

LCYtech.

李長榮科技

2024 ANNUAL REPORT

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

Company Website: <https://lcyt.lcycic.com/>

Printed on March 31, 2025



I. Address and telephone number of the headquarter and branch

Headquarters

Address: 5th Floor, No. 83, Section 4, Ba De Road, Songshan District, Taipei City

Tel: 886-2-2763-1611

Manufacturing Site

Address: No. 3-1, Zhonglin Road, Xiaogang District, Kaohsiung City

Tel: 886-7-871-1291

II. Spokesperson

	Spokesperson	Deputy Spokesperson
Name	Liu, Chia He	Tsai, Meng Hsiu
Position	General Manager	Chief Financial Officer
TEL	886-2-2763-1611	886-2-2763-1611
e-mail	lcyt@lcygroup.com	lcyt@lcygroup.com

III. Share transfer handling agency

Name: Agency Department, CTBC

Address: 5F., No. 83, Chongqing S. Rd., Sec. 1, Zhongzheng District, Taipei City

TEL: 886-2-6636-5566

Website: <https://ecorp.ctbcbank.com/cts/index.jsp>

IV. The certified public accountant who duly audited the annual financial report for the most recent fiscal year

Name of CPAs: Kuo, Wen-Chi , Liu Chien-Liang

Name of accounting firm: Deloitte Taiwan

Address: 20F., No. 100, Songren Rd., Xinyi District, Taipei City

TEL: 886-2-2725-9988

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

V. Name of any exchanges where the company's securities are traded offshore, and the method by which to access information on said offshore securities: None.

VI. Website of the Company: <https://lcyt.lcycic.com/zh>

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I. Letter to Shareholders

Dear Shareholders,

The Company's business overview in 2024 is reported as follows:

1. Business and Profit & Loss Overview

The Company is mainly engaged in the production of electrolytic copper foil. Copper foil is an indispensable material in the copper-clad laminates and printed circuit boards industry, and it is difficult to replace it with other materials.

Based on past experience, the global PCB output value's growth rate is approximately 4% to 5% on average. Benefiting from the dual effects of 5G communication technology and robust global economic activity, the PCB industry delivered outstanding performance for two consecutive years in 2020 and 2021. However, the global economy and demand always follow cyclical patterns. Concerns about an economic slowdown began to emerge in early 2022, and by year-end, terminal demand had indeed weakened significantly. Under the continuous negative factors of international conflicts, high inflation, and high inventory levels, 2022 witnessed a shift from prosperity to decline in demand. Starting from 2023, after experiencing supply chain disruptions during the pandemic and semiconductors becoming strategic materials, major countries have successively introduced policies to strengthen supply chains, and the industry's growth rate is expected to return to its long-term average level.

However, with the confirmed cancellation of ECFA tariff preferences in June 2024, price-cutting competition from China, and electricity price increases, Taiwan's copper foil industry also faces challenges in the second half of 2024.

Unit: Ton				
Electrolytic copper foil	2023	2024	Comparison of Increase (Decrease)	Percentage Increase (Decrease)
Production Volume	9,771	8,056	(1,715)	(17.55)
Sales Volume	9,969	7,795	(2,174)	(21.81)

In 2024, the Company's consolidated operating revenue was NT\$2,993,614 thousand, consolidated gross loss was NT\$253,138 thousand, consolidated net loss after tax was NT\$305,228 thousand, and consolidated basic loss per share after tax was NT\$2.22.

2. Research and Development

With the rapid development of automotive electronics, 5G, and other end-product applications, requirements for high-frequency interference and high-speed transmission have become increasingly stringent in 2024. Therefore, regarding raw materials, there is a need for reverse-treated copper foil with thinner thickness and lower roughness. We have already developed a series of reverse-treated foil products, among which PK-HTE-2RT can be used for high-speed multilayer fine-line circuit boards and has been verified and approved by customers. It can also be used for high-frequency signal transmission boards (such as automotive collision avoidance radar, GPS safety systems, and servers) and the high-end flexible circuit board market.

In addition to continuously deepening our presence in the existing market for electrolytic copper foil needed for copper clad laminates and printed circuit boards, we have also developed and invested in: (1) ultra-low roughness reverse-treated copper foil (PK-HTE-2RT), (2) 8 μm PK-HTE-LP3 ultra-thin copper foil, and (3) ultra-low roughness double-sided shiny copper foil (HVLP-4, HVLP-5) for big data transfer and low-loss applications.

