecom Radio Frequency Equipment and Materials Import.
- J. F401010 International Trade.
- K. I199990 Other Consulting Services.
- L. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

(2) Weights of business:

Product category	2023 sales ratio	2024 sales ratio
Semiconductor process equipment	17%	35%
Printed circuit board (PCB) process equipment	61%	50%
Advanced processes and other electronic applications	22%	15%
Total	100%	100%

(3) Current Products (Services):

The fields of application for manufacturing process equipment produced by C SUN MFG. at present primarily include three major industries of advanced semiconductor packaging manufacturing process, PCB and substrate forward-looking advanced manufacturing process, as well as equipment for other manufacturing processes; products developed for the manufacturing process of each industry is described as follows:

① Application of equipment for advanced semiconductor packing manufacturing process and other related manufacturing processes

- Wafer dry film lamination equipment, temporary bonding machine, hybrid bonding manufacturing process equipment;
- Auto oven, pressure oven, vacuum oven, test furnace, high-clean/oxygen-free/hot air baking equipment;
- FoPLP manufacturing process equipment system
- Surface cleaning plasma processing equipment, plasma deep etching equipment (DRIE and ETCHER)

② Application of equipment for Printed Circuit Board (PCB) manufacturing process and IC package substrate manufacturing process

- Equipment for light resistance (dry and wet film) manufacturing process: auto/manual lamination system, vacuum lamination system, wet film coating system, peeler (Dry film/ABF).
- Equipment for light curing/exposure manufacturing process: UV dryer, manual, semi-auto, and auto exposure equipment for inner and outer layer/dry and wet film/solder mask manufacturing process, and new generation exposure machine.
- Equipment for heat curing manufacturing process: hot air baking equipment, continual drying equipment, plate leveler, pre-heat equipment, and oven economizer.
- Equipment for wet manufacturing process: electroplating pretreatment field, equipment for horizontal desmear and electroless copper process, horizontal immersion tin equipment.
- Others: Surface modification equipment, and consumables.

③ Equipment for forward-looking manufacturing process and other manufacturing processes

- Flat Panel Display (FPD)
 - TFT-LCD manufacturing process: array section annealing baking equipment, probe frame, PI baking/pre-baking equipment, UV curing equipment, hot air baking equipment, IR drying oven.

- TFT-LCM manufacturing process: aging test equipment, plasma cleaning and surface modification equipment.
- Other FPD (Touch Panel/TN/STN): exposure equipment, UV cleaning equipment, UV modification system, PI baking/pre-baking equipment, dust-free baking equipment, light-resistant coating equipment, large touch panel baking equipment.
- Mini LED, MicroLED manufacturing process: vacuum lamination equipment, dust-free baking equipment.
- Auto system integration software
- Other Electronic Assembly Industry and Printing and Coating Industry
 - UV drying system, hot air baking equipment, and consumables
 - High-frequency element manufacturing process equipment, equipment related to AR/VR manufacturing process, equipment related to LEO manufacturing process, equipment related to Lens manufacturing process.

(4) New Products (Services) to be Developed:

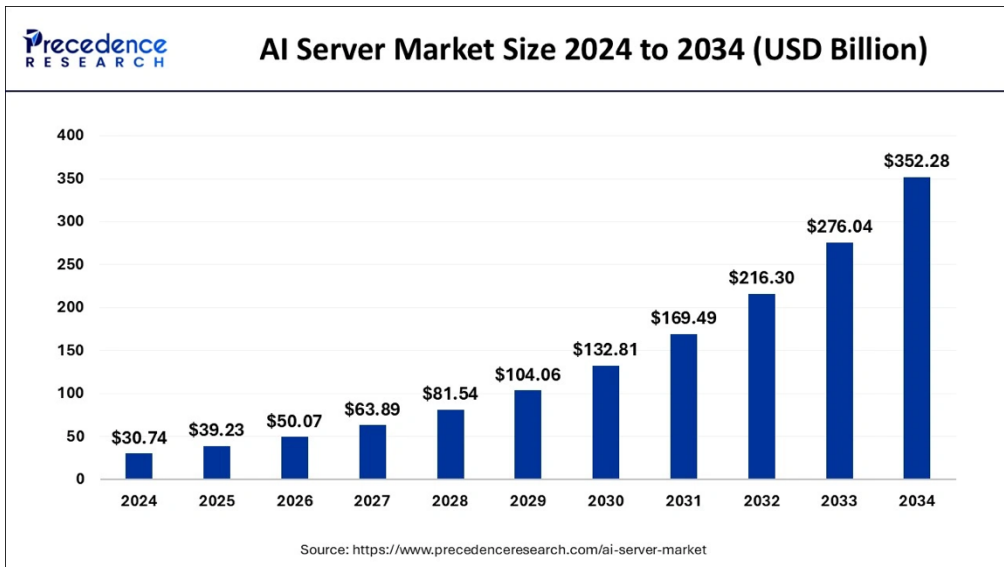
C SUN focuses on the technological development and future trends of the AI industry supply chain, extending its core expertise in the lamination process for printed circuit boards (PCBs) to continuously advance in wafer vacuum lamination systems for advanced packaging processes, 3D packaging process equipment for SoIC hybrid bonding, 2.5D packaging-related equipment such as FoPLP and CPO process equipment, semiconductor wafer deep etching systems, and high-end semiconductor ovens and lamination process equipment related to HBM.

In response to the evolving demands of HPC, AI server motherboards, and network communication PCBs, including the need for improved yield rates and the rising labor costs in mainland China, C SUN is actively developing highly automated, high-precision, high-resolution, and energy-efficient photolithography process equipment, including solder mask exposure machines, alignment machines, vacuum lamination machines, lamination preheating machines, laminators, flexible PCB roll-to-roll (R/R) exposure machines, and flexible PCB lamination machines.

2. Industry Overview:

(1) Industry current status and development:

Over the past decades, the development of semiconductor manufacturing process has allowed the line width of transistors to shorten from tens of microns to nano-level. However, the further development of manufacturing process is restricted by increase of design and manufacturing costs, reduction of critical margin, and other challenges. At the same time, number of I/O pins and speed of interconnection between wafers are limited with the increase of intensity of transistors in the wafer. As a result, simple manufacturing process scaling fails to achieve the efficiency improvement as expected by Moore's Law, with limited effects observed. To this end, semiconductor industry turns to strategies beyond Moore's Law. Size and number of transistors are no longer the only focus, efficiency, power consumption, chip area, costs and other aspects are taken into consideration. Through 2.5D and 3D heterogeneous integration of the advanced manufacturing process, multiple chips with different functions (such as logic circuits, radio frequency circuits, MEMS, sensors, neural computing units) are integrated into a single package. Such integration will, in addition to extending the economic benefits of Moore's Law, drive the continued development of the semiconductor industry, especially when combined with technologies such as AI applications, IoT and 5G. In the trend of demand for smaller, lighter and thinner electronics, heterogeneous integration technology has become the new normal. With the advent of 5G, IoT and AI, high performance and AI chips have become the hardware architecture of key technologies such as data centers, deep learning training and inference, and the demand has increased significantly to promote the development of important application markets. According to the research firm Precedence, the global AI server market size is projected to grow from US\$30.74 billion in 2024 to approximately US\$352.28 billion by 2034, with a compound annual growth rate (CAGR) of 27.62% from 2025 to 2034. The increasing demand for AI applications, advancements in AI technology, development of cloud and edge computing, big data analytics, and cost-effective solutions are driving widespread adoption of AI servers and sustaining market growth.



However, Taiwan's key customers continue to lead the industry in advanced packaging technologies, driving semiconductor innovation to meet the demand for high-performance chips in artificial intelligence (AI), high-performance computing (HPC), 5G, and the Internet of Things (IoT). As traditional System-on-Chip (SoC) architectures face bottlenecks in inter-chip transmission efficiency and computational performance, Taiwan's key customers are actively advancing various advanced packaging technologies. By integrating process innovations and heterogeneous integration, they enable efficient combination of chips with diverse functions, enhancing system flexibility, scalability, and inter-chip transmission efficiency to address market needs for high performance and low-power solutions.

Under the growing adoption of AI training and inference applications, Taiwan's key customers' advanced packaging technologies—such as CoWoS (Chip on Wafer on Substrate), SoIC (System on Integrated Chips), and future FoPLP (Fan-out Panel Level Packaging)—have become preferred solutions for AI chips. CoWoS significantly improves data transmission efficiency through tight integration of High Bandwidth Memory (HBM) with AI chips while maintaining low power consumption, solidifying its role as a critical technology for current AI chips. SoIC further advances 3D stacking technology, enabling ultra-high-density integration of diverse chips to achieve heterogeneous computing architectures with superior performance, laying the foundation for future AI and HPC development.

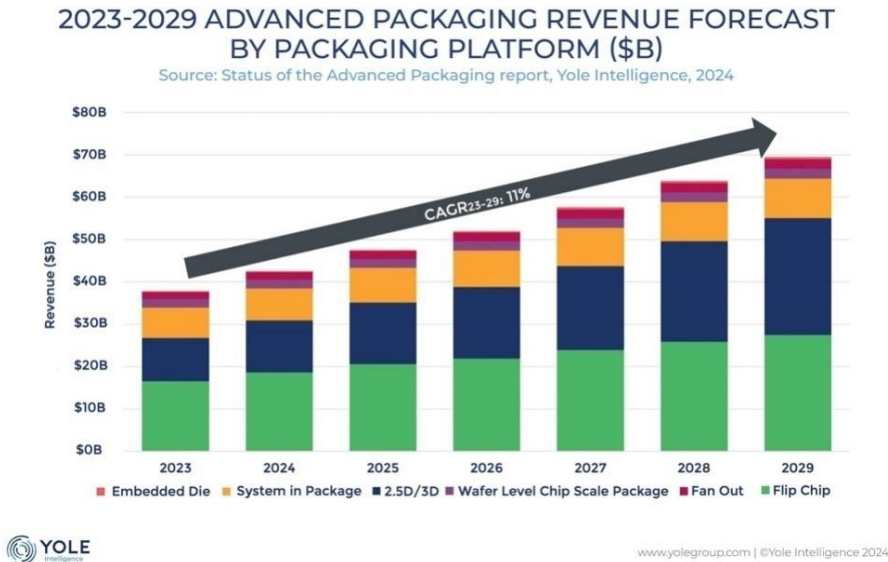
The rise of generative AI (e.g., ChatGPT) has surged demand for high-performance AI chips, directly driving the application and capacity expansion of CoWoS and SoIC-related packaging technologies. Based on recent earnings calls from Taiwan's key customers, to meet robust AI chip demand, these customers have substantially increased investments in advanced packaging and plan to build new production lines to boost CoWoS capacity, ensuring alignment with the AI industry's requirements for high-performance chips. Additionally, customers are advancing collaborative design between N3/N2 process nodes and advanced packaging to optimize chip performance and power efficiency.

Currently, Taiwan's key customers have announced CoWoS capacity expansions. Market expectations indicate that TSMC may more than double its production capacity by the end of 2025 compared to 2024 levels, ensuring adequate advanced packaging capacity for AI chip designers and cloud service providers (CSPs). The explosive demand in the AI server market has driven key customers to invest billions of US dollars in expanding advanced packaging capacity, with plans to further increase CoWoS (Chip on Wafer on Substrate) production by 2025 to support major AI chip clients such as NVIDIA, AMD, and Broadcom. To meet the urgent market demand for CoWoS capacity, key customers are actively collaborating with supply chain partners to ensure stable supplies of advanced packaging materials and equipment.

In 2024, the arms race-like deployment of AI servers by CSPs and strong market demand have propelled explosive growth in the HPC chip sector, lifting the semiconductor industry out of the 2023 downturn and driving significant transformation in the advanced packaging market. Influenced by U.S. semiconductor export controls, new facility constructions, the rise of emerging OSATs (outsourced semiconductor assembly and test providers), and industry alliances, supply chain dynamics are being reshaped. The advanced packaging market is projected to grow at a compound annual growth rate (CAGR) of 11% from 2023 to 2029, reaching US\$69.5 billion by 2029 (as shown in the figure below). Leading players like TSMC, Intel, and Samsung are aggressively advancing Chiplet and heterogeneous integration technologies, while ASE (Advanced Semiconductor Engineering), Amkor, TSMC, Intel, and JCET (Jiangsu Changjiang Electronics Technology) continue to dominate

the market. In 2023, the advanced packaging industry accounted for 44% of the global IC packaging market, with its share rising further due to demand from AI, HPC, automotive electronics, and AI PCs. The rapid growth of **2.5D/3D** packaging technologies, in particular, has fueled AI server and HPC chip development, becoming a critical competitive factor in the industry and a primary driver of market expansion.

Leveraging their integrated wafer manufacturing and advanced packaging solutions, key customers have introduced the "Foundry 2.0" concept, offering one-stop services—from advanced process technologies to advanced packaging—to fully address the needs of AI, high-speed computing, and data center markets. With advancements in heterogeneous chip integration, key customers’ technologies such as CoWoS, SoIC (System on Integrated Chips), and InFO (Integrated Fan-Out) will evolve further, providing robust hardware support for AI, HPC, and 5G markets. Additionally, key customers are actively developing derivative 2.5D/3D packaging technologies like FoPLP (Fan-out Panel Level Packaging) and CPO (Co-Packaged Optics), collaborating with global AI chip designers to innovate high-performance computing architectures.

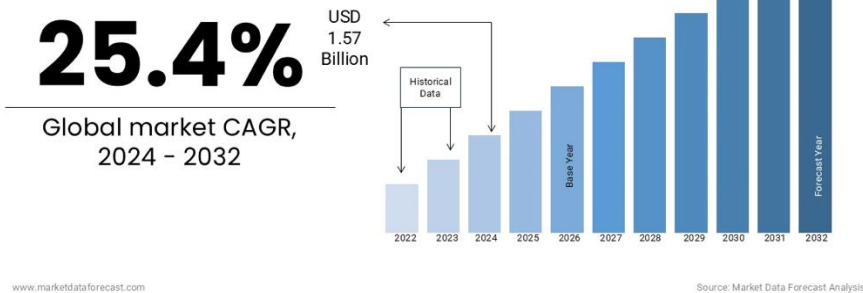


Looking ahead, as key customers and OSAT-led industry players optimize advanced packaging technologies and expand capacity, their strategic positions in the global AI chip supply chain will strengthen. Over the coming years, key customers are expected to continue scaling CoWoS and SoIC production to meet massive demand for high-performance AI chips, solidifying their central role in the AI era.

Furthermore, as AI chips increasingly require High Bandwidth Memory (HBM) and advanced semiconductor packaging technologies, we, as equipment suppliers for memory manufacturing, face unprecedented opportunities. HBM technology has become critical for AI data centers due to its ability to deliver higher data transfer rates and lower power consumption in compact form factors. Simultaneously, advanced packaging innovations, such as Micron's recent collaboration with TSMC on HBM4e products - utilizing TSMC's advanced logic foundry processes to customize base chips for specific clients - enhance performance and functionality. This customization enables Micron to integrate additional cache and logic into HBM4e, significantly boosting data processing capabilities for AI, HPC, and related applications. With Micron collaborating with multiple customers to develop HBM4e, the demand for customized memory solutions will continue to rise, further solidifying Micron and TSMC's competitive advantages in the high-bandwidth memory (HBM) market.

In addition to benefiting end users, such technological advancement offers us with great opportunities. As an equipment supplier, we can take the opportunity to develop and sell manufacturing equipment that supports these advanced technologies. From plasma etching equipment for precision Through Silicon Via (TSV) to specialized 3D stacking and packaging process equipment, these needs are driving the search for innovative semiconductor manufacturing solutions. According to projections by Market Data Forecast, the global High Bandwidth Memory (HBM) market size (2024–2032) had a market value of \$1.25 billion in 2023, is projected to reach US\$1.57 billion in 2024, and grow to US\$9.6 billion by 2032, with a compound annual growth rate (CAGR) of 25.4% during the forecast period.

Global High-Bandwidth Memory Market Market Size Overview



Since semiconductor manufacturing giants such as Micron and TSMC continuously deepens their cooperation, their cooperation potential attracts the attention of our Company, as a leading global supplier of semiconductor equipment. By cooperating with them to support the development of their advanced processes and packaging technologies, our technologies are ensured to be in line with the latest manufacturing standards, and the foundation for further innovation is thus laid. In the age of intelligence, there are higher requirements for semiconductor technologies imposed by all terminal applications from PCs, smart phones to AI data centers, while the development of advanced packaging technologies such as CoWoS and SoIC is the key to meeting these demands. As these technologies continue to advance and the scope of application expands, the expected high growth of our process equipment capacity in the future will bring unprecedented development opportunities for the Company. Our equipment for lamination, bonding, hybrid bonding manufacturing process and a wide range of ovens for forward-looking manufacturing processes not only support current technical demands, but also provide a solid foundation for the rapid development of AI applications in the future. With the surge in demand for CoWoS and SoIC manufacturing processes and HBM manufacturing processes, especially in cloud computing, data centers and deep learning, demands of chip design companies for high-performance and high bandwidth memory products will further drive the expansion of market scale of our devices.

(2) Macroeconomic and Industry Development Trends:

Taiwan's Semiconductor Industry in the AI Era: Updates on Global Economic and Industry Trends

With Donald Trump's victory in the 2024 U.S. presidential election, the global economy and trade policies are entering a new phase of adjustment. The Trump administration is expected to continue its "America First" policies, potentially tightening technology restrictions and tariffs against China while accelerating global supply chain restructuring. Additionally, tax cuts and infrastructure investment plans may drive U.S. economic growth but could also fuel inflationary pressures and widen fiscal deficits. These shifts will directly impact Taiwan's semiconductor industry, particularly as the U.S.-China tech war intensifies, forcing Taiwanese enterprises to navigate increasingly complex market conditions and opportunities.