To increase its revenue and profit, the company has been focusing on the development of high value-added products and increasing the revenue proportion of niche products. We are also committed to reducing the production of process waste, highlighting our focus on ESG (environmental, social, and corporate governance).

3. Execution of Revenue and Expenditure and Profitability

(1) Revenue and Expense

Unit: NT\$ thousand

Item	2023	2024	Comparison of Increase (Decrease)	Percentage of Increase (Decrease) %
Sales revenue	3,557,969	2,993,614	(564,355)	(15.86)
Sales cost	3,598,751	3,246,752	(351,999)	(9.78)
Gross Profit (Loss) from Sales	(40,782)	(253,138)	(212,356)	(520.71)
Operating Expenses	140,729	155,008	(14,279)	(10.15)
Operating Income	(181,511)	(408,146)	(226,635)	(124.86)
Net non-operating revenue (expense)	15,020	99,391	84,371	561.72
Pre-tax Net Income (Loss)	(166,491)	(308,755)	(142,264)	(85.45)
After-tax Net Income (Loss)	(133,765)	(305,228)	(171,463)	(128.18)

(2) Profitability

Item	2023	2024
Return on total assets (%)	(4.47)	(11.60)
Return on shareholders' equity (%)	(5.83)	(14.73)
Ratio of operating profit to paid-in capital (%)	(13.17)	(29.62)
Net income pre tax to paid-in capital (%)	(12.08)	(22.40)
Net profit margin (%)	(3.75)	(10.19)
Earnings per share before tax (NT\$)	(1.21)	(2.24)
After-Tax Earnings Per Share (NT\$)	(0.97)	(2.22)

4. Summary of 2024 Business Plan

Looking back at the international political and economic situation in 2024, various perspectives consider this year to be a turning point for the global economy. Compared to a year ago, although the global economy shows some signs of recovery, unstable global geopolitics, the impact of monetary policies, and inflationary pressures remain the main risk factors, and Trump's victory in the US election on issues such as tariffs, corporate tax rates, and immigration may bring new risks to the global economy.

Furthermore, the green technology subsidy competition could escalate into a global trade war. Major economies such as the United States and Europe are implementing incentive measures to encourage companies to invest in clean energy technologies to achieve net-zero greenhouse gas emissions, while fiercely competing with China, the global leader in green technology production. Therefore, major international forecasting institutions believe that the global economic growth rate in 2025 will be slightly lower than in 2024, although global commodity trade is expected to recover, which should help stabilize Taiwan's foreign trade performance.

Additionally, with the great leap in the development of artificial intelligence (AI), the current mainstream of AI in cloud computing has sparked a wave of server business opportunities. Our company has formulated flexible strategies to respond to the global economic soft landing and the fermentation in the AI field. At the same time, we are cooperating with advanced Japanese companies to leverage synergies, developing special copper foils and high-end market specifications to increase product added value and sustainable stable operations. Our production process aims to save energy and reduce carbon emissions to meet international ESG trends and carbon neutrality requirements. We work closely with customers to jointly develop high-frequency and high-speed materials and product certifications, perfecting our product lines to meet the needs of end-product applications and market demands.

Furthermore, the company is strengthening operational resilience by integrating internal and external resource sharing, enhancing research and development, and improving manufacturing processes to achieve lean production. This will increase production efficiency and enable the manufacture of more high-quality products. The Company's annual operating target in 2025 is to produce 8,346 tons and sell 8,584 tons of electrolytic copper foil.

5. Future Outlook

The company adheres to the business philosophy of "integrity-based, quality-focused, customer satisfaction, profit creation, and employee care". It continues to develop new products, accurately grasping the needs of new-generation products, and inheriting its cost control policies as well as continuously increasing the production and sales ratio of niche products to expand its market reach. The company aims to provide customers with diverse and customized products, striving to become a benchmark enterprise for diverse copper foil products and achieve a win-win goal.

With the advantage of long-term good cooperative relationships with customers and collaborative development, the company's product specifications range from 8 μ m to 4oz, and it has developed special copper foils for printed circuit boards. The company is gradually developing products for end-use applications and obtaining certifications. It continues to maintain good relationships with customers and further develop potential markets.