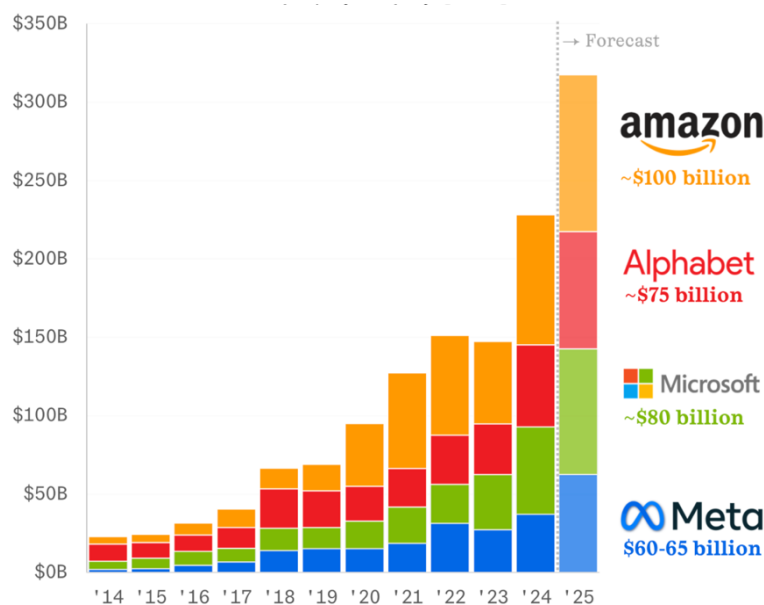
Specifically, the Trump administration may implement the following policies affecting the global semiconductor and AI industries:

1. Strengthening semiconductor and AI technology embargoes against China:
 - The U.S. Department of Commerce may expand export controls on AI chips and high-end computing equipment to China, including stricter technology transfer restrictions and additional scrutiny over shipments by U.S. firms like NVIDIA, AMD, and Intel to Chinese entities.
 - Efforts to contain China's semiconductor industry could block ASML, TSMC, and others from supplying cutting-edge process technologies (3nm and below) to China. This will further push China toward semiconductor self-sufficiency while increasing its short-term reliance on chips from Taiwan, Japan, and South Korea.
2. Promoting U.S. domestic semiconductor manufacturing and supply chain reshoring:
 - Trump has indicated plans to expand subsidies under the CHIPS Act to attract TSMC, Samsung, and Intel to build more U.S.-based fabs.
 - Additional tariffs on imported semiconductors and electronics may raise costs for Taiwanese exporters targeting the U.S. market.
3. Driving large-scale tax cuts and infrastructure investments in the U.S. tech sector:
 - Corporate tax reductions are expected to incentivize tech giants like Amazon, Google, Microsoft, and Meta to increase AI capital expenditures (CapEx), further boosting demand for AI servers and semiconductors.
 - New infrastructure initiatives in 5G/6G, cloud data centers, military tech, and low-earth orbit (LEO) satellites could spur demand for high-performance computing (HPC) and AI chips.

Overall, Trump's policies may deepen fragmentation in the global tech industry. Escalating U.S.-China tech competition will compel firms to reconfigure supply chains, while U.S.-led AI advancements could accelerate growth in Taiwan's semiconductor sector.

Hyperscale Cloud Service Providers' (CSPs) Surging Capital Expenditure and Industry Outlook

If 2024 marks the beginning of explosive AI demand, 2025 will be the year global tech giants unleash a full-scale investment surge. Hyperscale cloud service providers (CSPs)—Amazon AWS, Google, Microsoft, and Meta—are significantly increasing capital expenditures (CapEx) to expand AI infrastructure. The staggering scale of these companies' investment plans will profoundly impact the global semiconductor industry, particularly Taiwan as a critical hardware supplier.



According to the earnings call information reports from major CSP companies (as shown in the figure above), the total investment in AI data centers and technology by these four tech giants in 2025 is expected to reach US\$320 billion, a significant increase compared to the approximately US\$230 billion expenditure in 2024. This marks an intense "AI arms race," with each company actively deploying more servers, accelerators, and network infrastructure to support the global demand for AI services. From the capital expenditure plans announced by these companies, the scope of this investment wave is extensive:

- Amazon: Forecasts 2025 CapEx of around US\$100 billion, up from US\$83 billion in 2024. Amazon states that 90% of its CapEx will target AWS data centers, with the majority allocated to AI equipment and infrastructure. This implies Amazon will invest nearly equivalent to AWS's annual revenue to expand cloud computing capacity, including procuring tens of thousands of GPUs and constructing new regional data centers.
- Google (Alphabet): Anticipates 2025 CapEx of US\$75 billion, a sharp rise from US\$52.5 billion in 2024. Google's CEO stated that the Company must address the situation of "demand exceeding existing capacity." Following the AI infrastructure supply shortages in 2024, Google is fully committed to expanding production capacity. The Company is constructing 11 new data center regions and installing high-performance AI systems, including Google's proprietary TPU AI accelerators (manufactured by TSMC), to meet AI computational demands.

- Microsoft: Plans to invest US\$80 billion in AI data center during FY2025 (primarily calendar year 2025). This represents significant growth compared to approximately US\$53 billion in 2023 expenditures, reflecting Microsoft's comprehensive AI strategy (through its partnership with OpenAI and the expansion of Azure AI services). Over half of the investment will be allocated to the U.S., while global data center expansion proceeds concurrently. Microsoft is accelerating the expansion of AI training and inference infrastructure, which entails bulk orders of NVIDIA GPUs and potential further development of in-house AI chips (including the rumored Athena GPU and announced NPUs), likely to be manufactured by TSMC or other foundries.
- Meta (Facebook): While official figures remain undisclosed, 2025 capital expenditures are projected to significantly exceed 2024's US\$30 billion. The total investment forecast of US\$320 billion includes Meta's increased spending. Meta is aggressively building GPU server farms for recommendation systems and AI research, while developing its proprietary AI chip, the MTIA (Meta Training and Inference Accelerator). This inference chip is manufactured using TSMC's 7nm process to enhance AI computational efficiency.

Taiwan's Semiconductor Industry in the AI Era: Driving Surging Demand and NVIDIA's Impact

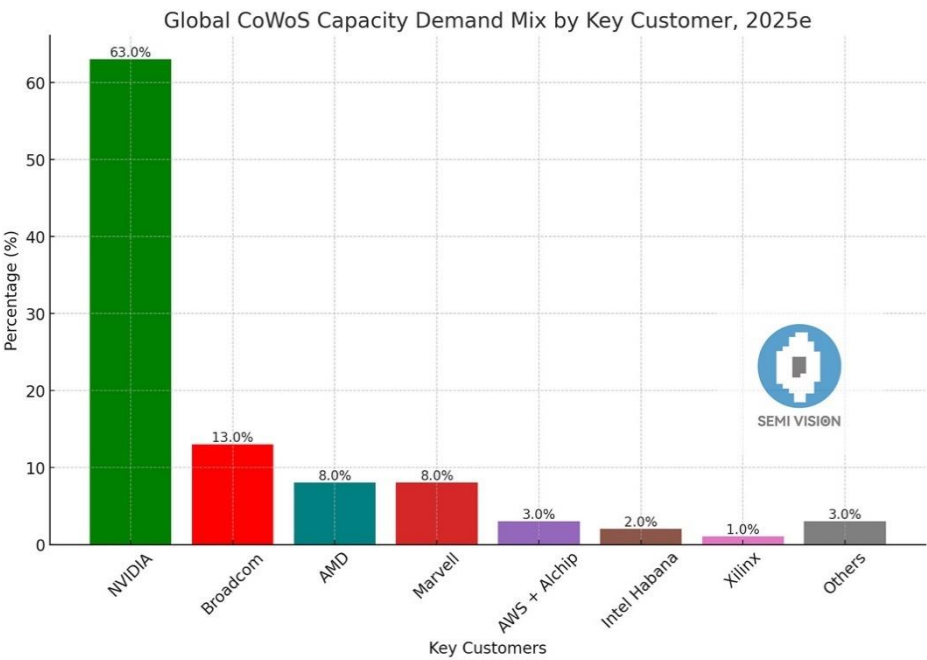
The rise of generative AI is profoundly reshaping semiconductor demand. Since the advent of large AI models like ChatGPT, global hyperscalers have raced to deploy more AI servers, triggering a surge in demand for high-performance chips. Taiwan's foundries are at the core of this boom—TSMC's revenue from AI accelerators in 2024 has tripled and is projected to double again in 2025. This growth is largely driven by NVIDIA, whose GPUs power most global AI training clusters. In fact, NVIDIA's latest AI chips are selling at "the fastest pace TSMC can produce," highlighting that demand far exceeds supply and making advanced packaging a critical bottleneck.

NVIDIA's market influence is nearly unparalleled. The company has secured over 70% of TSMC's 2025 advanced packaging capacity to meet demand for its next-generation Blackwell GPUs. Quarterly shipments of these AI chips are expected to grow by 20%, with annual shipments projected to surpass 2 million units. By mid-2025, Blackwell GPUs will replace the current Hopper (H100) series, demonstrating NVIDIA's rapid product iteration to satisfy AI demand. Each GPU generation delivers exponential performance gains - AI computing power has increased 1,000-fold over the past decade, further accelerating new applications and driving additional demand. While product line transitions continue, total capacity is not shrinking but shifting toward advanced packaging technologies like CoWoS-L or CoWoS-R, with aggressive capacity expansions to meet orders. In short, this AI gold rush has positioned NVIDIA as the world's largest buyer of high-end chips, and its massive orders are shaping the development strategies and investment plans of Taiwanese semiconductor manufacturers. This AI-driven growth is not a temporary spike but a multi-year structural cycle. TSMC CEO C.C. Wei forecasts that AI-related demand will grow at a compound annual growth rate (CAGR) of around 45% over the next five years, far outpacing the broader semiconductor industry.

Large-scale government and corporate investments further reinforce this long-term AI growth trend. For example, the U.S. is advancing the "Stargate Project" - a privately led US\$500 billion AI infrastructure initiative. Such investment initiatives will further drive demand for advanced chips. In this AI revolution, Taiwan - particularly its semiconductor industry led by TSMC - is racing to expand production capacity to seize the immense opportunities brought by this industrial transformation.

Advanced Packaging Innovations: CoWoS and 3D Stacking

Meeting AI demand requires not only increased wafer capacity but also breakthroughs in chip packaging technologies. Current AI accelerators’ extreme computational power and energy consumption have rendered traditional packaging a major bottleneck limiting performance. Consequently, Taiwan has achieved a leadership position in advanced packaging technologies, with TSMC’s CoWoS (Chip-on-Wafer-on-Substrate) standing as one of the most critical innovations. CoWoS technology enables multiple large dies and High Bandwidth Memory (HBM) stacks to be integrated on a single silicon interposer, allowing NVIDIA’s GPUs to be combined with HBM to deliver the ultra-high memory bandwidth required for AI training. This technology has become the standard configuration for high-end AI chips—not only adopted by NVIDIA’s latest Hopper (H100) GPUs but also essential for future Blackwell GPUs, while AMD, Google, and other AI accelerator manufacturers extensively utilize CoWoS.



Source: SEMI Vision

According to market data (as shown in the figure above), NVIDIA will account for 63% of global CoWoS (Chip-on-Wafer-on-Substrate) capacity in 2025, far surpassing other companies. In short, without advanced packaging technologies like CoWoS, the performance of current AI hardware would be severely constrained. Thus, TSMC is aggressively expanding CoWoS capacity to meet the surging demand for AI chips and ensure Taiwan’s pivotal role in the AI supply chain. Over the past two years, TSMC has doubled CoWoS capacity annually, yet market demand continues to outstrip supply. NVIDIA CEO Jensen Huang stated in early 2025 that TSMC’s advanced packaging

capacity has "quadrupled compared to two years ago," but customer demand still far exceeds available supply. Consequently, TSMC plans to add multiple CoWoS production lines, with advanced packaging services projected to contribute over 10% of its 2025 revenue - a significant shift for a company long focused on wafer manufacturing.

To accelerate expansion, TSMC has begun outsourcing portions of its 3D packaging operations, including entrusting Siliconware Precision Industries (SPIL), a subsidiary of ASE Group, with 3D CoWoS packaging. Mass production of AI chips using CoWoS packaging is scheduled to commence in the second quarter of 2025. This unprecedented supply chain collaboration demonstrates Taiwan's semiconductor industry uniting to resolve capacity bottlenecks and ensure stable AI chip supply.

Beyond 2.5D silicon interposer (CoWoS) technology, the next frontier in semiconductor development is 3D stacking. TSMC's SoIC (System on Integrated Chips) technology employs direct copper-to-copper bonding to vertically stack chips at ultra-high density. This approach allows logic dies to be stacked directly on I/O dies or other computing units, effectively constructing CPUs or AI accelerators in three-dimensional space for significant performance gains.

SoIC employs hybrid bonding technology, currently achieving 6 μ m interconnect pitch, with plans to reduce it to 3 μ m by 2027. This supports thousands of interconnects within a chip, offering signal density far exceeding traditional bump bonding. TSMC is actively scaling SoIC capacity to meet market needs. Unlike CoWoS, SoIC's front-end wafer bonding process faces fewer bottlenecks from substrates and tooling limitations. This massive capacity expansion signals TSMC's belief that 3D stacking will become the mainstream packaging solution for AI high-performance computing (HPC) and premium consumer electronics. Through continuous innovation and capacity expansion, TSMC is reinforcing its leadership in the global AI chip and advanced packaging markets, ensuring Taiwan's critical role in future AI supply chains.

Moving forward, the semiconductor industry will gradually enter an era of heterogeneous integration, combining multiple packaging technologies to further enhance AI chip performance. TSMC's technology roadmap envisions integrating SoIC 3D-stacked chiplets onto larger CoWoS interposers, merging 3D stacking with 2.5D technology to create "System on Package (SoP)." Such innovation is vital for AI chips, as slowing Moore's Law shifts performance gains to advanced packaging.

As chip architectures grow more complex, packaging must evolve in tandem. Future advancements may integrate silicon photonics within packages, enabling multi-GPU optical interconnects. This technology not only overcomes traditional electrical signal bandwidth limits but also reduces power consumption, boosting AI training and inference efficiency.

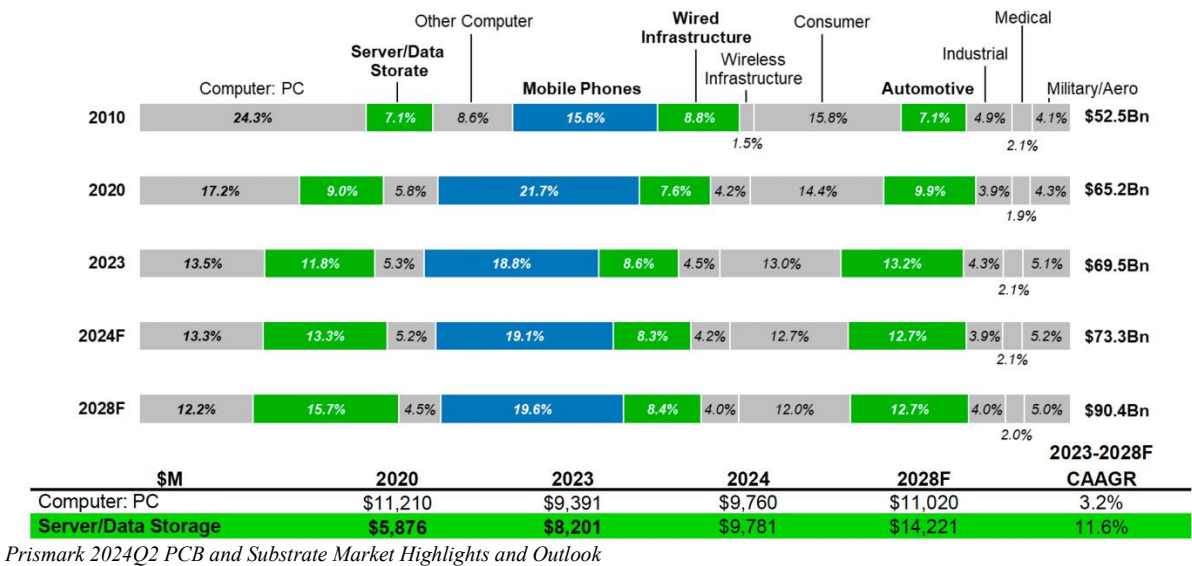
Future packaging could incorporate optical links and other breakthroughs to transcend electrical signal constraints. These innovations are largely centered in Taiwan - TSMC and its partners have established a comprehensive 3DIC ecosystem (3DFabric Alliance) to drive packaging technology forward.

Taiwan: From Chip Manufacturer to Designer of AI Computing Cores

These developments demonstrate that Taiwan is no longer merely a global chip manufacturing hub but is now taking the lead in AI chip packaging and assembly technologies. Today, the importance of advanced packaging technologies has become equivalent to the development of advanced process nodes, as packaging innovations directly impact the performance and power consumption of AI chips. Taiwan is making substantial investments to ensure it maintains a leading position in this AI revolution. The trend is clear: to meet the "insatiable demand" for global AI computing, advanced packaging technologies will become the key battleground in future semiconductor industry competition, and Taiwan is steadily advancing toward the core of the AI chip ecosystem.

Next-Generation Server Motherboard and PCB Technologies

The downstream impact of AI extends to the circuit boards that carry these chips. As processors and accelerators become more power-hungry and interconnected, server printed circuit boards (PCBs) are rapidly evolving to keep pace. Modern AI servers typically integrate eight or more high-end GPUs alongside dedicated switches (NVSwitch or NVLink) on a single motherboard, enabling accelerators to communicate with massive bandwidth. These motherboards must support thousands of high-speed signal traces while delivering hundreds of amperes of power to each GPU module - pushing PCB technologies to their limits. To meet these demands, manufacturers are adopting multilayer high-density interconnect (HDI) PCBs, advanced materials, and new power delivery architectures.



In fact, Taiwan’s PCB industry is experiencing surging demand for high-layer-count and HDI server motherboards. In the second quarter of 2024, HDI motherboards were the fastest-growing PCB product category, with production volume increasing by 21.2% year-on-year driven by AI servers (multilayer server motherboards followed closely with a +13% growth rate). Prismark, a PCB research firm, predicts (as shown in the chart above) that server/data storage-related PCB boards will grow at a compound annual growth rate (CAGR) of 11.6%, with their market share continuing to expand. Taiwan’s PCB manufacturers are responding by prioritizing capital

expenditures for high-end motherboards tailored to AI and data center needs. This includes investments in finer line/space capabilities, improved via plating for signal integrity, and larger panel sizes to accommodate bulky server form factors.

One major challenge is power delivery. A single AI accelerator like the NVIDIA H100 can consume approximately 700 watts, and with four or eight such units on a single motherboard, the PCB must safely handle kilowatts of power while minimizing noise and losses. Server motherboard designers have introduced new solutions, such as mezzanine power connectors directly on GPU baseplates (replacing older PCIe slot power delivery). For example, the H100 SXM module uses a pair of new high-current connectors for power, as traditional edge connectors proved inadequate. Motherboards also incorporate robust voltage regulation modules (VRMs) around each GPU slot (visible as clusters of capacitors and inductors in the image above) to maintain stable power under such extreme loads. These intricate layouts require ultra-thick copper layers and advanced PCB stacking to efficiently distribute power and ground planes. As a result, AI server motherboards look vastly different from those of a decade ago - they are heavier, with more layers and copper weight, and often employ specialized PCB resins that withstand high frequencies and temperatures without warping.

Taiwan's PCB companies are capitalizing on this market boom: firms like Unimicron and Zhen Ding are ramping up production of ABF substrates and high-speed backplanes to alleviate bottlenecks that briefly constrained GPU shipments in recent years. Industry reports indicate that after a downturn in 2023, IC substrate demand (for ABF carriers) resumed growth in 2024 driven by AI servers, with suppliers anticipating even stronger growth in 2025 as more AI hardware comes online. The entire PCB infrastructure is being upgraded from the small substrates beneath AI chips to the massive motherboards carrying AI servers to support this new era of high-power, hyperconnected computing. Taiwan, which holds a significant share of the PCB and substrate markets, is riding this wave by supplying the critical motherboards that bind AI systems together.

Taiwan's Semiconductor Ecosystem: Capacity Expansion and Supply Chain Resilience

Taiwan's semiconductor industry has become a core hub of the AI revolution, with the local supply chain actively expanding across all stages to solidify its global leadership. As the world's largest foundry, TSMC (TSMC) is making massive investments to expand front-end wafer manufacturing and backend advanced packaging capacities, ensuring that these expansions are primarily carried out in Taiwan.

- In wafer manufacturing, TSMC is accelerating the expansion of its 3nm production lines, which have already reached mass production in Tainan, while its 2nm process is expected to enter production between 2025 and 2026. This will ensure TSMC's ability to produce the most advanced AI processors, meeting the demands of customers like NVIDIA, AMD, Amazon, and Google.
- In advanced packaging, to address the shortage of CoWoS (Chip-on-Wafer-on-Substrate) capacity, TSMC is building new packaging facilities in multiple locations in Taiwan, including Chiayi, Zhunan, and Taichung, to meet the surging demand in the AI wafer market.

Capacity Expansion and AI-Driven Growth

This comprehensive capacity expansion, from silicon wafer manufacturing to advanced packaging, is critical to meeting the rapidly growing demand for AI chips. Notably, TSMC's management has committed to outpacing industry growth, with the company forecasting a 25% revenue increase in 2025, far exceeding the semiconductor industry's average growth rate of 10%. This growth is primarily driven by the explosive demand for AI chips, and to achieve this, TSMC must address supply chain bottlenecks exposed during the AI chip capacity shortages of 2023-2024.

Addressing ABF Substrate Shortages and Strengthening Supply Chain Resilience

One key bottleneck has been the shortage of ABF (Ajinomoto Build-up Film) substrates. ABF is an essential high-density packaging substrate for AI chips and high-performance computing (HPC) packages. However, global ABF capacity could not meet demand between 2023 and 2024, causing supply chain tensions. To resolve this issue, Taiwanese substrate manufacturers like Unimicron (Unimicron) are actively expanding their production capabilities and improving their technological capabilities to optimize the ABF process. By the end of 2024, ABF substrate supply had begun to recover. With AI accelerator orders continuing to rise, these substrate manufacturers are benefiting from more favorable product mixes—AI chips require larger, higher-value, and higher-margin substrates compared to general PC chips. This has further accelerated the expansion of Taiwan's supply chain.

Taiwan's Strategic Position: A Complete Ecosystem from Chip Manufacturing to Advanced Packaging

As demand for AI chips continues to rise, Taiwan not only leads the world in advanced process wafer production but is also continuously strengthening its competitiveness in advanced packaging, substrate supply, and semiconductor material supply chains. Through ongoing capacity expansion and supply chain optimization, Taiwan is ensuring its core position in the semiconductor industry during the AI era while deepening its influence in the global tech industry.

When discussing Taiwan's industry, the geopolitical context cannot be ignored. The global dependence on Taiwan's advanced chips - whether for AI, smartphones, or automotive electronics - has reached unprecedented levels, prompting nations to actively promote manufacturing diversification to reduce over-reliance on Taiwan. For example, TSMC is building new fabs in Arizona, USA, and Japan. However, these overseas fabs are initially focused on producing general-purpose or specific-purpose chips, while the most advanced AI chip manufacturing and packaging remain concentrated in Taiwan, due to its unmatched technical expertise and complete industrial ecosystem. Therefore, in the short term, Taiwan remains an indispensable key player in the AI supply chain.

The industry fully recognizes this as both an opportunity and a responsibility. TSMC CEO Che Jia Wei has stated that the company is "fully committed" to meeting customer demand for AI chips, ensuring that capacity does not become a bottleneck in the AI revolution. Overall, Taiwan's semiconductor industry is undergoing comprehensive expansion from wafer fabs, cleanrooms, semiconductor substrate factories to server assembly lines, with the goal of capturing growth opportunities brought by AI while strengthening its capabilities to meet future challenges. By expanding capacity and reinforcing supply chain linkages, Taiwan is not only addressing current demand peaks but also laying the foundation for sustained

leadership in the computing era of the future.

For Taiwan's semiconductor industry, this wave of cloud investment is both a blessing and a challenge. The blessings are clear: these companies are purchasing large quantities of advanced chips - whether NVIDIA H100/Blackwell GPUs, AMD MI300 accelerators, or custom silicon chips (Google TPUs, Amazon's Trainium/Inferentia, etc.), and most of these chips are produced by TSMC or packaged by Taiwanese OSATs. Similarly, Amazon's Graviton3 and Trainium chips, Microsoft's upcoming AI chips, and Google's TPUv5 are internally designed but rely on Taiwan for manufacturing. As CSPs build more data centers, they also procure servers from ODMs like Quanta and Inventec (headquartered in Taiwan), which integrate motherboards, power supplies, and cooling systems, further embedding Taiwan into the supply chain. This virtuous cycle means that Taiwan's fabs are thriving: TSMC's advanced process utilization rates are recovering from the smartphone downturn, now driven by HPC orders accounting for approximately 50% of its wafer revenue. In packaging and testing, companies are working around the clock to meet cloud customers' delivery timelines. In summary, hyperscalers' capital expenditures are translating into strong downstream demand for Taiwan's semiconductor ecosystem - from silicon chips to substrates to final assembly.

However, the challenge lies in planning for sustainability. The prosperity of these capital expenditures may be cyclical; it is well-known that hyperscalers experience digestion periods after large-scale construction. The long-term outlook remains optimistic, with sustained growth driven by hyperscalers' multi-year capital expenditure cycles. So far, signs indicate that AI demand is enduring: cloud CEOs view AI as a new platform they must invest in "over the next few years." Government initiatives, such as the U.S. "Doorway" program and national AI plans in Europe and Asia, will add additional demand on top of commercial spending. Therefore, Taiwan's fabs and suppliers are betting on this as a long-term growth trend rather than a fleeting fad. TSMC plans to increase its AI chip production by 45% annually, reflecting their confidence in continued rapid order growth.

AI has created the first truly new high-growth semiconductor market in decades, with Taiwan at its core - just as it was during the PC boom and later the smartphone revolution. The difference now lies in scale and speed: we have never seen annual spending of tens of billions of dollars explicitly tied to a single technology (AI), nor have we seen investments translate into silicon demand so quickly. Taiwan's semiconductor industry is rapidly adapting: capacity is increasing, new technologies are coming online, and partnerships across the value chain are deepening. Over the next few years (2025 and beyond), hyperscalers' capital expenditures and Taiwan's semiconductor expansions are likely to remain closely linked. If AI model deployments accelerate as expected, powering everything from cloud services to autonomous vehicles and smart factories; Taiwan could experience a "super cycle" of semiconductor growth. This would strengthen its critical position in the global tech economy while testing its ability to scale and innovate under immense pressure. All signs point to Taiwan rising to the challenge, leveraging decades of expertise to ensure that the silicon heart of the AI era beats stronger every year.

A Broad Industry Outlook: The convergence of AI-driven demand, advanced packaging, next-generation PCB technologies, and hyperscalers' investments paints a strong future for Taiwan's semiconductor industry. We can expect continued capacity

expansion, breakthroughs in 3D integration, and deeper collaborations between IC design companies like NVIDIA and global cloud companies with Taiwanese manufacturers. This virtuous cycle could drive semiconductor innovation at an astonishing pace. In the absence of geopolitical disruptions, Taiwan is poised to remain a key player in the semiconductor supply chain during the AI era, powering everything from large cloud data centers to AI-enabled devices that will transform industries. Both suppliers and customers have high stakes, but if the AI revolution fulfills its promise, the entire ecosystem will benefit. Looking ahead, the pursuit of greater AI computing power will not only stimulate business growth but also drive technological advancements beyond AI, influencing the design and manufacturing of all future electronic products. By combining its exceptional manufacturing capabilities with the cutting-edge demands of AI, Taiwan is laying the foundation for a new chapter of industry leadership, with 2025 marking a turning point toward this future.

3. Technology and R&D Overview:

- (1) R&D Expenses Invested and Technologies or Products Successfully Developed for the Latest Year and as of the Date of Publishing the Annual Report:

Unit: NT\$ Thousand

Year	R&D development expenditure	Technologies or products successfully developed	Cooperating partner
2024	NT\$ 362,179 thousand (accounted for 7.52% of the operating income)	Large size automatic roller laminator, high-end roller laminator, multi-captivity vacuum laminator, STR roller laminator, development of ABF peeler generation II, research and development of smart roller lamination equipment, development of G8.5 PI Prebake equipment, Micro LED coater, vehicle protection film lamination, vehicle pressure degassing machine, semiconductor industry innovation project - Wafer-grade RDL dielectric process equipment	Japanese equipment manufacturers, domestic PCB, SEMI, FPD leading manufacturers
Q1 2025	NT\$ 99,219 thousand (accounted for 7.58% of the operating income)		

4. Long-term and short-term business development plans:

(1) Short-term Plan:

A. Marketing Strategy

- a. Promote equipment for lamination, bonding, hybrid bonding manufacturing process of the 2.5D/3D IC manufacturing process, and various ovens for semiconductors.
- b. Focus on the existing market and customers, continue to develop high-end products, and assess the forward-looking manufacturing process development projects of potential customers.
- c. Continue to focus on the cross-strait markets and expand into Thailand, Southeast Asia, India, Europe, the US, and Japan.
- d. Redirect to the new energy field and demands for the focus on environmental change (circular economy).

B. Production Strategy

- a. Adopt lean management to continue improving, reducing costs, and stabilizing quality; responding to the economic cycle and the era of meager profit for our R&D resources and materials is our primary task.
- b. Improve the capacity for manufacturing and managing resources and materials and commit to the management of an optimized inventory.
- c. Reinforce the design for modular and standard common parts and components and attach attention to environmental protection and waste reduction.
- d. Improve the capacity for price negotiation and quality control for part and components, materials, and rough machining outsourcing.
- e. Further complete, modify, and adjust the production and assembly work procedures for products, assembly specification, and manufacturing process inspection specification in favor of the manufacturability and standardization of production, and improve the capacity for the customized functions of products concurrently.

C. Product Development Strategy

Integrate our key core technologies, expand the product portfolio, extend the industrial applications, and cooperate with strategic partners in terms of technology and markets.

D. Quality Strategy

Adopt the PDCA (plan-do-check-act) circular management model to improve from QC to QA based on the ISO-9000 quality system, reinforce customers' satisfaction, and satisfy customers' quality requirements.

(2) Long-term Plan:

A. Marketing Strategy:

- a. Focus on the self-owned brands and G2C+ Alliance.
- b. Adopt the position as the leading equipment supplier and customers' forward-looking equipment R&D center based on technologies of lamination, bonding, peeling, baking, wet and plasma.
- c. Expand from the Greater China region market into emerging economies and developed countries.
- d. Utilizing our advantageous product portfolio and integrated service solutions for market segregation and cooperate with strategic partners in terms of the market.

B. Production Strategy

- a. Establish and develop a core supplier system. Assist our suppliers in improving their responding abilities for the economic cycle and the abilities of rapid and stable supplies in the China region.
- b. Deepen the R&D capacity in Taiwan and China and focus on core technologies leading the industrial development.
- c. Adjust the effective work division between the production bases in China and Taiwan in accordance with the circumstance and the, facilitate the economic industries, and cooperate with strategic partners in terms of R&D.

C. Product Development Strategy

With the foundation of our core technologies, extend the development of application fields in line with the development of technologies within the technology industry, emerging renewable energy industry, environmental protection and medical industries, and the market demand.

D. Quality Strategy

- a. Aligning with the business growth of the Company, we adhere to quality, expertise, and steadiness. Introduce the QA system step by step to improve the Company's competitive advantages, satisfy customers' demand, and allow the Company to connect to the international standards.
- b. Improve the overall customer-oriented services and create general values for customers.

II. Market and Production/Sales Overview

1. Market Analysis:

- (1) Region of Sales: Taiwan, China, Japan, US, Korea, Singapore, Malaysia, Vietnam, Thailand, and India.

Distributors: Hong Kong (China), Japan, US, Korea, Singapore, Vietnam, Thailand, and India.

- (2) Market Share

The Company focuses on applying the highly specialized advanced semiconductor packaging manufacturing process equipment to customer's manufacturing process for verification before application in mass production. Our product line includes a range of forward-looking and specialized equipment. Such equipment is designed to meet customer technical requirements, and can assist customers to achieve chip packaging manufacturing processes with smaller scale, higher performance and more efficiency. In this niche market, the Company's equipment is critical, unique, and even exclusive. This reflects our exclusive position in providing solutions to technological innovation and meeting customer needs.

Due to the Company's specialization in specific and highly professional process technologies, traditional market share calculations may not fully capture the market influence and value of its equipment. In this context, the Company prioritizes deepening its technical leadership, expanding its technological impact, and establishing and maintaining long-term partnerships with customers over focusing on market share. Through this approach, the Company provides irreplaceable value to customers in the advanced packaging technology niche market and continues to drive industry progress. The potential market size and value of each sector are elaborated based on market research reports, corresponding to the current production value or revenue of the company's industry sectors.

- (3) Future Supply and Demand in the Market and Growth

C SUN is the leading supplier in terms of equipment for the manufacturing process of the electronic industries in Taiwan. We apply our integrated five major core technologies in the seven major industries to provide relevant manufacturing process solutions for the primary electronic industries in the Greater China region. The capital expenditure plans of the primary electronic industries serve as the crucial indicator for the market of C Sun's industrial products. Therefore, the following explanation sets the capital expenditure plans of the primary electronic industries as the crucial indicator for the supply and demand of C SUN's products and their growth.

- **Semiconductor Market:**

The semiconductor industry covers a wide range of businesses, which could primarily be divided into the upstream IP design and IC design industries, midstream IC manufacturing, wafer manufacturing, relevant production process testing equipment, photomask, chemical industries, and downstream IC packaging and testing, relevant production process testing equipment, parts and components (such as substrate and lead frame), IC module, IC channel industries. Companies in the industries perform their own functions. From the completion of product design by IC design company, manufacturing of semi-finished wafer by commissioned professional wafer OEM suppliers or IDM suppliers (integrated semiconductor

suppliers that provide one-stop services from IC design, manufacturing, packaging, testing, to the final sales), front-end testing, cutting and packaging subsequently made by professional packaging suppliers, to the back-end testing performed by professional testing suppliers in the end. After being tested, finished goods are sold to system suppliers via the sales channel for the suppliers to carry out assembly production to transform such finished goods into system products and sell to every corner of the world. The semiconductor industry in Taiwan develops early and possesses leading advantages in talents and technologies; therefore, Taiwan owns the most comprehensive semiconductor industry cluster and professional work division worldwide.

In the Semiconductor Market Forecast Report released by World Semiconductor Trade Statistics (WSTS) in the fall of 2024, the outlook for the global semiconductor market has been updated. The report, released in December 2024, emphasizes expectations for robust growth in 2024 and 2025, with 2024 being a year of strong rebound. In its updated autumn forecast, WSTS revised upward its full-year 2024 projections, anticipating a 19.0% year-on-year growth in the global semiconductor market to reaching US\$627 billion. The market valuation for 2024 is now projected to be US\$627 billion, a significant increase of 19.0% from the previous year.

Looking ahead to 2025, WSTS predicts the global semiconductor market will maintain the strong momentum of 2024, with an estimated 11.2% year-on-year growth pushing the global market valuation to US\$697 billion. This growth is primarily driven by the logic and memory sectors, which together are expected to exceed US\$400 billion in value. Specifically, logic circuits are expected to grow by over 17% year-on-year, while the memory segment is forecast to increase by 13%.

Fall 2024	Amounts in US\$M			Year on Year Growth in %		
	2023	2024	2025	2023	2024	2025
Americas	134,377	186,635	215,309	-4.8	38.9	15.4
Europe	55,763	52,031	53,736	3.5	-6.7	3.3
Japan	46,751	47,410	51,866	-2.9	1.4	9.4
Asia Pacific	289,994	340,792	376,273	-12.4	17.5	10.4
Total World - \$M	526,885	626,869	697,184	-8.2	19.0	11.2
Discrete Semiconductors	35,530	31,546	33,377	4.5	-11.2	5.8
Optoelectronics	43,184	42,092	43,705	-1.6	-2.5	3.8
Sensors	19,730	18,732	20,034	-9.4	-5.1	7.0
Integrated Circuits	428,442	534,499	600,069	-9.7	24.8	12.3
Analog	81,225	79,433	83,157	-8.7	-2.2	4.7
Micro	76,340	79,291	83,723	-3.5	3.9	5.6
Logic	178,589	208,723	243,782	1.1	16.9	16.8
Memory	92,288	167,053	189,407	-28.9	81.0	13.4
Total Products - \$M	526,885	626,869	697,184	-8.2	19.0	11.2

Data source: WSTS.org

Examining the foundry market in detail, a report by market analysis firm TrendForce (as shown in the figure below) predicts stable growth for the global foundry market in 2025, with market leader TSMC and the Taiwan region emerging as key beneficiaries. The global foundry market is projected to grow 20.2% in 2025, reaching US\$131.65 billion. In the fourth quarter of 2024, the global foundry industry exhibited polarized development: advanced processes benefited from emerging applications like AI servers, along with extended inventory cycles for new

flagship smart phone APs and PC platforms, driving growth in high-value wafer shipments. This offset the slowdown in mature process demand, resulting in a nearly 10% compared to the previous quarter, reaching US\$38.48 billion, continuing to set new records. TSMC maintained its leading position with a 67% market share in Q4 2024.

TSMC is expected to continue dominating the foundry market through its leadership in front-end node processes, coupled with strong market demand for its back-end advanced packaging technologies including 2.5D/3D CoWoS and SoIC processes.