In terms of our continuous ESG promotion, the company launched the "Carbon Footprint" program in 2022. Through third-party verification, it obtained the ISO 14607 Carbon Footprint Verification Statement and the UL 2809 certification for 100% recycled copper content. The company has previously obtained ISO 14001:2015 Environmental Management System Certification, ISO 50001 2018 Energy Management System Certification, and ISO 9001 2015 Quality Management System Certification. It has implemented lead-free and arsenic-free processes throughout its operations, complying with international environmental regulations such as RoHS, POHS, and REACH. The company has also obtained ISO 45001 2018 Occupational Health and Safety Management System Certification and CNS 45001 2018 Taiwan Occupational Health and Safety Management System Certification. It continues to promote company-wide environmental risk management, upholding its commitment and responsibility to safety, environment, and health as its basic requirements. In 2022, the company issued its first ESG report in the industry and is currently using green energy certificates in 2023.

In terms of corporate governance, the company adheres to integrity as the highest guiding principle for its operations. It has established the "Ethical Corporate Management Best Practice Principles", "Codes of Ethical Conduct", and "Ethical Conduct Guidelines" to avoid damaging the company's and shareholders' interests due to unethical behavior, improper benefits, or improper donations. The company has also established a whistleblowing system. Regarding the board structure, the Corporate Governance Best Practice Principles clearly stipulate the diversity policy and relevant capabilities for board members. The board comprises seven members

(including three independent directors) with extensive experience in operational judgment, accounting and financial analysis, risk management, industry analysis, international market perspectives, leadership, and decision-making abilities. They provide suggestions on long-term and short-term goals and operational development strategies, allowing them to fully utilize their professional functions.

Looking ahead, the external regulatory and overall business environment is becoming increasingly stringent, with intense external competition, high inflationary pressures, difficult declines in raw material prices, and no significant improvement in end-user demand. Additionally, geopolitical factors and trade barriers create uncertainties, posing short-term challenges. However, the company will adhere to steady and step-by-step operations, striving to maintain its existing advantages, enhance product and service quality, and continuously develop differentiated copper foil products. It aims to increase the revenue share of niche products and achieve sustainable operations.

Chairman:
Paul Chen

General Manager:
Liu, Chia He

Chief Accounting Officer:
Lee, Ling Chih

II. Corporate Governance Report

1. Information on the Directors, General Managers, Deputy General Managers, Assistant Managers, and Supervisors of Divisions and Branch Units

(1) Director

March 31, 2025; Unit: Share

Title	Nationality/ Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Note
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relationship	
Chairman	R.O.C.	LCY Chemical Corp. Representative: Paul Chen	—	2023/6/28	3 years	1997/1/10	85,339,392	61.94	85,339,392	61.94	—	—	—	—	—	—	—	—	—	—
	R.O.C.		Male 61 , 70	2023/6/28	Half a year	2022/12/23	—	—	4,895	0.004	—	—	—	—	1. Bachelor's Degree, Department of International Trade, Soochow University 2. Deputy General Manager, Assistant Manager of Business Department, and General Manager of LCY Technology Corp. 3. Manager of Operation and Enterprise Planning Office and Manager of Export Sales Department of LCY Chemical Corp.	Note 1	—	—	—	—
Directors	R.O.C.	LCY Chemical Corp. Representative: Sung, Ting Pang	—	2023/6/28	3 years	1997/1/10	85,339,392	61.94	85,339,392	61.94	—	—	—	—	—	—	—	—	—	—
	R.O.C.		Male 61 , 70	2023/6/28	3 years	2014/6/16	—	—	7,182	0.005	180	0.000	—	—	1. Master, On-the-Job Class, Operation and Management Department, National Chengchi University 2. Deputy General Manager of LCY Technology Corp. 3. Deputy General Manager of High-performance Plastics Business Division of LCY Chemical Corp.	Note 2	—	—	—	—
Directors	R.O.C.	LEE CHANG YUNG COMPANY, LTD.	—	2023/6/28	3 years	2020/6/24	1,095,538	0.765	1,095,538	0.765	—	—	—	—	—	—	—	—	—	—