2018-2025 Foundry Industry Revenue and Annual Growth



Data source: TrendForce.com

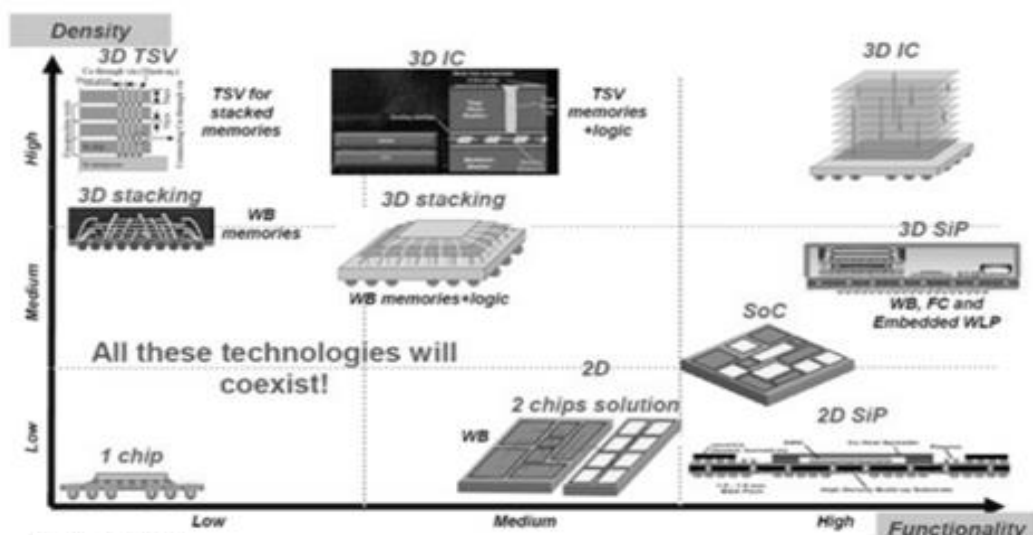
At present, the development for the wafer foundry industry still focuses on process scaling, as the fastest way to improve the efficiency of IC is micromation; better performance is achieved through allocating more circuits in a smaller space. The figure below is the estimation for the changes in the advanced manufacturing process and new manufacturing technologies for the semiconductor industry. In particular, TSMC commenced introducing the 5-nanometer manufacturing process in 2021, and it commence the mass production of 3-nanometer products in 2022; TSMC's technologies continue to be ahead of other wafer foundries, and it is the major beneficiary for the new wave of technology evolution.



Date source: Industrial Technology Research Institute (ITRI)

Among packaging technologies in different systems, 3D TSV (through-silicon via)

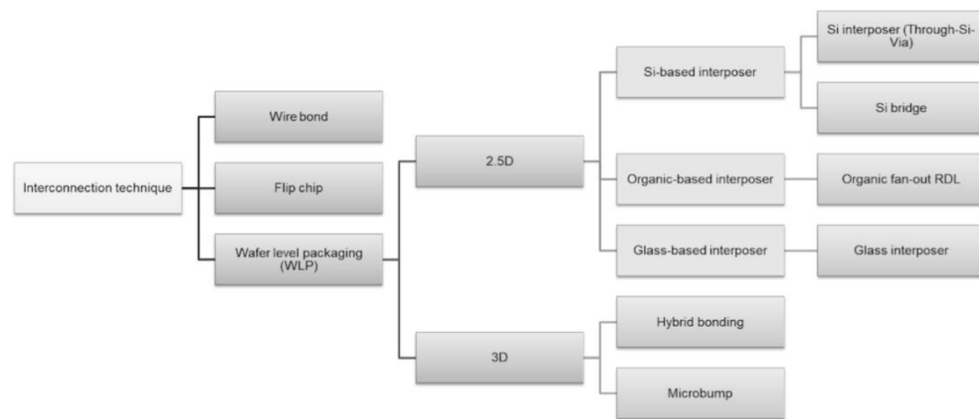
packaging technology is the connection technology most likely to allow the advancement of packaging according to Moore's Law; its design concept derives from the multilayer design of printed circuit board(PCB). TSV enables sandwich-style stacking of multiple chips, creating three-dimensional stacked packages with electrical interconnections. This technology has advanced 2D planar chip configuration to 3D stacking solutions. Foundries and packaging/testing houses are now actively developing 3D IC packaging and testing capabilities.



Date source: Yole

In the following years, the 3D IC chip-stacking technology would be applied in more and wider ranges of categories, in particular applications that require great calculation capacity and memory capacity (including applications related to multi-core servers and AI). Furthermore, due to the increasing heterogenization of the system's internal composition, 3D IC stacking technology becomes the key. A heterogenized system would comprise various different parts and components (such as memory, image sensor, III-V electronic equipment for analog functions, and RF, processor, and low-power consumption electronic equipment). Appropriate technology would be adopted for the design and process of parts and components, and the 3D IC stacking technology would be utilized to package them into a single unit, so as to improve the operating efficacy of electronic systems and reduce costs and power consumption.

2.5D and 3D packaging technology:



Source: Advanced Semiconductor Packaging 2024-2034

	3D-SIP			3D-SIC	3D-SOC		3D-IC
3D Technology	"PoP"	"Chip last"	"Chip first"	Die stacking	Parallel W2W		Sequential FEOL
3D-Wiring level	Package I/O	Chip I/O	Chip I/O	Global	Semi-global	Intermediate	Local
Partitioning	Functional unit	subsystem	Embedded die	Die	Blocks of standard cells		Standard cells
Technology	Package-to-Package reflow	Multi-die SIP	FO-WLP	3D D2D, D2W	Wafer-to-Wafer bonding	Active layer transfer or deposition	
2-tier stack Schematic							
Characteristic	Solder ball Stack	• C4, Cu-pillar • Si-Organic • Through-Mold-vias	• Bumpless • Si-RDL • Through-Package-vias	• μbump • Si-to-Si • Through-Silicon-Via	BEOL between 2 FEOL layers		FEOL stack
Contact Pitch	400⇒350⇒300μm	120⇒80⇒60μm	60 ⇒40⇒20μm	40 ⇒20 ⇒10⇒5μm	5μm ⇒ 1 μm	2 μm ⇒ 0.5 μm	200nm ⇒ 100nm
Relative density:	1/100⇒1/77⇒1/55	1/9⇒1/4⇒1/2.3	1/2.3 ⇒ 1 ⇒ 4	1 ⇒ 4 ⇒ 16⇒ 64	64 ⇒ 1600	400 ⇒ 6400	4 10 ⁴ ⇒ 1.6 10 ⁵

Data source: IMEC

As the global semiconductor industry continues to expand wafer fab equipment capacity, capital expenditures are approaching unprecedented record highs. At SEMICON West 2024 in North America, SEMI, the international semiconductor industry association, released its Mid-Year Total OEM Semiconductor Equipment Forecast report, projecting that global semiconductor manufacturing equipment sales will grow 3.4% year-on-year in 2024 to reach a new record of US\$109 billion. This growth momentum is expected to extend into 2025, with annual sales forecast to hit another historic high of US\$128 billion, a 17.4% increase, driven by combined demand from front-end and back-end processes.

Among them, emerging technologies such as AI servers, data centers, and communications recorded the highest growth in demand also. with electronic devices as the core, the demand recorded an explosive growth, which is the major source of the equipment expenditures. Benefiting from the advantage of TSMC being one of the leading companies for wafer foundry worldwide, it leads other companies and logic chips manufacturers to invest in advanced manufacturing equipment in front-end manufacturers, substituting South Korea and becoming the largest semiconductor equipment demand market worldwide.

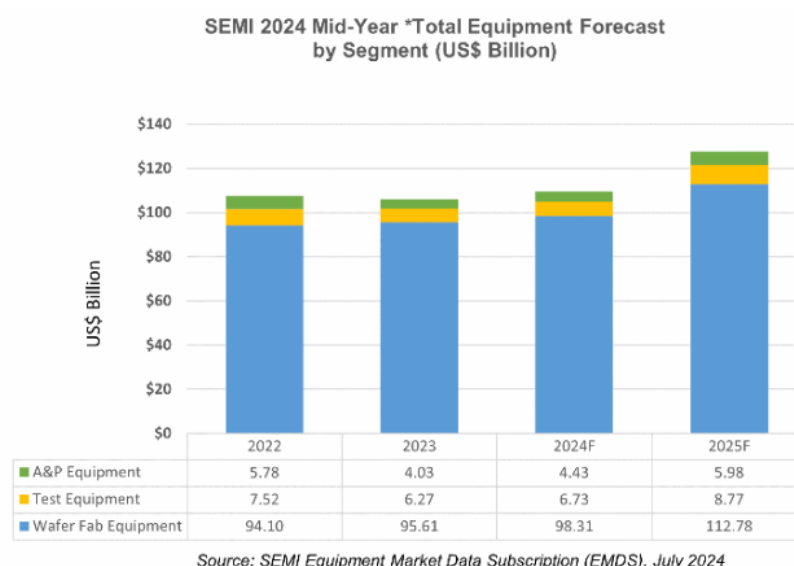
By equipment category, wafer fab equipment (including wafer processing, fab facilities, and photomask equipment) is projected to rise 2.8% in 2024 to US\$98 billion, significantly higher than the US\$93 billion forecast in the mid-2023 report. SEMI attributes this upward revision to the effects of AI computing proliferation, sustained strength in Chinese equipment spending, and massive investments in DRAM and high-bandwidth memory HBM. Looking ahead to 2025, wafer fab equipment sales are expected to climb further by 14.7% to US\$113 billion, fueled by rising demand for advanced logic and memory applications.

After two years of decline due to macroeconomic challenges and weakened semiconductor demand, the back-end equipment sector is poised to recover in the second half of 2024. Semiconductor test equipment sales are forecast to grow 7.4% to US\$6.7 billion in 2024, while assembly and packaging equipment will rise 10% to US\$4.4 billion.

SEMI predicts accelerated growth in the back-end sector for 2025, with test equipment and assembly/packaging sales projected to surge 30.3% and 34.9%, respectively. This momentum will be driven by increasingly complex high-performance computing semiconductor devices and anticipated demand recovery across automotive, industrial, and consumer electronics end markets. Additionally, back-end process growth must escalate over time to accommodate the continuously rising supply capacity from wafer fabs.

By application segment, wafer fab equipment sales for foundry and logic applications are expected to decline 2.9% year-over-year to US\$57.2 billion in 2024, attributed to weak mature process demand in 2023 and higher-than-expected advanced process sales. However, driven by growing demand for advanced technologies, new equipment architecture adoption, and capacity expansion purchases, a 10.3% rebound to US\$63 billion is forecast for 2025.

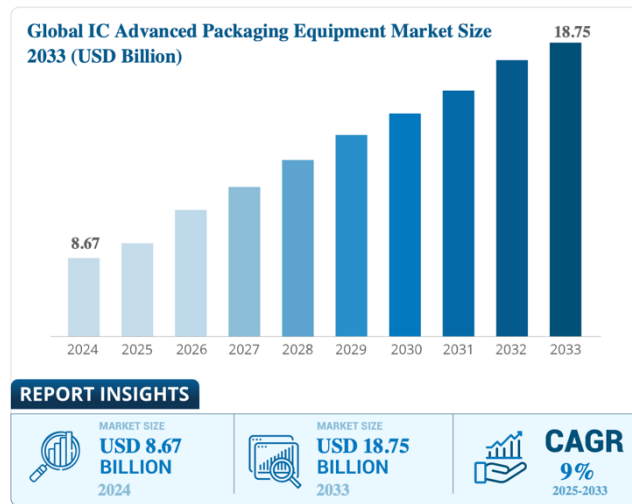
Memory-related capital expenditures will see the most significant growth in 2024, with continued momentum into 2025. As supply-demand dynamics normalize, NAND equipment sales are projected to stabilize with a 1.5% increase to US\$9.35 billion in 2024, laying the foundation for a sharp 55.5% surge to US\$14.6 billion in 2025. DRAM equipment sales will surge 24.1% in 2024 and 12.3% in 2025, propelled by soaring demand for HBM memory required for AI computing components and ongoing technology migration.



Source: SEMI Equipment Market Data Subscription (EMDS), July 2024

Data source: SEMI.Org

In terms of prospects of the segment market of advanced semiconductor packaging manufacturing process equipment, consumer preference for compact and portable electronic devices (such as smartphones, tablets, wearables, and IoT devices) is increasing according to the estimation of Business Research Insights, and such increase drives the boost of demand for advanced packaging technologies. Through IC advanced packaging, manufacturers is capable of designing devices with smaller size and more powerful functions to meet consumer expectations and drive market growth. High performance computing (HPC) applications, including AI, machine learning, data centers, and automotive electronics, require advanced packaging solutions to meet their specific requirements. Since advanced packaging technologies such as 2.5D and 3D packaging make possible higher memory bandwidth, lower power consumption, and improved thermal management, which are critical for HPC and AI applications, the demands for such advanced packaging technologies are surging. IC Advanced packaging devices provide a cost effective solution by integrating multiple chips and into a single package. Such integration reduces overall system costs, simplifies the manufacturing process, and increases yield rates. As a result, advanced packaging technologies are employed by industries such as consumer electronics, automotive and medical treatment to achieve cost effectiveness, which in return, drives the growth of the IC advanced packaging equipment market. According to the estimates of Business Research Insights, the market size of advanced packaging equipment will grow from US\$8.67 billion in 2024 to US\$18.75 billion in 2033, with a CAGR of 9%.

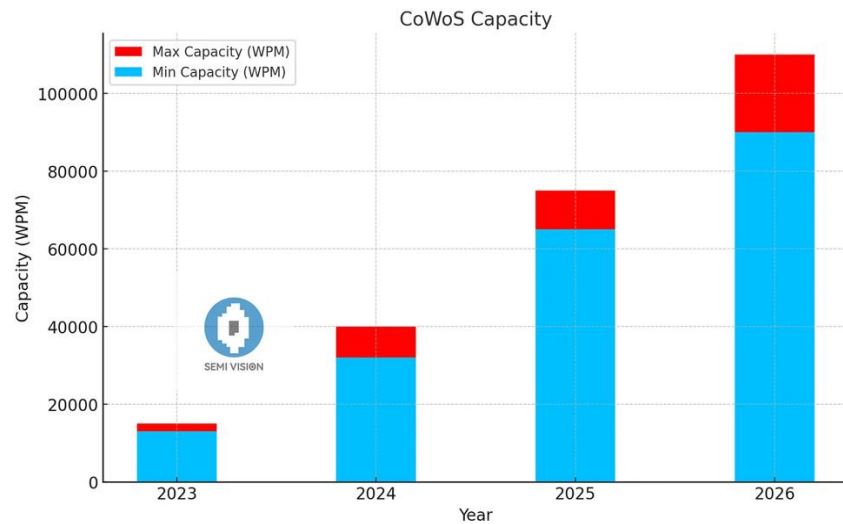


Data source: Business Research Insights

Estimated market size for 2025 (US\$B) and their respective proportions based on the above production and research reports

Total semiconductor output value	627.00	100%		
Semiconductor foundry output value	131.65	21.0%	100%	
TSMC output value	90.1	14.4%	68.4%	
Semiconductor equipment capital expenditures	128.0	20.4%	97.2%	100%
Semiconductor packaging and testing equipment capital expenditures	14.75	2.3%	11.2%	11.5%
Advanced semiconductor packaging equipment scale	9.45	1.5%	7.1%	7.3%

Over the past year, CoWoS advanced packaging technology has become a critical bottleneck in enhancing AI chip production capacity. With the explosive growth of AI computing demand, NVIDIA, as the largest customer of TSMC's CoWoS technology, has seen sustained tightness in packaging capacity due to the overwhelming demand for its GPU products. To address this supply-demand imbalance, TSMC announced CoWoS capacity expansion in 2023 and doubled this technology's capacity in 2024. However, market demand continues to outpace supply, prompting TSMC to accelerate advanced packaging capacity expansion to ensure stable AI chip supply.



Source: SEMI Vision

According to the latest market information (as shown in the chart above), TSMC's current CoWoS capacity stands at approximately 35,000–40,000 wafers per month (WPM), with expectations to increase annualized capacity to over 70,000–75,000 WPM by the end of 2025, achieving a year-on-year growth target exceeding 100%. Looking further ahead, CoWoS capacity in 2026 could reach 100,000 WPM to support the rapid growth demands of NVIDIA, AMD, Google, and other AI chip clients. Additionally, technological breakthroughs in HBM (high-bandwidth memory) packaging remain critical to capacity. Industry forecasts suggest that the introduction of HBM4 and subsequent versions in 2025–2026 will further drive Taiwanese semiconductor companies' expansion in advanced packaging technologies.

To solidify its market leadership, TSMC announced in 2024 plans to build new advanced packaging plants in Chiayi, Tainan, and other locations, focusing on CoWoS and 3D stacking (SoIC) technologies. The capacity of these new facilities will gradually ramp up during 2025–2026, with mass production expected to commence in 2025. These investments demonstrate TSMC's commitment not only to expanding existing 2.5D CoWoS capacity but also to advancing heterogeneous integration technologies like 3D stacking (SoIC) and silicon photonics, ensuring long-term supply capabilities for future AI and high-performance computing (HPC) market demands.

During TSMC's CoWoS capacity expansion, CSUN Industrial, as a key equipment supplier, continues to provide critical process equipment to ensure smooth production line scaling. Furthermore, as OSAT (Outsourced Semiconductor Assembly and Test) providers like ASE and SPIL expand their CoWoS or 2.5D advanced packaging capacities, CSUN ensures its equipment meets these OSAT manufacturers' process requirements, guaranteeing the successful execution of TSMC's CoWoS packaging expansion plans while maintaining high-quality and high-efficiency packaging technology standards across the supply chain.

Advanced packaging technologies such as CoWoS and 3D stacking will play pivotal roles in meeting current and future computing demands, driving the global semiconductor industry toward greater efficiency and integration. As technology advances and market needs grow, these innovations will bring new industrial

opportunities and challenges. As a vital link in the CoWoS supply chain, CSUN Industrial ensures stable production line expansion for TSMC and OSAT partners through high-precision equipment, collaborating with Taiwan's semiconductor ecosystem to embrace the challenges and opportunities of the AI era.

- **Printed Circuit Board (PCB):**

Prospects and Trend Analysis of the PCB Industry in 2025:

Overall Market Outlook and Growth Forecasts:

Market research firm Prismark predicts that the global PCB revenue in 2024 is projected to grow by 5.5% year-on-year. Driven by the rapid development of AI applications and significantly increased demand for servers, the PCB industry is entering a new growth cycle. Under the strong demand for AI servers, which has become a key driver for industrial upgrading, the global PCB revenue is expected to grow by 6.2% in 2025, reaching US\$86.33 billion. Among these, the compound annual growth rates (CAGR) for HDI and IC substrates are projected to reach 7.8% and 7.6%, respectively.

Prismark also forecasts a CAGR of 5.4% for global PCB revenue between 2023 and 2028. The PCB revenue in Mainland China is expected to reach US\$46.04 billion by 2025. China International Capital Corporation (CICC) believes that the global PCB industry entered a downturn cycle from the second half of 2022, hitting bottom in the first half of 2023, and expects a recovery-driven growth in 2024, with a projected CAGR of 5.40% between 2023 and 2028.

Key Drivers for PCB Growth:

- **Strong Demand for Cloud Computing and Sovereign AI:** While cloud data center capital expenditures have become more cautious, overall revenue continues to rise, with server shipments expected to grow at a high single-digit rate. The GB200 is anticipated to enter its ramp-up phase in the first quarter of 2025, coupled with soaring demand for in-house developed ASICs by cloud service providers (CSPs), which will drive full capacity utilization in upstream raw material and PCB supply chains. Sovereign computing power demand is also rapidly increasing, expected to reach new heights by 2025. AI infrastructure construction and accelerated terminal replacement are critical drivers for PCB market growth. The revenue for server and storage PCBs is projected to grow at a CAGR of 13.47% between 2023 and 2027, outpacing other PCB categories.
- **800G High-Speed Transmission Demand:** Major international companies are gradually upgrading optical transceiver module procurement from 400G to 800G. 2025 is expected to be a pivotal year for scaling up 800G adoption. Ethernet, valued for its high deployment flexibility and relatively lower cost compared to InfiniBand (IB) architectures, is gaining attention from global tech giants, driving related PCB demand. The adoption of M8 materials will also push up pricing for copper-clad laminates (CCL) and PCB manufacturers.

- **Automotive Intelligence and Electrification:** The trend toward automotive intelligence has significantly increased demand for PCBs and raised the value per vehicle, particularly for advanced driver-assistance systems (ADAS). Electric vehicles (EVs) require far more PCBs for their drive systems, control systems, and battery modules compared to traditional vehicles. The extensive use of flexible printed circuits (FPC) in new energy vehicle battery modules further boosts PCB demand. By 2028, the usage of automotive PCBs is expected to increase by 50% compared to 2022, with the automotive PCB market maintaining strong growth. Prismark forecasts a CAGR of **6.98%** for global automotive PCB revenue between 2023 and 2027, outpacing the industry average.
- **Advanced Packaging Technology Development:** In the post-Moore's Law era, advanced packaging has become a critical path for integrated circuit development, driving high growth in substrate demand. It is projected that advanced packaging will account for over 50% of the packaging market with approximately 5% of the quantity. The global advanced packaging market is expected to grow at a CAGR of **10.0%** between 2022 and 2028. Packaging substrates, a key material for advanced packaging, are anticipated to achieve an **8.80%** CAGR in global market size between 2023 and 2028. ABF substrates, suitable for fine-line, high-pin-count, and high-speed ICs, benefit from HPC chip demand and accounted for 38% of the global ABF substrate market share in 2021. Their growth will continue as AI cloud server scale expands.
- **AI Terminal Demand:** The trend of AI upgrades is expected to accelerate the replacement cycle of end-consumer electronics, such as AI smartphones and AI PCs, which have higher requirements for electrical performance and signal transmission, potentially driving PCB specification upgrades (e.g., increased HDI layer counts, HDI upgrades to substrate-like boards, and improved line width/spacing precision).
- **Networking Industry Recovery:** With improvements in the macroeconomic environment and specification upgrades, networking application demand is expected to fully recover by 2025. The AI server boom will drive data center construction and higher transmission rate requirements, thereby promoting the development of optical communication industries, benefiting networking IC manufacturers and TW suppliers.

Technical Trends:

- **Increased Demand for High-End HDI Boards:** The high-speed digital signal transmission driven by AI computing and the three transformations in the automotive sector points to higher demand for HDI boards, while also raising performance requirements. The incremental demand for high-end HDI is expected to be more significant. Prismark projects a CAGR of 6.2% for the global HDI board market size between 2023 and 2028.
- **Expansion of Flexible Printed Circuit (FPC) Applications:** FPCs are extensively used in battery modules of new energy vehicles and widely applied in Mini-LED lighting and XR devices.

- **Packaging Substrates Moving Toward Larger Sizes:** With TSMC's CoWoS packaging continuously increasing in size to support larger AI chips, there will be a growing demand for larger-sized packaging substrates.
- **Potential of Glass Substrates:** Glass substrates, which offer advantages in cost and performance, are considered next-generation packaging substrates and are expected to achieve mass production before 2030. Leading companies like Intel are actively investing in R&D and mass production of glass substrates.

The PCB industry in 2025 is projected to continue growing driven by demands from cloud computing, AI, 800G high-speed transmission, automotive intelligence and electrification, and advanced packaging. The applications of high-end HDI boards and FPCs will become more widespread, while demand for packaging substrates will remain strong. Additionally, supply chain de-risking (decoupling) will present significant opportunities for suppliers outside China, particularly those in Southeast Asia. Taiwan and Mainland China PCB manufacturers are expected to benefit from this trend but must remain vigilant against market competition, fluctuations in raw material prices, and challenges posed by new technology developments.

(4) Competitive Advantages:

- Advantageous brand: A brand established for 59 years and received honors of 16th, 2019 Annual Taiwan Golden Root Awards, TSMC's 2023 Excellent Supplier Award, Zhen Ding's 2023 Excellent Supplier Award, and other awards.
- Core technology (five major core technologies).
- Careful services and sales channels (seven major application industries and over 3,000 customers).
- Premium equipment.
- Premium after-sales services and repair capacity.
- R&D design capacity with high efficiency.
- Highly flexible manufacturing capacity.

(5) Favorable and unfavorable factors for the prospect of development in the long run and countermeasures:

➤ **Favorable factors:**

- Continual import substitution: The sustainability of local semiconductor industry has become an important part of TSMC's corporate social responsibilities, active measures have been employed to guide the local key raw material suppliers to improve quality and technologies, and constantly promote the localization of the supply chain.
- Continual capital internalization of the Chinese market: C SUN has spent efforts in the Chinese market for years and achieved a comprehensive layout.

- C. C SUN is a renowned brand for UV, lamination, bonding, and thermal processing, and it continues to extend its core technologies to PCB wet process and plasma, building a solid business strategic foundation.
- D. Complete accumulation and inheritance of technical experiences and R&D results that are beneficial to the improvement in production efficiency and quality control.
- E. C SUN passed the ISO 9001 evaluation and developed most of its core technologies by itself; well recognition is received for its quality assurance and R&D capacity.
- F. C SUN is a listed company with a stable financial position. In 2019 the second half of the year, a team succession has taken place for a younger management team.
- G. Establishment of the G2C+ Alliance: The one-stop-shopping services could satisfy customers' demand.

➤ **Unfavorable Factors and Countermeasures:**

- A. The hi-tech production equipment manufacturing industry in Taiwan started late, and the talent attraction and retention are easily affected by the hi-tech industry.

Countermeasures:

The Company is committed to shifting its orientation from mechanical manufacturing to a solutions provider, integrating materials and processes into its product platforms to significantly enhance the added value provided to customers. This transformation has created an urgent need for cross-disciplinary knowledge and technology integration. Through academic-industry collaboration, the Company recruits talent, nurtures employees with dedicated mentorship, and fosters a **corporate culture** complemented by a lifelong learning environment co-created by colleagues. This will continuously elevate the Company's human capital quality, enabling it to align with the standards of top-tier clients like TSMC and collaborate on world-class stages.

- B. The machinery manufacturing industry is driven by downstream sector extensional demand, with long product lifecycles. Demand for equipment typically arises when downstream clients establish new facilities, expand operations, modify processes, or upgrade product tiers, resulting in significant fluctuations in customer requirements.

Countermeasures:

- a. Adapting to market changes and individual customer needs, the Company continuously develops new technologies and products to create diverse and high-value-added offerings, thereby enhancing competitiveness and stimulating new customer demands.

- b. The sales department is required to proactively and regularly gather industry information from downstream clients, integrate with the G2C+ Alliance, actively participate in regional exhibitions and conferences to enhance brand professionalism, and maintain good relationships with domestic and international related vendors to identify suitable collaboration partners.

- C. Effects of materials and currency volatility on the equipment profitability of equipment with the long-term delivery term.

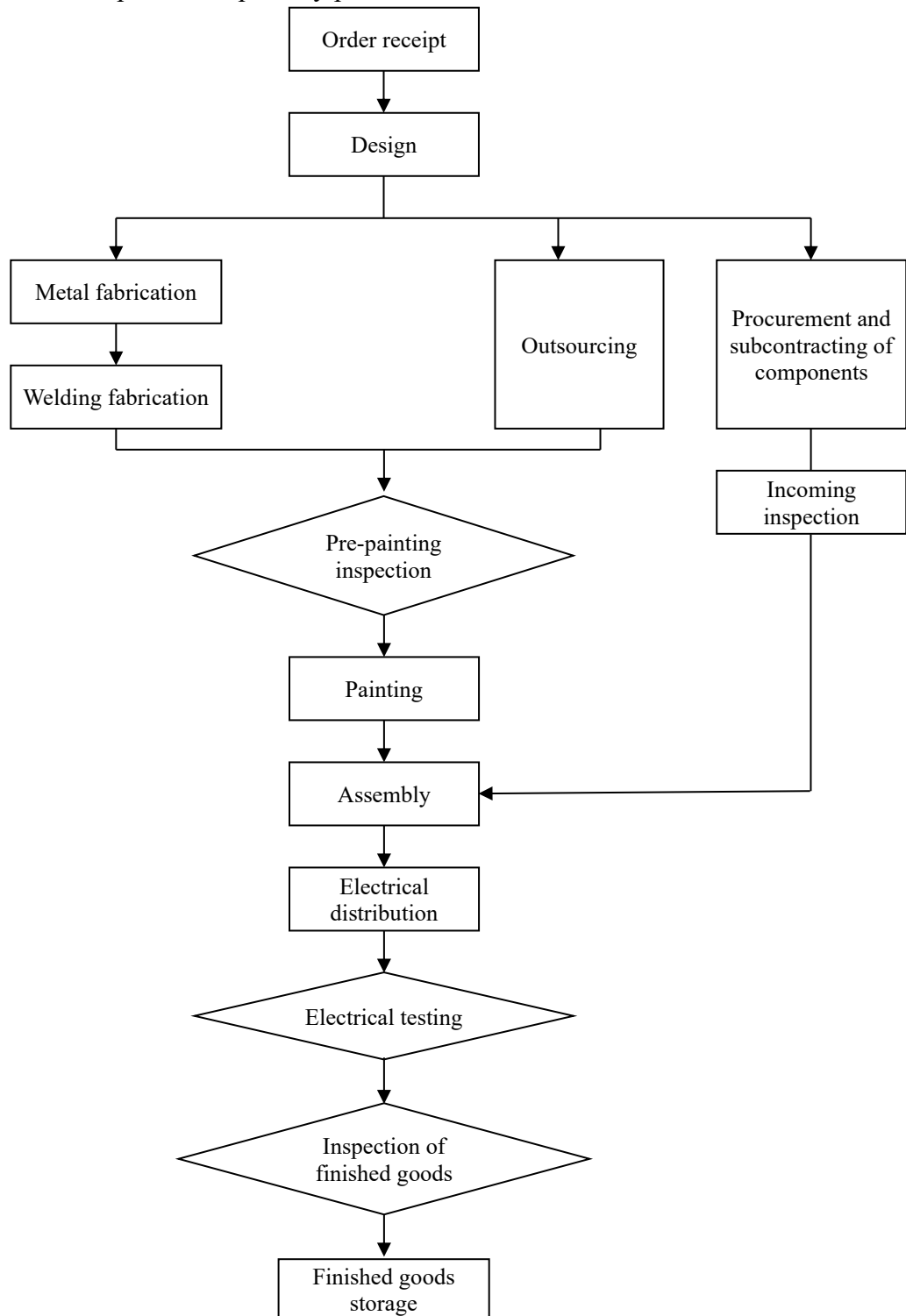
Countermeasures: Exchange rate-related measures are detailed in the risk management section of this annual report under "V. Review and Analysis of Financial Position, Operating Results, and Risk Management" and "VI. Risk Management and Assessment - (II) Effects of changes in interest rates and currency rates and inflation on the Company's profit or loss and future countermeasures".

2. Key Product Applications and Production Processes:

(1) Major use of primary products:

Product category	Major use of products
Thermal process equipment	Semiconductor/PCB/LCD/photovoltaic/LED/Lens/high-frequency elements for the electronic part industry and the baking, curing, drying, modification, purification and positioning of products for the sports shoe industry and the printing and coating industry
UV process equipment	The drying, curing, image transfer, cleaning, and positioning for products for the electronic part industry, sports shoe industry, and the printing, coating industry and semiconductor packaging
Vacuum pressure oven	Use in the underfill de void manufacturing process for semiconductor packaging, SMT de void applications.
Dry/wet film manufacturing process equipment	Light resistance and surface protection for electronic element products.
Panel laminator	Applicable to the automated vacuum lamination, leveling, and precision leveling requirements for ABF/RCC & Solder mask in the panel building-up manufacturing process to achieve the requirements of high filling and flatness.
Panel peeler	Applicable to the automated double-sided peeling for Mylar of ABF/RCC & Solder mask after lamination (exposure), replacing the human work and reducing contacts; automated anomaly detection with high stability.
Wafer bonder	Used in advanced packaging manufacturing process to carry out the thinning process after bonding of carrier and device wafer, or use as the working surface for transfer wafer due to the manufacturing process requirements.

(2) Production process of primary products:



3. Supply Status of Key Raw Materials:

The major raw materials and parts of the Company's products are heaters, edge finders, robots, pneumatic elements, HEPA, ball screws, server motors, and temperature controls secured from domestic and foreign major plants, such as Festo, Burgeon, Yimin, Coagent Technology, Kondo, Shibao, HIWIN, Mitsubishi, and RKC. Due to our long-term cooperation, we have established stable supply relations for stable and sufficient supplies; the quality and delivery terms are able to maintain at a certain standard.

4. Names of Customers/Suppliers Accounting for 10% or More of Total Purchases/Sales in Either of the Past Two Fiscal Years:

(1) Information on major suppliers for the latest two years:

Unit: NT\$/Thousand; %

Item	2023				2024			
	Name	Amount	Ratio to the net purchases for the year (%)	Relationship with the issuer	Name	Amount	Ratio to the net purchases for the year (%)	Relationship with the issuer
Suppliers accounting for less than 10% of total purchases	Others	1,629,524	100%		Others	2,824,794	100%	-
Net purchase amount		1,629,524	100%			2,824,794	100%	-

Note 1: Set out the name of suppliers that accounted for 10% of the total purchases and above and the purchase amount and ratio. However, when the name of suppliers may not be disclosed based on the contractual agreements or when the business counterparties are individuals who are not related parties, the information may be disclosed by using code numbers.

Note 2: No suppliers account for 10% or more of the purchase amount.

(2) Information on major customers of sales for the latest two years:

Unit: NT\$/Thousand; %

Item	2023				2024			
	Name	Amount	Ratio to the net sales for the entire year (%)	Relationship with the issuer	Name	Amount	Ratio to the net sales for the entire year (%)	Relationship with the issuer
Customers accounting for 10% or more of total sales	-	-	-	-	Company A	986,956	20%	-
Customers accounting for less than 10% of total sales	Others	3,625,801	100%	-	Others	3,831,253	80%	-
Net sales amount		3,625,801	100%	-		4,818,209	100%	-

Note 1: Set out the name of suppliers that accounted for 10% of the total sales and above and the sales amount and ratio. However, when the name of suppliers may not be disclosed based on the contractual agreements or when the business counterparties are individuals who are not related parties, the information may be disclosed by using code numbers.

Note 2: Reasons for changes in sales amounts for customers accounting for 10% or more of total sales in either of the past two years: The changes were due to increased customer demand for production line expansion during the year.

III. Information on Employees for the Past Two Fiscal Years and Up to the Annual Report Publication Date

(I) Structure of employees:

March 31, 2025

Year		2023	2024	Up to March 31, 2025 (current year)
Number of employees	Administrative staff	285	313	316
	Technical staff	602	674	691
	Total	887	987	1,007
Average age		37.32	37.29	37.21
Average length of service (years)		9.56	9.09	9.02
Education distribution percentage	PhD	3	4	4
	Master	91	105	110
	University or college	578	663	669
	Senior high school	173	175	185
	Under Senior high school	42	40	39

(II) Employee Conduct or Ethical Codes:

To improve the work environment and the measures to protect employees' physical safety, the Company has established its Employees' Working Rule Handbook (comprised a total of 14 sections) to set out the disciplines and codes, employment and training, work hours and breaktime, leave regulations, incentive, punishment, and audit, dismissal and audit, retirement, occupational disaster compensation and indemnity, safety and health, welfare measures, labor-capital communications. Additionally, the "Reward and Punishment Management Regulations" has been established as the basis for employee rewards and punishments.

(III) Work Environment and Personal Safety & Health Protection Measures:

Item	Content
Policy, commitment, and significance	C SUN has implemented the ISO 45001 Occupational Health and Safety Management System, adhering to labor safety and health requirements to continuously improve the work environment, prevent workplace safety incidents, reduce occupational disaster risks, and mitigate unlawful workplace harm through hazard identification and assessment of the work environment, personnel composition, and operational activities. This enhances employee retention; failure to properly handle occupational safety accidents may lead to employee attrition and negative media coverage impacting corporate reputation.
Responsible unit	Occupational Safety and Health Committee
Complaint mechanism	HR Department hotline: 886-2-26010706 Complaint email: csunzskhr@csun.com.tw
Short-term, medium-term, and long-term goals	<p><u>Short to medium-term:</u></p> <ul style="list-style-type: none"> Strengthen management of unexpected accidents and near-miss incidents to reduce accident rates. Train personnel at all levels to receive occupational safety and health management education and training, ensuring necessary safety awareness and hazard prediction capabilities. Implement 5S workplace organization and tidiness to effectively enforce safety and health regulations and ensure a safe and healthy working environment. Complete corporate fitness certification and green environmental protection label certification by 2024. <p><u>Long-term:</u></p> <ul style="list-style-type: none"> Achieve a lost-time injury frequency (FR) of 0.22 by 2027. Reduce chemical risks through improved chemical classification and hazard prevention management. Promote mental and physical balance to create a healthy and friendly workplace.
Action plans	<ul style="list-style-type: none"> Conduct monthly health risk prediction, risk management, and health environment initiatives with contracted medical staff to care for employee well-being. Maintain inspection systems for engineering projects across northern, central, and southern regions, with at least one inspection per month. Implement environmental, safety, and health policies: comply with legal requirements, enforce training programs, effectively utilize resources, prevent accidents, continuously drive improvements, and ensure full employee participation.
2024 Performance	<ul style="list-style-type: none"> Obtained ISO 45001/14001 certification systems. Conducted monthly occupational safety and health (OSH) audits, totaling 42 audits in 2024; 38 non-conformities identified, with a 100% improvement rate. Organized employee occupational safety and health training courses in 2024, holding 2 sessions with 233 total participants and 6 cumulative training hours (3 hours per session). No occupational disease cases have occurred in the factory premises to date. Two occupational injury incidents were recorded in 2024 (1 traffic accident and 1 workplace accident), affecting 2 workers. A total of 381 employees participated in health check services, with NT\$20,000 invested in employee health examinations; 14 supervisors received subsidies totaling NT\$365,000 for health checkups. Six OSH training sessions for contractors were conducted in 2024, involving 133 contractor personnel with 5 hours of training per session. Automated External Defibrillators (AEDs) have been installed in the factory since July 1, 2017, with annual AED operation training provided by contracted vendors. Both factories arranged professional nursing staff to conduct 2-hour health education sessions four times monthly.