Title	Nationality/ Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Note
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relationship	
	R.O.C.	Representative: Pan, Li Lin Resigned on October 27, 2024	Female 61 , 70	2023/6/28	3 years	2020/6/24	—	—	—	—	—	—	—	—	1. Doctor Class of Finance Management Institute of National Sun Yat-sen University 2. Head of the Enterprise Operation and Planning Office, Finance Division, LCY Chemical Corp. 3. Senior Fund Manager of International Opportunities Fund 4. Senior Manager of Investment Department, Finance Center of Yuen Foong Yu Paper Manufacturing Group	—	—	—	—	
	R.O.C.	Representative: Lee, Chi Chih Assumed the post on February 03, 2025	Male 61 , 70	2025/2/3		2025/2/3									1. Department of Chemical Engineering, National Cheng Kung University 2. Chief Operating Officer, PP Division Vice President, Dashe Plant Manager of LCY Chemical Corp. 3. Chairman of Taiwan Responsible Care Association 4. PP/HDPE Plant Manager of CNOOC Shell Petrochemicals (Huizhou, Guangdong)	—				
Directors	R.O.C.	Wei, Cheng Chen	Male 61 , 70	2023/6/28	3 years	1994/1/10	—	—	—	—	—	—	—	—	1. Enterprise Management Department of Fu Jen Catholic University 2. Director, Spokesperson, Head of Finance and Accounting of LCY Chemical Corp.	Note 3	—	—	—	—
Independent Director	R.O.C.	Liu, San Chyi	Male 71 , 80	June 28, 2023	3 years	August 21, 2017	—	—	—	—	—	—	—	—	1. Accounting Department, Soochow University 2. Chairman, Kaohsiung Rapid Transit Corporation 3. Independent Director of LCY Chemical Corp. 4. National Policy Advisors to the President of Taiwan 5. Controller, Directorate General of Budget, Accounting and Statistics, Executive Yuan	Chairman, Hwa Hsia University of Technology	—	—	—	—

Title	Nationality/ Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Note
							Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relationship	
															6. Head of Department of Accounting, Ministry of Education Taiwan 7. Vice President of Fo Guang University and Chair Professor of the Department of Management					
Independent Director	R.O.C.	Tu, Wei Hua	Male 71 , 80	June 28, 2023	3 years	August 21, 2017	—	—	—	—	—	—	—	—	1. Bachelor, Department of Accounting and Statistics, National Cheng Kung University 2. General Manager/CEO of TSRC Corporation 3. General Manager of Shen Hua Chemical Industrial Co., Ltd. 4. Representative of Juristic Person Chairman of EZSWAP NETWORKS TECHNOLOGY CO., LTD.	Representative of Juristic Person Chairman of TSOU SEEN CHEMICAL INDUSTRIES CORPORATIO.	—	—	—	—
Independent Director	R.O.C.	Peng, Yu Min	Male 61 , 70	June 28, 2023	3 years	June 28, 2023	—	—	—	—	—	—	—	—	1. PhD in Materials Engineering, University of Manchester, UK 2. Vice President of Industrial Technology Research Institute	General Strategy Advisor of Jin Join Rone Technology Corporation Ltd.	—	—	—	—

Description: Shareholding ratio less than three decimal points shall be represented by “0.00”, and not holding any shares be represented by “-”.

Note 1: (1) Representative of juristic person director of Formosa Copper Technology Corporation. (2) Representative of juristic person director of ShineMore Technology Materials Co., Ltd.

Note 2: (1) Chairman, Taiwan Polysilicon Corporation (2) Director, Chu-wa Investment Co., Ltd. (3) Chairman, Chuan, Yang Geothermal Co., Ltd. (4) Chairman, Trans Pacific Chemical Corp. (5) Chairman, Wai Lih Company Limited. (6) Chairman, PLUS RENEWABLE CORP. (7) Chairman, Chuan Licheng Power Generation Co., Ltd. (8) Chairman, of Chuan LiFa Power Generation Co., Ltd. (8) Chairman, Shin Kong New Light Co., Ltd.

Note 3: Chairman, LEE CHANG YUNG COMPANY, LTD.