■ Occupational Safety and Health Management System

C SUN complies with the ISO 45001:2018 Occupational Health and Safety Management System, establishing operational procedures including the "Environmental Safety and Health Management Manual," "Environmental Operation Control Procedures," and "OSH Self-Inspection Management Procedures." These apply to all workers (employees, contractors, and visitors) across Taiwan factory sites (Plant 1 and Plant 2), achieving 100% site coverage. To evaluate system effectiveness, C SUN conducts annual internal audits per ISO 45001. In 2024, external OSH audits were performed at all production bases, obtaining third-party ISO 45001:2018 certification. C SUN has established all requirements of the Environmental Safety and Health (ESH) management system to effectively manage potential negative impacts or non-compliances, while continuously improving overall ESH performance. **The Company's ISO 14001 and ISO 45001 certifications remain valid from December 23, 2023 to December 22, 2026.**

Over the next three years, we will pursue the "Zero Workplace Accidents" goal by strengthening management systems, enhancing overall safety standards, raising employee safety awareness, optimizing work environments, and collaborating with partners to build sustainable safe and healthy workplaces.

To implement occupational health and safety initiatives, each C SUN factory has established an Occupational Safety and Health Committee, comprising at least seven members per "Occupational Safety and Health Management Regulations," with one-third representing OSH worker delegates. Committee meetings are held quarterly to discuss issues such as employee commute safety, packaging operation safety, epidemic prevention, and health safety. General employees may submit suggestions via phone, email, or through department supervisors and worker representatives for discussion in committee meetings. ESH regulations and guidelines are communicated to all employees via factory posters and departmental briefings.

■ Occupational Accident Investigation Procedures

To ensure the safety of all workers, Chih Sheng has established the Accident Reporting and Investigation Management Procedure Manual. Through a comprehensive investigation process, this procedure aims to enhance the efficiency of disaster accident investigations, identify the causes of accidents, and determine improvement measures to reduce the probability of recurrence. This regulation applies to employees, contractors, and disaster accidents caused within or outside the Company's premises. If operational staff discover hazardous conditions at the workplace, they may suspend operations on their own initiative and retreat to a safe location, and may report to their superiors to take appropriate emergency measures, and shall not be subject to disciplinary actions.

If a C SUN worker suffers an occupational injury, the accident discoverer shall provide emergency care to the injured, conduct on-site handling of the disaster accident, and immediately notify the Administrative Department. Upon receiving the report, the Administrative Department will promptly notify the Administrative Department supervisor and the highest-ranking supervisor at the factory site. The Company will convene relevant personnel (including a labor representative) to form an investigation team, jointly conduct the investigation, propose an accident investigation report and recommendations for measures to prevent recurrence, and document the meeting minutes. If necessary, the Corrective Action Management Procedure Manual will be used to supervise the accident unit's improvements.

- C SUN Disaster Accident Investigation and Corrective Process

The accident unit shall submit the Accident Disaster Notification and Investigation Form (Including Near-Miss Incidents) to the Administrative Department within three days of the accident occurrence.

The Administrative Department will convene relevant personnel (including a labor representative) to form an investigation team to conduct the investigation.

The accident unit shall draft measures to prevent recurrence and implement improvement actions, submit them to the Administrative Department, and propose an accident investigation report and recommendations for measures to prevent recurrence, with meeting minutes recorded.

If preventive measures involve other units within the factory, the Administrative Department may convene relevant units for a meeting, document the meeting record, and track the progress of preventive measures. The Administrative Department will supervise the management unit's improvements through the Environmental and Safety Corrective Action Form if necessary.

The Company shall appropriately review existing occupational safety and health risks and other risks after an accident occurs, updating and revising them as necessary.

Responsible personnel from relevant units shall track the implementation of improvement measures, record audit results, and submit the Environmental and Safety Corrective Action Form to the Administrative Department for review after completion. The case will be closed and archived upon approval by the Administrative Department.

The Administrative Department shall compile and analyze near-miss incidents and accident investigation results quarterly, report them for review at the Occupational Safety Committee meetings, and use them as references for continuous improvement of the occupational safety and health management system.

Relevant units and the accident unit may promote the investigation results or incorporate them into occupational safety training materials to strengthen employees' safety awareness.

- Disaster Prevention and Emergency Response Enhancement

1. Equipment Addition: Since 2023, explosion-proof cabinets for chemical storage equipped with leak detectors have been added; by the end of 2024, emergency response buckets for chemicals and fire emergency evacuation equipment will be purchased to enhance emergency response capabilities.
2. Case Promotion: To strengthen employees' risk awareness, actual case studies are shared during monthly meetings, with participants explaining their experiences to reinforce impressions.

C SUN will continue to deepen environmental, safety, and health management outcomes through systematic management and innovative methods, striving to create a safe, healthy, and sustainable work environment and achieve the goal of zero workplace accidents.

- Public Security Inspection and Equipment Safety Management

C SUN implements environmental monitoring and regular safety inspections at the factory premises, with the General Manager serving as the overall coordinator to execute relevant procedures regularly:

Labor Operation Environment Monitoring

To protect workers from hazards in the workplace and provide a healthy and comfortable working environment, annual environmental monitoring is conducted to understand the working conditions of on-site personnel.

Work Safety Inspection

Inspection reports are executed by the Administrative Department according to the annual inspection plan, and improvement suggestions and implementation progress are provided to factory units for reference. Monthly inspections and discussions are held during routine factory meetings to address improvement items.

Equipment Safety Management

The Company maintains a registry of hazardous machinery and equipment, conducts thorough inspections periodically, and ensures safe operation without safety concerns.

Item	Frequency
Fire extinguisher equipment self-inspection	Monthly
High and low voltage electrical equipment inspection	
Passenger and cargo elevator inspection	
Environmental quality testing	Semi-annually
Factory area disinfection	
Emergency response drills (including fire drills)	
Emergency generator inspection	Annually
Overhead crane maintenance	
Comprehensive electrical inspection	
Fire protection equipment inspection	

■ Occupational Safety and Health Education and Training

To ensure all employees understand occupational safety and health regulations and are familiar with the Company's safety and health management mechanisms, C SUN provides safety and health education and training programs in accordance with legal requirements and job needs, including: general safety and health education and training, refresher training for occupational safety and health personnel, health education promotion and training, fire prevention and self-defense drill exercises, contractor onboarding and safety and health education and training, and new employee occupational safety and health education and training. In 2024, C SUN's occupational safety and health education and training totaled 7,612 hours.

■ 2024 C SUN Occupational Safety Education and Training Overview

Course Category	A Training Hours	B Number of Participants	C Number of Sessions	Total Training Hours (A*B*C)
General Safety and Health Education and Training	3	265	2	1590
Class A Business Manager Training	6	3	1	18
Health Education Promotion and Training	2	147	3	882
Fire Prevention and Self-Defense Drill Exercises	4	191	4	3056
Contractor Onboarding and Safety and Health Education and Training	1.5	123	8	1476
Occupational Safety and Health Education and Training for New Employees	3	28	2	168
Total	19.5	757	20	7190

■ Occupational Health Services and Promotion Activities

C SUN is committed to creating a safe and comfortable working environment, providing comprehensive health care for employees, and adjusting work arrangements based on employees' health conditions to match their capabilities. The Company continuously promotes various health service and enhancement programs, such as annual comprehensive health check-ups for all employees, increased subsidies for health check-up items, and subsidies for employees participating in local sports events, ensuring holistic care for employees' physical, mental, and spiritual well-being to enhance their sense of belonging and loyalty, thereby maintaining C SUN's leading position in the industry.

Item	Content Description	2024 Performance
Employee Health Check-ups	C SUN prioritizes employees' physical and mental health by arranging annual health check-ups through medical institutions and providing increased subsidies for health check-up items. Comprehensive check-up items help employees understand their health status and take proactive care or seek timely medical attention.	381 employees completed health check-ups in 2024, accounting for approximately 100% of the total workforce.

Item	Content Description	2024 Performance
Health Promotion Campaign	To promote employee health, C SUN launched the "Active Healthy Lifestyle" campaign, featuring three stages: "Reduce Body Fat," "Healthy Steps Forward," and "Run for Health." The initiative aims to cultivate employees' exercise habits. Employees are encouraged to achieve an average daily step count of 8,000 steps to reduce weight and lower risks associated with the three highs (high blood pressure, high blood sugar, and high cholesterol).	80 employees participated in the health promotion campaign in 2024.
Subsidies for Participation in Sports Events	To foster a positive corporate sports culture, C SUN subsidizes employees participating in local sports events, such as the Linkou Zhulinshan Temple Blessing Run and the Taichung Comfort Run Cup.	Subsidies were provided for 60 employees to join sports competitions.
Nurse Monthly On-Site Services	To care for employees' health, C SUN arranges for nurses to provide on-site services at the factory for 8 hours each month, offering nursing consultation services to employees.	In 2024, nurses provided a total of 192 hours of on-site services across both factories.
Physician Quarterly On-Site Services	To safeguard employee health, C SUN invites physicians for on-site services every quarter for 2 hours, providing professional medical consultations to employees.	In 2024, physicians provided a total of 16 hours of on-site services across both factories.
Nursing Health Lectures	Nurses organize quarterly health lectures to encourage employees to participate and gain relevant knowledge.	A total of 3 nursing health lectures were conducted in 2024.
Environmental Education Workshops	External lecturers were invited to discuss living habits, health, and how to achieve a healthy lifestyle through self-management.	In 2024, 26 employees attended the workshops, with a total course duration of 2 hours.

■ Occupational Accident (Occupational Injury and Disease) and Fire Statistics and Improvement Measures:

• **Occupational Accident Statistics and Improvement Measures**

To ensure the effectiveness of occupational safety and health management measures, C SUN uses statistics on occupational injuries and diseases as key indicators to evaluate management performance and trace root causes of issues. In 2024, C SUN Industrial recorded 3 cases of occupational accidents, with an occupational accident ratio of 0.7%. No severe occupational accidents, disability injuries, or fatalities caused by occupational accidents occurred. For these identified issues, C SUN promptly implemented corresponding management measures, including strengthening traffic safety advocacy and safety protocols during commutes and business trips to ensure employee safety. Looking ahead, C SUN will continue to refine measures related to occupational injuries and illnesses, conduct regular reviews, and dynamically optimize processes. Simultaneously, the Company will enhance communication with employees, listen to their opinions and suggestions, and ensure every voice is heard and respected. Through these efforts, C SUN aims to maintain a zero-occupational-accident safe working environment, enabling every employee to work with peace of mind and return home safely.

Note: The occupational accident ratio is calculated as (recordable occupational accident cases ÷ total workforce at year-end) × 100%.

2024 Occupational Injury and Illness Data

Recordable Occupational Injuries ^{Note 1}	Recordable Occupational Injury Rate ^{Note 2}	Severe Occupational Injuries and Rate	Occupational Injury-Related Fatalities and Rate	Occupational Diseases	Disability Injury Frequency (FR) ^{Note 3}
3	3.2	0	0	0	0

Note 1: In 2024, there was 1 occupational injury incident related to traffic.

Note 2: The recordable occupational injury rate = (recordable occupational injury cases × 1,000,000) / total working hours. Total working hours in 2024: 951,081 hours.

Note 3: FR = (disability injury incidents × 1,000,000) / total working hours. The total disability injury incidents include fatalities, permanent total disability, permanent partial disability, and temporary total disability. Total working hours in 2024: 951,081 hours.

- **Accident Statistics and Improvement Measures**

1. Injury incidents: In 2024, there were 3 disability injury incidents (2 commuting traffic accidents and 1 kitchen work accident), with a total injury index of 3.2.
2. Major accidents: No major occupational safety accidents occurred throughout the year; however, the Company will continue to enhance employee self-protection awareness through safety education and risk assessments.

- **Fire Statistics and Improvement Measures**

Number of fire incidents, casualties, and casualty ratio to total workforce in the year

Fire Incidents	Casualties	Casualty Ratio to Total Workforce
0	0	0

To achieve environmental and occupational safety and health (EOSH) performance targets and comply with regulations and the Company's EOSH policy, an EOSH management system has been established and implemented. This system references the framework and principles of ISO 14001:2015 (Environmental Management System) and ISO 45001:2018 (Occupational Health and Safety Management System).

In practice, the system is integrated with existing measures for waste reduction, pollution prevention, and risk mitigation for injuries and illnesses, ensuring its effectiveness. The Company has established an Environmental and Safety Committee, chaired by the General Manager, with department heads responsible for respective groups. The Labor Safety Office oversees administrative audits at the factory premises, and improvements are reviewed quarterly during Occupational Safety Committee meetings.

IV. Information on Environmental Protection Expenditures:

1. Explanation of total losses (including compensation) and penalties incurred due to environmental pollution in the most recent fiscal year and up to the annual report publication date, along with future countermeasures (including improvement measures) and potential expenditures (including estimated losses, penalties, and compensation if countermeasures are not implemented; if estimates are unreasonable, the facts shall be explained): None.
2. Countermeasures: The Company's manufacturing processes do not cause environmental pollution, and no future environmental pollution is anticipated.

V. Labor-Management Relations:

1. The Company's employee welfare measures, continuing education, training, and retirement systems and implementation, labor-management agreements, and measures to protect employees' interests:

(1) Employee Welfare Measures

- The Company has established its Employee Welfare Committee according to the Enforcement Rules of the Employee Welfare Fund Act to provide employee welfare fund, organize welfare matters (such as subsidies for marriage, funeral, gifts for Chinese New Year and festivals, fertility, hospitalization, significant disasters), and organize company trips.
- The Company appropriated labor retirement reserve fund according to the requirements and established its Labor Retirement Reserve Fund Supervisory Committee to facilitate the management of matters related to the labor retirement reserve fund.
- The Company also provides labor and the National Health Insurance according to relevant laws and regulations promulgated by the government. In favor of employees' safety, the Company has purchased group insurance for employees to protect employees and provides better employee welfare.
- Capital increase in cash by employees and employee bonus system:
 - a. Subscription: When the Company conducts a cash increase in capital, 10%-15% of shares is reserved for employees to subscribe.
 - b. Dividends: Distributed in accordance with Article 31 of the Company's Articles of Association. When the Company recorded profits for the year, the Company shall appropriate 1% to 9% of such profits as the remuneration of employees, and the distribution in shares or cash shall be determined by the Board; the distribution targets include employees of subsidiaries that fulfill certain conditions. The Board may determine to appropriate no more than 2.25% of the above profits as the remuneration of directors and supervisors. The proposal on allocating the remuneration for employees and directors shall be reported to the shareholders' meeting. However, if the Company still has accumulated losses, the amount required to offset such losses must be reserved first, followed by allocations for employee bonuses and director remuneration at the aforesaid ratios.
- Labor insurance, national health insurance, group insurance, and personal accident insurance
- Improving the retirement system and pension allocation
- Compensation for occupational disasters and bereavement benefits
- Retirement gratuities
- Subsidies for in-service education and training
- Allowances for marriage, childbirth, funeral, transportation, mobile phone, and meal

- Subsidies and loans for occupational injuries or major disasters
- Domestic/international group travel
- Festival activities and gift offerings
- Scholarships for children of employees
- Company-provided dormitories for employees from distant regions
- Library and Kingstone book-sharing programs
- Free Seattle coffee tasting

(2) Continuing education and educational training:

- A. In 2024, the Company provided employees with 12,522 total training hours, incurring training expenses of NT\$2,815 thousand.
- B. The Company organizes training for new employees, professional technical training, quality control training, training related to employee development, and education training of labor safety and health based on our fellow colleagues' requirements and in accordance with the requirements of government laws and regulations.
- C. To improve the quality of human resources and reinforce employees' work knowledge and skills, the Company may implement relevant training set out below based on the employees' conditions and work requirements:
 - I. Safety and health education and training for disaster prevention.
 - II. Orientation training: New employees shall receive "general orientation training" and "professional training" for their positions when joining the Company.
 - III. On-the-job training: A series of training programs are organized based on the professional functions required by employees in executing their duties.
 - IV. Training for other expertise.

The implementation methods for the Company's employee training are as follows:

- I. Internal training: Employees are gathered at the Company or other venues for training. Lectures are provided by internal lecturers or domestic and foreign professional lecturers appointed by the Company.
- II. External training: The Company sends employees to domestic and foreign professional training institutions for training.

(3) Retirement system and its implementation:

The Company follows the Labor Retirement Pension Regulations. Under this system, employees contribute 6% of their total monthly salary to their retirement pension, which is deposited into individual accounts set up by the Bureau of Labor Insurance.

Employees are eligible for voluntary retirement under the following conditions:

1. Those who have worked for the Company for fifteen years or more and are over fifty-five years old.
2. Those who have worked for the Company for ten years or more and are over sixty years old.
3. Those who have worked for the Company for twenty-five years or more.
4. Those who have worked for the Company for fifteen years or more, with mutual agreement between labor and management.
5. Those whose years of service include service with the affiliated company "C-SUN Instrument Co., Ltd."

Pension system	Old System	New System
Applicable law	Labor Standards Act	Labor Pension Act
Contribution Method	<ul style="list-style-type: none"> • Current Status: The Company has already made sufficient contributions, and currently, it applies for suspension on an annual basis. • Normal Contribution: 2% of each employee's monthly salary is contributed, deposited in the name of the Company into the dedicated account at the Bank of Taiwan (formerly Central Trust of China). 	6% contributions are deposited into individual accounts of employees at the Labor Insurance Bureau based on insurance tiers;
Contribution Amount	The accumulated contribution amount up to the current year is NT\$166,265,000.	The contribution for the current year is NT\$18,879,000.

- (4) Labor-Management Agreements and Collective Bargaining: None. Although the Company has established an enterprise union, no collective bargaining requests have been made by the union, hence no collective agreements have been signed.

(5) Measures for Shaping a Friendly Child-rearing Environment:

Item	Content
Flexible Working Hours:	Allow employees to apply for special-case flexible start/end times to better accommodate childcare needs.
Family Support Services	Provide information on contracted childcare facilities to assist employees in making multiple choices.
Childbirth Reward Allowance	Under specific tenure conditions, the Company offers childbirth reward allowances to cover childcare expenses. (For employees with 3+ years of tenure: NT\$80,000 for the second child, NT\$200,000 for the third or subsequent children).

- **Maternity/Paternity Leave**

To encourage and support employees in raising the next generation, C SUN grants the right to maternity/paternity leave with salary suspension. The Company assists employees in processing such leave according to the *Labor Standards Act*, the *Gender Equality in Employment Act*, and the *Implementation Measures for Maternity/Paternity Leave with Salary Suspension*. In 2024, four employees applied for maternity/paternity leave, with four expected to return to work and two actually returning, achieving a 50% return-to-work rate.

C SUN emphasizes gender equality, offering not only maternity/paternity leave but also postpartum childcare protections. The Company has established lactation rooms for female employees to create a comfortable work environment, enabling staff to balance work and family responsibilities.

2. Losses incurred by the Company due to labor disputes in the most recent fiscal year and as of the date of publishing the Annual Report, including the disclosure of estimated amounts for current and potential future losses and corresponding response measures:

The Company has a harmonious labor-capital relationship and has no labor-capital dispute. The Company values employee welfare and keep abreast of changes in subjective and objective environments at all times to establish welfare measures, satisfying employees' requirements.

VI. Information and Cybersecurity Management:

1. Information Security Objectives and Policies

The Company has set an information security policy to protect the security of the Company's information assets and ensure the smooth operation of information. This policy is designed to protect the Company's critical information assets such as data, information, equipment, people and networks, and ensure their confidentiality, integrity and availability, thereby reducing operational risks and maintaining the Company's good business reputation. Over the years, we have continuously improved the internal information security management mechanism, and conducted information security propaganda, staff education and training on a regular basis to strengthen employees' awareness and sense of responsibility for information security.

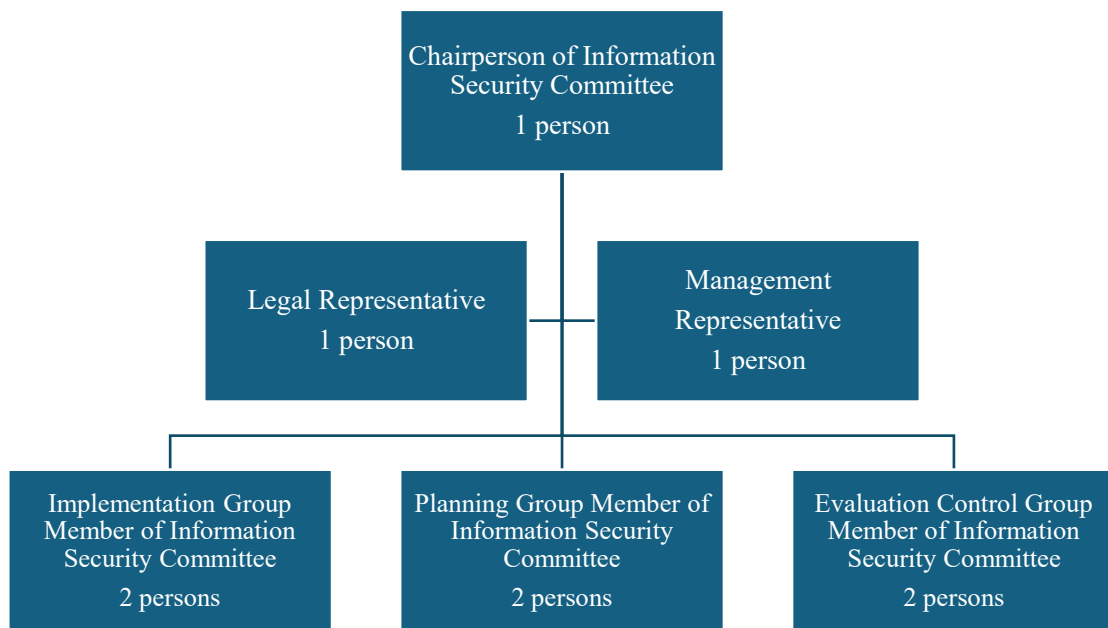
2. Execution of information security and risk management

The Company manages and executes information security by way of control and minimizing the information risk to a controllable level. Therefore, to prevent the leakage of significant confidential data, C SUN adopted measures as follows: Execute inventory inspections and risk evaluations on the information assets of all departments and adopt hierarchical authorization and management for information security authorizations; monitor internal information circulation by using the internal server built by the information department (including e-mails, departments' confidential data, and personal information of customers) and regular anti-virus software checks; ensure the data safety of external information circulation by using encryption software to prevent any leakage of information.

3. Information Security Inspection and Educational Training

The IT Department is dedicated to executing the report and assistance in emergency management for information security events and the organization of our fellow colleagues in different departments to participate in information security training. Apart from training related to basic information security for new employees upon joining the Company, the Company also has programs related to information security issues (such as the notice for e-mail sending and receipt, use procedures for encryption software, and management of departmental confidential data) and employee training provided by the cooperating external professional lecturers, so as to improve the response abilities of information security management of all departments. The Information Department possess a relevant auxiliary control platform for relevant systems to make instant reports and facilitate the processing of emergencies via systematic tools, ensuring the realization of information security and its introduction into the daily operations.

4. Structure of Information Security Committee



Information Policy Management

Formulate the Company's information security policies.

Formulate the Company's information management policies.

Management of information security

Regulate and restrict computer devices through various information security products according to information security policies.



Assist the Planning Group in assessing policy feasibility and monitor alignment between Execution Group records and management reports.
Record Feedback
Record feedback is submitted to supervisors of departments, chairman of Information Security Committee, and General Manager.

Regularly provide information records to supervisors. Notify the Planning Group, Evaluation and Control Group, and Chairperson of abnormal behaviors.

5. Information security statement

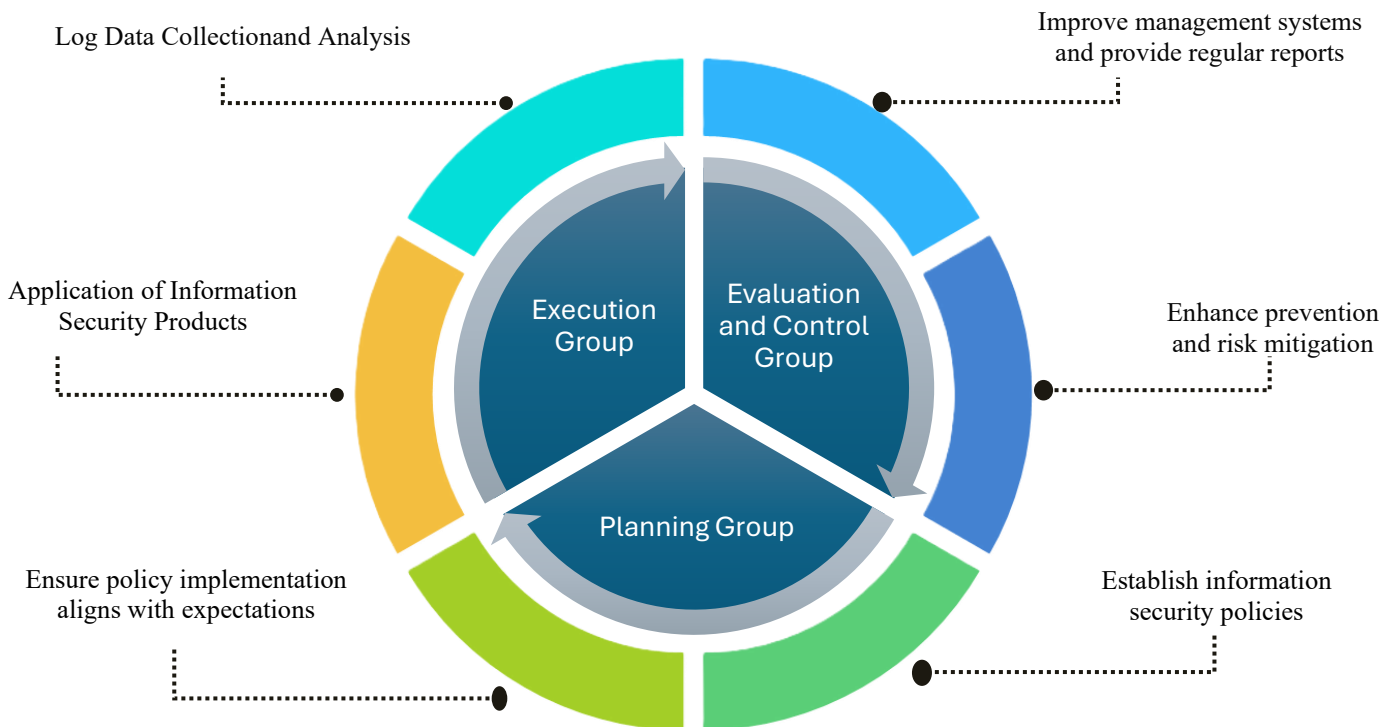
- The Company has been committed to strengthening information security management, and promoting the concept of "everyone is responsible for information security".
- By safeguarding the confidentiality, integrity and availability of customer data and colleague data, we can ensure the total security of the data processing process.

- Secure, stable and efficient information services shall be provided to maintain the market competitiveness of C SUN, and safeguard the interests of customers and partners.

6. Information security governance process



7. Information security strategies



8. Information Security Education and Training

- Every year, the Company will carry out company-wide information security social engineering drills and information security educational training.
- Every month, the Company will report and provide recent information security news and information security events on the Company's internal web portal at the Company's monthly internal meeting, with all these measures aiming to increase employees' awareness of information security and strengthening their attention to information security. A total of 12 monthly information security briefings were held in 2024.

- The one-month information security month will be held every year, and November 2024 will be C SUN Information Security Month. During this month, there will be internal fishing email campaigns, information security propaganda and related drills in the form of test questions; under the effects of drills and propaganda, relevant risks can be cut down, and the Company's rights and interests can be safeguarded anywhere at any time.
- Through the dual effects of drills and promotions, risks can be reduced, and the Company's rights and interests can be safeguarded at all times.

9. Information Security Maintenance

- Information security protection software is deployed on the Company's computers.
- Anti-virus software is deployed on the Company's computers.
- Internal and external traffic monitoring software is implemented.
- External email filtering mechanisms are in place.
- Network firewall mechanisms are operational.
- Emergency response plans for information systems undergo irregular drills.
- 2024 C SUN Cybersecurity Health Check Report

The investments in the aforementioned information security maintenance items are listed in the table below:

		Unit: NT\$
Information Security Maintenance	Invested items	Amount
Information security protection software	TrustView	NT\$4.75 million
	Sentinel	
Anti-virus software	TrendMirco Apex One	
Inflow and outflow traffic monitoring software	L7 Traffice Controller	
Establishment of headquarters computer room and related mechanisms	Including firewall and email screening mechanism	

10. List any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to significant cybersecurity incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: No such situation;

VII. Social Responsibilities:

Since its establishment in 1966, C SUN has been dedicated to becoming the world-class leading equipment supplier for PCB, FDP, touch screen, and printing and coating industries. With the assistance of the "Sustainable Development Committee," the Company aims to pursue the maximum interest for employees, shareholders, customers, suppliers, and other stakeholders, fulfill its responsibilities as a corporate citizen, and attain sustainable corporate development.

Human Rights Protection for Employees

To fulfill corporate social responsibilities, protect the fundamental human rights of all employees and stakeholders, and prevent any human rights violations, C SUN complies with domestic and international labor laws and gender equality regulations while establishing human rights protection policies, labor policies and related implementation measures. C SUN adheres to internationally recognized human rights standards including the "United Nations Universal Declaration of Human Rights," "United Nations Global Compact," "United Nations Guiding Principles on Business and Human Rights," and "International Labour Organization" conventions by formulating work rules and personnel management regulations to safeguard employee rights. The Company legally convenes labor-management meetings, providing multiple communication channels for open dialogue between employees and management while promoting company policies, welfare measures and various activities to ensure employees' opinions are fully expressed and properly addressed. Human rights policies are also promoted during irregular new employee training sessions and monthly company-wide meetings.

➤ 2024 Achievements

Healthy and Safe Workplace: C SUN held four occupational safety and health committee meetings in 2024 to review and improve employee health and safety risks, aiming to create a zero-accident work environment.

Employee Autonomy and Associations: C SUN respects employees' freedom of association and has established associations such as the Caring Association, Badminton Association, and Yoga Association, providing employees with diverse learning opportunities.

Labor-Management Consultation: In 2024, the North Central Plant held eight labor-management meetings, strengthening effective communication between employees and management and advocating for company policies, benefits, and activities.

Diversity, Inclusion, and Equal Opportunities: C SUN is committed to providing a gender-equal and diverse work environment, emphasizing fair hiring, compensation, and promotion mechanisms. It has joined the Friendly Family Workplace Enterprise Alliance to create a friendly workplace that integrates family education into the workplace. Through diverse topic lectures, employees can learn conveniently at work, balancing their work and family needs.

No Child Labor: The company did not employ child labor in 2024 and complies with local laws, opposing all forms of child labor.

Compliance with Minimum Wage and Reasonable Working Hours: In 2024, the company's wages for all employees exceeded the minimum wage standard set by the Labor Standards Act and provided reasonable working hours.

➤ 2024 Employee Data

Total Employees: 423, with 95% being full-time employees.

Gender Ratio: 76% male and 24% female.

Age Distribution: 63% of employees are between 31 and 50 years old, 23% are under 30 years old, and 14% are over 50 years old.

Diverse Workforce: In 2024, C SUN had 4 employees with disabilities, 1 indigenous employee, and 7 foreign employees, with an average service tenure of over 2 years.

Talent Attraction and Retention

C SUN operates under the principle of maintaining a comfortable and convenient work environment that balances employees' work and family life. It provides various welfare activities, comprehensive and superior insurance systems (including life insurance, accident and injury insurance, medical insurance, and work injury compensation insurance), and childcare services. Based on the Employee Welfare Fund Regulations, a Employee Welfare Committee is established to formulate more comprehensive welfare measures for employees, prioritizing the well-being of every member of the C SUN family. The Employee Welfare Fund handles various welfare matters, such as marriage and funeral benefits, festival gifts, childbirth, hospitalization, and disaster relief, and organizes employee travel activities.

➤ C SUN's 2024 Employee Welfare Project Achievements

Item	Welfare Content	Actual Number of Users in 2024	Investment Amount (NTD)
Education Scholarship for Employees and Their Children in School	Employees or children with excellent academic performance receive scholarships ranging from NT\$500 to NT\$2,500 based on their educational level.	328	364,500
Marriage Allowance	Employees can apply for NT\$8,000 when they get married.	4	32,000
Childbirth Allowance	Employees or their spouses can apply for NT\$3,600 per birth (NT\$7,200 for the third child or more)	6	32,400
Funeral Allowance	NT\$30,000 for the employee's death; NT\$15,000 for the death of parents, spouse, or children.	7	105,000
Illness and Injury Condolence Allowance	NT\$800 gift when the employee is hospitalized.	7	5,600
Disability Condolence Allowance	NT\$1,000 to NT\$5,000 for employees who become disabled due to work.	0	0
Emergency Relief Allowance	Up to NT\$30,000 for employees who experience unexpected major losses.	0	0

Item	Welfare Content	Actual Number of Users in 2024	Investment Amount (NTD)
Birthday Gift Voucher	NT\$1,200 gift voucher for employees' birthdays.	405	486,000
Childbirth Reward Allowance	For employees with 3+ years of tenure: NT\$80,000 for the second child, and NT\$200,000 for the third child or more.	1	200,000

➤ C SUN's Childcare-Friendly Measures

To encourage and support employees in raising the next generation, C SUN grants the right to maternity/paternity leave with salary suspension.

The Company assists employees in processing such leave according to the *Labor Standards Act*, the *Gender Equality in Employment Act*, and the *Implementation Measures for Maternity/Paternity Leave with Salary Suspension*.

- In 2024, four employees applied for maternity/paternity leave, with four expected to return to work and two actually returning, achieving a 50% return-to-work rate.
- C SUN emphasizes gender equality, offering not only maternity/paternity leave but also postpartum childcare protections.
- The Company has established lactation rooms for female employees to create a comfortable work environment, enabling staff to balance work and family responsibilities.
- Flexible Working Hours: Allow employees to apply for special-case flexible start/end times to better accommodate childcare needs.
- Family Support Services: Provide information on contracted childcare facilities to assist employees in making multiple choices.
- Childbirth Reward Allowance: Under specific tenure conditions, the Company offers childbirth reward allowances to cover childcare expenses. (For employees with 3+ years of tenure: NT\$80,000 for the second child, NT\$200,000 for the third or subsequent children).

Talent Cultivation and Growth

We believe that talent is the most important asset of the Company. The Company is committed to creating a platform for every employee to shine and work with them to plan their career paths.

➤ Our Policies and Commitments

- Dual-Track Promotion System: We offer a dual-track promotion system for both professional and management positions, along with relevant training and study support.
- Training Fund Support: The Company provides funding for professional training and development programs to enhance employees' professional skills.
- Advanced Management Training: The company offers scholarships for EMBA programs and other advanced management training to help senior managers broaden their management perspectives.

➤ Our Goals and Performance

- Short-Term and Mid-Term Goals: Train 30% of employees annually, achieve 80% employee satisfaction, cultivate at least 10 middle-management talents each year,

- and hold at least two large-scale training events annually.
- Long-Term Goals: At least 50% of employees will be promoted internally each year.
- 2023 Performance: Total training hours: 8,064 hours, 70% of positions filled by internal employees. Average training hours: 17.85 hours, with a total of 383 employees participating.
- 2024 Training and Development Statistics
 - Training Hours: Average training hours for males: 17.85 hours, for females: 24.55 hours. Training hours have increased year-on-year over the past three years.
 - Major Training Programs: New employee training, manager training, project management, and stress management courses.

Social participation

For years, C SUN has upheld the philosophy of "giving back to society what we have gained from it" with a spirit of gratitude. We regularly support social organizations and academia, sponsoring groups such as the Taiwan Foundation for Rare Disorders, Taiwan Fund for Children and Families, Hsiang Shang Social Welfare Foundation, Zenan Homeless Social Welfare Foundation, Happy Mount Colony, and Bail Ai-Hsin Home For Persons With Disabilities. We also participate in support groups for charitable institutions. Except for donations to the vulnerable, even in the year of 2021 when the epidemic was raging, we still joined the epidemic prevention team, and, together with Honour Glow Trading Co., Ltd., jointly donated 30,000 sets of protective hats and shoe covers, 6,000 sets of goggles, and 5,000 pieces of eye masks to the Taipei City Police Department, and provided assistance to the police firefighting department; provided 200 pieces of protective isolation suits to Formosa Cancer Foundation, subscribed a testing station set up in the Taipei Medical University Hospital, and collaborated with SEMI, and TSMC Charity Foundation to participate in the zero-contact sampling station fundraising plan, and did our best in all sectors of industry, government and academia.

We spare no effort in industrial talent cultivation. Over the years, we have cooperated with National Taiwan University, National Tsing Hua University, Feng Chia University, Ming Chi University of Technology, and Chung Hsing University in four major aspects: "school-industry cooperation and internships," "academic research cooperation," "scholarships and grants," and "campus tour lectures". Our goal is to cultivate exceptional talent for the industry. Meanwhile, senior executives of the Company concurrently act as lecturers at universities to exert their spirits as industry teachers, pass down industrial experiences, and minimize the gap between education and actual practices.

We prioritize character education. We sponsored the baseball team of Chung-Ping Elementary School to ensure the learning environment and resources of youth athletes, encourage youth in Taiwan to step onto the international stage, and nurture the future star in the international arenas. Furthermore, the Company also adopts internal actions to support cultural and art activities, promote the volunteer culture, and provide information and channels for all our fellow colleagues to participate in social welfare activities, so as to cultivate its premium corporate culture with our fellow colleagues showing gratitude and providing mutual help.