1. Major Shareholder

March 31, 2025

Name of Institutional Shareholder	Major Shareholder
LCY Chemical Corp.	KKY Co., Ltd. (100%)
LEE CHANG YUNG COMPANY, LTD.	Lee Jamgo Co., Ltd. (91.91%)

2. Major Shareholders of Institutional Shareholders in the Above Form

March 31, 2025

Name of Institutional Shareholder	Major Shareholder
KKY Co., Ltd.	Carlton (Luxembourg) Holdings S.a.r.l (100%)
Licheng Enterprise Co., Ltd.	LEE CHANG YUNG COMPANY, LTD. (97.59%)

3. Professional Qualifications of Directors and Independence of Independent Directors

March 31, 2025

Criteria Name	Professional Qualification and Work Experience	Independence Status	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Paul Chen Chairman	Bachelor's degree in International Trade from Soochow University. Previously served as Manager of Business Planning Department, Manager of Export Sales Department at LCY Chemical Corp., and General Manager of LCY Technology Corp. Possesses capabilities in operations, management, marketing, and industry knowledge.	1. Not an independent director. 2. No violation of any provisions in Article 30 of the Company Act.	None

Criteria Name	Professional Qualification and Work Experience	Independence Status	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Sung, Ting Pang Directors	Bachelor's degree in Chemistry from Tamkang University, Master's degree in Business Administration from National Chengchi University. Previously served as Vice President of LCY Technology Corp., Senior Deputy General Manager of High-performance Plastics Business Division, Corporate Director Representative of Universal Rubber, Corporate Director Representative of Kaohsiung Cogeneration, and director of several other companies. Possesses capabilities in operations, management, marketing, and industry knowledge.	1. Not an independent director. 2. No violation of any provisions in Article 30 of the Company Act.	None
Pan, Li Lin Directors	Pursuing the doctor's degree at Finance Management Institute of National Sun Yat-sen University, and the master's degree in the on-the-job class of Department of Finance, National Taipei University, former Head of the Enterprise Management Department, Finance Division, LCY Chemical Corp., Senior Fund Manager of International Opportunities Fund and Senior Manager of Investment Department, Finance Center of Yuen Foong Yu Paper Manufacturing Group, with operation, management, and finance abilities.	1. Not an independent director. 2. No violation of any provisions in Article 30 of the Company Act.	None
Lee, Chi Chih Directors	Bachelor's degree in Chemical Engineering from National Cheng Kung University. Previously served as Chief Operating Officer of LCY Chemical Corp., Vice President of PP Business Division, and Plant Manager of Dashe Plant. Possesses capabilities in operations, management, marketing, and industry knowledge.	1. Not an independent director. 2. No violation of any provisions in Article 30 of the Company Act.	None

Criteria Name	Professional Qualification and Work Experience	Independence Status	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Wei, Cheng Chen Directors	Bachelor's degree in Business Administration from Fu Jen Catholic University. Previously served as Director, Spokesperson, Finance and Accounting Officer, and Senior Vice President of LCY Chemical Corp. Possesses capabilities in operations, management, finance, accounting, and business administration.	1. Not an independent director. 2. No violation of any provisions in Article 30 of the Company Act.	None
Liu, San Chyi Independent Director	Bachelor's degree in Accounting from Soochow University. Previously served as Vice President of Fo Guang University, Chairman of Kaohsiung Rapid Transit Corporation, Chair of the Accounting Department at Yu Da University of Science and Technology, Director-General of the Directorate-General of Budget, Accounting and Statistics of the Executive Yuan, and Accounting Director of the Ministry of Education. Currently serving as the Chairman of Hwa Hsia University of Technology. Possesses capabilities in accounting and finance.	1. Conforming to all the independence criteria (Note 1). 2. As of the printing date of the annual report, does not hold any shares of the Company. 3. No violation of any provisions in Article 30 of the Company Act.	None
Tu, Wei Hua Independent Director	Bachelor's degree in Accounting and Statistics from National Cheng Kung University. Previously served as General Manager and CEO of TSRC Corporation, and Corporate Representative Chairman of Ezswap Networks Technology. Currently serving as Corporate Representative Chairman of Micron Chemical. Possesses capabilities in marketing and accounting.	1. Conforming to all the independence criteria (Note 1). 2. As of the printing date of the annual report, does not hold any shares of the Company. 3. No violation of any provisions in Article 30 of the Company Act.	None

Criteria Name	Professional Qualification and Work Experience	Independence Status	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Peng, Yu Min Independent Director	Ph.D. in Materials Engineering from the University of Manchester, UK. Previously served as Vice President of the Industrial Technology Research Institute. Currently serving as the Strategic Chief Advisor of Jin Join Technology Corporation Possesses industrial capabilities.	1. Conforming to all the independence criteria (Note 1). 2. As of the printing date of the annual report, does not hold any shares of the Company. 3. No violation of any provisions in Article 30 of the Company Act.	Concurrent positions in 2 companies