In 2024, our investment achievements are as follows:

- We continued our participation in the ESG World Citizen Digital Governance Foundation,

- promoting the concept of world citizenship and children's literacy education under the spirit of "Spreading Universal Goodness and Walking Together as World Citizens," aiming to enhance Taiwanese people's identification with world citizenship and achieve mutual benefit for all countries and the world.
- We donated to the Riverside Care for Single-Parent Families Association to comfort the wounded hearts of single parents, help them face difficulties, adapt to new lives, and rebuild self-esteem and confidence. Simultaneously, we cared for and supported single parents and their children, assisting them in establishing healthy family lives so they would not lose support when facing family changes.
 - We contributed to the Dream House Education Foundation, aligning with its original intention of "Providing children with a home-like warmth, helping them find their dreams and life direction," and invested in academic tutoring for disadvantaged youth in urban areas.
 - We provided feedback to the Taiwan Cancer Clinical Research Development Foundation, supporting its efforts to make cancer prevention and treatment a part of daily life and localized, thereby reducing the cancer incidence rate, while also offering the most convenient cancer medical and consultation services.
 - We sponsored the Carbon Reduction Green Life Together event organized by the Taiwan Printed Circuit Association (TPCA), promoting environmental public welfare and health popularization activities.
 - We donated to the Printed Circuit Board Environmental Public Welfare Foundation (TPCF) for its participation in the 2024 SDGs Week EXPO in Japan, enabling it to understand the latest trends in next-generation environmental technologies, products, services, corporate social responsibility activities, environmental protection activities, environmental policies, and industry-academia-government collaboration.
 - We sponsored the Republic of China Mechanics Society Annual Meeting and the 48th National Mechanics Conference and the 3rd International Mechanics Conference (CTAM 2024), fostering cooperation and exchange between academia and industry.
 - We donated to the Tsinghua DIT team, supporting local students in participating in the European Robotics Competition, and co-organized the "G2C+ Alliance x Tsinghua University Robotics Dream Experience Camp," where students and children of corporate employees learned from each other, creating value in science education.
 - We donated to the Taiwan University College of Engineering Academic Advancement Award, encouraging full-time faculty members to enhance their academic career achievements.
 - We also donated to the Taiwan University College of Engineering Graduate Dean's Award, recognizing faculty and students dedicated to research, producing excellent R&D results, and bridging the gap between school and industry talent needs, thereby helping students transition to the workplace.
 - We provided feedback of NT\$ 1 million per year for a total of 5 years, assisting in the renovation of the old building of the National Taiwan University Chemical Engineering Department, revitalizing the old building to continue serving campus students.
 - C SUN signed a team innovation incentive program with Feng Chia University, starting from 2022, with a 5-year NT\$ 5 million development fund to assist Feng Chia in conducting carbon neutrality surveys and energy-saving device development research, building teams from the school, and implementing industry talent cultivation through diverse innovative activities, becoming a force for net-zero emissions.
 - We hosted the C SUN x Feng Chia Cup sports event, including donations for event expenses and competition prizes, providing a stage for campus students and industry professionals to maintain healthy habits.
 - We donated a shuttle bus to the Zhongping Elementary School baseball team, ensuring

- the spirit of character baseball remains alive and allowing the next generation of students to attend various competitions and realize their sports dreams.
- Additionally, we partnered with iCare to sponsor 6 students from the Lien Elementary School in West Africa, with an annual donation of NT\$ 36,000 in aid.

Domestic Cultural Development

The Company actively participates in the layout of the cultural and creative industries and strongly supports domestic cultural and artistic organizations in hosting performances and activities. It recognizes that any society primarily composed of humans requires cultivation, as moral refinement, purification of mindset, and correction of perspectives can prevent individuals or groups from becoming materialistic or decadent, thereby opening up positive pathways and enhancing the quality of life for individuals or groups.

➤ Support for Domestic Cultural and Artistic Organizations

The *Don't Cry, Dancing Girls* created by Yueyan Performance Theatre has been well-received in Taiwan by both the market and professionals, showcasing Taiwan's cultural landscape to the world and contributing to the development of musical theatre environment. In this regard, the Company donated NT\$3,000,000 in 2024 to present "What is Taiwan" through the medium of musical theatre, aiming to transcend national boundaries in cultural exports, gain recognition and resources for domestic cultural and artistic organizations in Taiwan, and fully promote domestic culture.

The Chinese Musicians Communication Association, established on May 4, 1996, is a civil organization founded by Taiwanese music professionals. The Company resonates with the Association's long-term encouragement of outstanding works in the pop music industry and actively sponsors its planned Fiftieth Anniversary Folk Songs Concert at Taipei Xiaojudang from February 14 to 16, 2025, totaling NT\$500,000. From a cultural and historical perspective, the folk song creation trend spurred the flourishing era of the entire Chinese pop music scene. The Company hopes to fulfill corporate social responsibility by supporting domestic cultural and artistic activities and preserving cultural treasures.

➤ Encouraging Reading to Enhance Social Cultural Substance

To promote reading and support literary publishing, the Company actively purchases and donates books. Additionally, given the difficulty in promoting the traditional "philosophy of life," the Company collaborates with the Dejian Academy Cultural and Educational Foundation to purchase and donate sixteen copies of *China Reconnects*, totaling NT\$127,000.

The *WAVES Lifestyle & Arts Magazine* was launched to contribute to cultural continuity, uphold media social responsibility, restore neglected journalistic integrity, redefine contemporary values, and perpetuate traditional virtues. The Company purchased 50 copies of the *2024 Spring Issue of WAVES Lifestyle & Arts Magazine* for Rotary Club members, promoting globally minded literary publications, totaling NT\$11,200.

➤ Supporting Cultural and Artistic Creators

Mr. Ching Nung Tai, who chaired the Department of Chinese Literature at National Taiwan University for twenty years starting in August 1948, significantly elevated the department's stature. The Company purchased 10 copies of the expanded edition of "Mr. Ching Nung Tai's 120th Birth Anniversary Commemorative Album," totaling

NT\$26,650.

The Company supported local author Chung Pin Lin by donating copies of "*Years of Sword and Flowers (Revised Edition): Chung Pin Lin's Mundane Essays*" to Rotary Club meetings, totaling NT\$20,280.

The Company sponsored renowned fashion photographer Chih Ming Chang with NT\$95,238 for his photography collection "Divine Realm," which captures the beauty of Taiwan's sacred cedar forests in Yilan - the largest such area in Asia - through corporate naming rights.

VIII. Material Contracts: None.

Chapter 5 Review and Analysis of Financial Position, Operating Results, and Risk Management

I. Financial Position Analysis

Unit: NT\$ Thousand

Item \ Year	2024	2023	Difference	
			Amount	%
Current assets	6,251,277	4,746,933	1,504,344	32
Property, plant and equipment	1,059,732	776,634	283,098	36
Other assets	3,461,485	2,480,661	980,824	40
Total assets	10,772,494	8,004,228	2,768,266	35
Current liabilities	3,145,172	2,950,489	194,683	7
Long-term liabilities	2,376,534	1,639,160	737,374	45
Total liabilities	5,521,706	4,589,649	932,057	20
Share capital	1,567,553	1,567,553	-	-
Capital reserve	408,334	274,026	134,308	49
Retained earnings	1,587,739	1,312,925	274,814	21
Other interests	1,818,107	360,209	1,457,898	405
Treasury shares	(524,329)	(425,511)	(98,818)	23
Total shareholders' equity	5,250,788	3,414,579	1,836,209	54
Analysis and explanations of the variation in ratios for the latest two years:				
1. Increase in Current Assets: due to the rise in cash and cash equivalents, financial assets measured at fair value through other comprehensive income (current), and inventory.				
2. Increase in Other Assets: due to the growth in investments accounted for using the equity method.				
3. Increase in Property, Plant, and Equipment: due to the acquisition of property, plant, and equipment.				
4. Increase in Long-term Liabilities: due to the rise in long-term borrowings.				
5. Increase in Capital Reserve: due to treasury stock transactions.				
6. Increase in Retained Earnings: due to the transfer of net profit for the current period.				
7. Increase in Other Equities: due to the increase in unrealized gains and losses on financial assets measured at fair value through other comprehensive income.				
8. Increase in Treasury Shares: due to the repurchase of the Company's shares during the current period.				

II. Analysis of Operating Results

(I) Table of Comparative Analysis of Operating Results

Unit: NT\$ Thousand

Item \ Year	2024	2023	Increase/ (decrease) amount	Change proportion (%)
Net operating revenue	4,818,209	3,625,801	1,192,408	33
Operating costs	(2,835,109)	(2,119,643)	(715,466)	34
Operating expenses	(1,347,104)	(1,103,502)	(243,602)	22
Operating gains	635,996	402,656	233,340	58
Non-operating gains or losses	343,568	181,376	162,192	89
Net profit before tax	979,564	584,032	395,532	68
Income tax expenses	(222,989)	(53,911)	(169,078)	314
Net profit for the period	756,575	530,121	226,454	43
Analysis and explanations of the variation in ratios for the latest two years:				
1. Increase in Non-operating Income and Expenses: due to the rise in gains from financial assets measured at fair value through profit or loss, gains from the disposal of investments, and gains from foreign exchange.				
2. Increase in Other Items: due to the increase in net operating revenue in the year 2024, leading to higher operating profit, pre-tax profit, income tax expense, and net profit after tax.				

(II) Expected Sales Volume and Its Basis

With crucial core technologies, the Company expands its product portfolio, and establishes the annual sales target with considerations given to the planning for each business segment based on its past operating performance.

(III) Potential Effects on the Company's Financial Operations in the Future and Countermeasures

The Company will reinforce its product portfolio, expands its market share, and improve Company's profitability according to the future changes in the industry. Our business is likely to record a continual grow in the future, and our financial position is healthy.

III. Cash Flows

Table of Review and Analysis of Cash Flows

Analysis of Cash Flows

Unit: NT\$ Thousand

Cash balances at the beginning of the year ①	Net cash flows from operating activities throughout the year ②	Net cash flows from investing and financing activities throughout the year ③	Remaining amount in cash ①+②+③	Remedial measures for expected cash shortfall	
				Investment plan	Financing plan
1,432,549	873,953	(375,799)	1,930,703	-	-

(I) Analysis of Changes in Cash Flow for 2024:

The Company's net cash increased by NT\$498,154 thousand in 2024 as compared with 2023. The changes in cash flow from various operating activities are as follows:

- (1) Decrease in Net Cash Inflow from Operating Activities: NT\$114,135 thousand
- (2) Increase in Net Cash Outflow from Investing Activities: NT\$20,207 thousand
- (3) Decrease in Net Cash Outflow from Financing Activities: NT\$472,735 thousand

(II) Liquidity Analysis of Cash Flows for the Past Two Years:

Item \ Year	2024	2023	Increase/ (decrease) ratio
Cash flow ratio	27.79%	33.49%	(17.03)%
Cash flow adequacy ratio	115.48%	125.95%	(8.31)%
Cash reinvestment ratio	5.36%	7.94%	(32.52)%
Analysis and explanations of changes in the Increase/ (decrease) ratio:			
1. Analysis and explanations of changes in the Increase/ (decrease) ratio: Primarily due to the reduction in net cash inflow from operating activities in 2024.			
2. Improvement plan for insufficient liquidity: Not applicable.			

(III) Cash Liquidity Analysis for the Next Year:

Unit: NT\$ Thousand

Cash balances at the beginning of the year ①	Estimated net cash flows from operating activities throughout the year ②	Net cash flows from investing and financing activities throughout the year ③	Estimated remaining amount in cash ① + ② + ③	Remedial measures for expected cash shortfall	
				Investment plan	Financing plan
1,930,703	484,500	(460,186)	1,955,017	-	-

IV. Effects of Significant Capital Expenditures on the Financial Operations for the Latest Year: Not applicable.

V. Investment policy for the most recent year, the main reasons for profit or loss, improvement plan and investment plan for the coming year

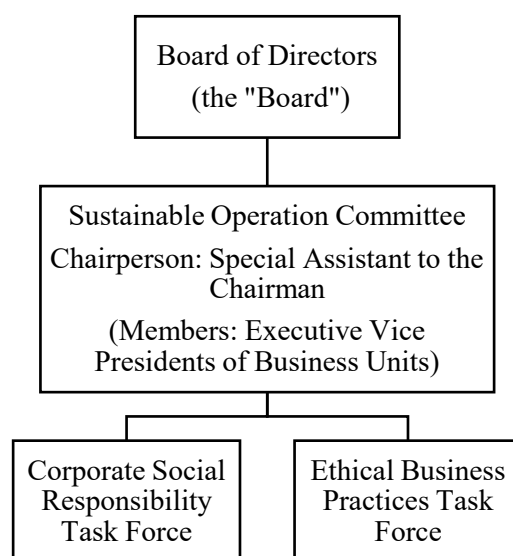
Item Description	Net Income (Loss) for the Period (Note)	Policy	Major reasons for profit or loss	Improvement Plan	Other future investment plans
CSUN(B.V.I.)	NT\$238,806 thousand	Focus on the Chinese market and establish strategic alliance relations.	Primarily derived from C SUN's subsidiaries C SUN Technology (Guangzhou) Co., Ltd. Suzhou Top Creation Intelligent Machines Co., Ltd.	None	Subject to the capital requirements of the target company of the investment

Note: The above investment is an investment with an amount exceeding 5% of the Company's paid-up capital for the year.

VI. Risk Management and Evaluation

(I) Organizational Structure of Risk Management:

To improve CSR and allow the Company's sustainable operations and development, the Company established its Corporate Sustainability Committee in 2017 to be responsible for matters related to CSR, corporate governance, and ethical management. The Committee reports to the Board regarding the execution status and results annually. The organizational chart of the Company's Sustainability Committee is as follows:



- (II) The effect upon the Company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

1. Interest rate fluctuations:

The Company regularly evaluates borrowing interest rates of banks and frequently contacts banks to acquire preferential borrowing interest rates.

Item	2024 annual amount (NT\$ thousand)	Ratio to 2024 operating revenue (%)
Interest expense	52,208	1.08%

2. Exchange rate fluctuations:

Regarding the countermeasures, the Company estimates its future cash flows and pre-sale/purchase forward currencies or directly sells/purchases foreign currencies in the spot market for the net positions for hedging.

3. Inflation:

Inflation has no significant effect on the Company. Furthermore, the quotation provided by the Company to customers and suppliers is mostly subject to flexible adjustments due to the market; therefore, it imposes limited effects on the Company's profit or loss. The Company keeps abreast of the volatility of market prices. At present, there is no immediate significant effect arising from inflation.

- (III) Policies for engaging in high-risk or high-leverage investments, loans to others, endorsement and guarantee, and derivative transactions, primary reasons for gains or losses, and future countermeasures:

1. The Company made investments after due evaluations. Furthermore, the investments are subject to the approval authorization set out in the "Procedures for the Acquisition and Disposal of Assets." The Company has not engaged in matters of high-risk or high-leverage investments. For this year, the company had not engaged in any high-risk or high-leverage investment, and the investment projects were duly evaluated and submitted to the Board for passing.
2. Targets for loans and endorsement and guarantee are primarily subsidiaries and sub-subsidiaries of the Company, and such matters shall be subject to the requirements under the Company's "Procedures for Loans to Others" and "Procedures for Endorsement and Guarantee."
3. The engagement in derivative transactions shall be subject to the requirements under the Company's "Procedures for Engaging in Derivative Transactions." The Company purchase and sells forward currency contracts to avoid the risk of currency changes for liabilities denominated in foreign currencies and had not engaged in derivatives for investment purposes.

- (IV) Research and development work to be carried out in the future, and further expenditures expected for research and development work:

For details on R&D status, please refer to "3. Technology and R&D Overview, I. Scope of Business, Chapter 5. Business Overview", it is estimated that the R&D expenses of the Company for 2025 shall be NT\$303,907 thousand. The primary factors affecting the success of R&D in the future are the capacity of our R&D team and our understanding of market information. As the Company has established its Technology Committee to be responsible for coordinating the R&D strategies of the Company's future products and the constant improvements of R&D staff's quality in recent years, new product development associated with the future industrial changes would continue to be developed.

- (V) Effect on the Company's finance and business of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

The Company complies with the amendments to significant policies and laws related to corporate governance, the Company Act, the Securities Exchange Act made by competent authorities. Furthermore, the Company's management observes and attaches attention to changes in domestic and foreign significant policies and laws at all times and actively proposes countermeasures in due course; therefore, there is no significant effect on the Company's financial operations.

- (VI) Effects of changes in technologies (including cybersecurity risks) and industries on the Company's financial operations and countermeasures:

In recent years, the Company has been actively participated in the Science and Technology R&D Project by the Ministry of Economic Affairs, committed to the R&D and innovation of high-end technologies, and kept abreast the industry development at all times; therefore, there is no significant effect on the Company's financial operations.

- (VII) Effect on the Company's crisis management of changes in the Company's corporate image, and measures to be taken in response:

The Company has adhered to the ethical operating principles and its participation in social responsibilities. It has maintained a healthy corporate image and risk control for years; currently, there is no foreseeable possibility of crisis.

At present, C SUN MFG. is listed on TWSE that is supervised by the competent authority, and the Company strictly adheres to laws and regulations; therefore, the Company possesses a healthy corporate image.

- (VIII) Expected benefits and possible risks arising from mergers and acquisitions and countermeasures: As of the date of publishing the Annual Report, the Company had no merger plan.

- (IX) Expected benefits and possible risks associated with plant expansions and countermeasures:

In response to the future development of the industry, the Company had purchased a piece of land in East China and set up a plant to replace the plant that we rented for a long time. The Company had made plans and control on capital requirements and utilization; upon evaluation, there shall be insignificant risks.

- (X) Risks arising from concentrate sales or purchases and countermeasures:

The scope of industries that the Company makes sales include electronics, semiconductor, LCD, PCB, and printing and coating industries. Except for continuing to focus on our existing customers, the Company also actively explores new customers.

- (XI) Effects of significant transfers of or changes in equity by directors or top ten major shareholders with over 10% shareholding on the Company, risks, and countermeasures:

As of the date of publishing the Annual Report, there are no such circumstances.

- (XII) Effects of changes in the Company's ownership, risks, and countermeasures:

As of now, there have been no significant changes in the Company's ownership.

- (XIII) Handling of litigation or non-litigation matters:

As of the date of publishing the Annual Report, there are no such circumstances.

- (XIV) Cybersecurity risk evaluation and analysis, countermeasures, and significant risk evaluations:

Please refer to Section IV, Operational Overview, VI. Cybersecurity Management in this annual report;

- (XV) Other significant risks and countermeasures:

As of the date of publishing the Annual Report, there are no such circumstances.

VII. Other significant risks: As of the date of publishing the Annual Report, there are no such circumstances.

Chapter 6 Special Matters

- I. Information on Affiliates: Please refer to the "Section of Affiliate Reports" on the Market Observation Post System;**
- II. Private Placement of Securities During the Recent Fiscal Year and Up to the Annual Report Publication Date: None.**
- III. Shares of the Company Held by or Disposed of by Subsidiaries for the Latest Year and as of the Date of Publishing the Annual Report: None.**
- IV. Material Events Under Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act Affecting Shareholder Equity or Securities Prices During the Most Recent Year and Up to the Annual Report Publication Date: None.**
- V. Other Matters of Supplements and Explanations Required: None.**