Note 1: Independent Directors meet the independence criteria both in the two years prior to their election and during their terms of office:

- (1) Not an employee of the Company or its affiliated companies.
- (2) Not serving as a Director or Supervisor of the Company's affiliated business (this does not apply in cases where the person is an Independent Director of the Company, its parent or subsidiary established according to this law or local laws).
- (3) A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or is ranked in the top 10 in shareholdings.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in the preceding three subparagraphs.
- (5) Not a Director, Supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of outstanding shares of the Company or that holds shares ranking in the top five in holdings.
- (6) Not a Director, Supervisor, officer, or shareholder holding 5% or more of the shares, of a specified company or institution which has a financial or business relationship with the Company.
- (7) Not a professional individual who, or an owner, partner, Director, Supervisor, or manager of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or any affiliate of the Company, or a spouse thereof. However, these restrictions do not apply to any member of the Remuneration Committee who exercises powers pursuant to Article 7 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter.
- (8) Not a spouse or a relative within the second degree of kinship to any other director of the Company.
- (9) Not under any of the categories stated in Article 30 of the Company Act.
- (10) Not a governmental or judicial person or a representative thereof as defined in Article 27 of the Company Act.

4. Diversity and Independence of the Board of Directors:

The Board of Directors of the Company guides corporate strategy, supervises the management, and is accountable to the Company and shareholders. All operations and arrangements related to the corporate governance system are exercised in accordance with laws, the Company's Articles of Incorporation, Corporate Governance Best Practice Principles, and resolutions of shareholders' meetings. The Company's Board of Directors consists of seven seats, including three independent directors. Working in conjunction with the authority of the Audit Committee, they evaluate the management and control of existing or potential risks to effectively supervise the implementation of the Company's internal controls, the appointment (dismissal) and independence of certified public accountants, and the proper preparation of financial statements.

The composition of the Board of Directors is diverse, covering directors of different genders, and all directors do not concurrently serve as company managers. Based on its own operations, operational model, and development needs, the company has formulated appropriate diversity guidelines. The company has clearly stipulated in the "Director Election Regulations" and "Corporate Governance Practice Principles" that the composition of the Board of Directors should incorporate diverse elements. The nomination and selection of board members follow the candidate nomination system as specified in the company's articles of association. This director reassignment was comprehensively considered based on the candidates' professional fields, management capabilities, and the overall operational needs of the Board of Directors, without gender restrictions. In future re-elections, the original number of female directors will be restored, and the proportion of female directors will be gradually increased. Currently, the Board of Directors consists of 7 members with an average age of 70, of which 3 are independent directors, accounting for three-sevenths of the board seats. None of the directors (including independent directors) have spousal or second-degree relatives among them, and none fall under the provisions of Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act, ensuring their independence. All directors have accumulated many years of experience in professional and core competencies.

Board members	Independent Director Tenure	Age				Core Competencies							
		41-50	51-60	61-70	71-80	Operational judgment	Accounting and financial analysis	Risk control and management	Industry analysis	Knowledge of the international market	Leadership skill	Decision-making skill	Marketing
Paul Chen	-			✓		✓		✓	✓	✓	✓	✓	✓
Sung, Ting Pang	-			✓		✓		✓	✓	✓	✓	✓	✓
Lee, Chi Chih	-			✓		✓		✓	✓	✓	✓	✓	✓
Wei,Cheng Chen	-			✓		✓	✓	✓	✓	✓	✓	✓	✓
Liu, San Chyi	Over 9 years				✓	✓	✓	✓		✓	✓	✓	
Tu, Wei Hua	Over 6 years				✓	✓	✓	✓	✓	✓	✓	✓	✓
Peng, Yu Min	Less than 3 years			✓		✓		✓	✓	✓	✓	✓	✓

(2) General Manager, Deputy General Manager, Assistant Manager, and Supervisors of Divisions and Branch Units

March 31, 2025

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Managerial Officer who Are Spouses or within the Second Degree of Kinship			Note
					Shares	Percentage (%)	Shares	Percentage (%)	Shares	Percentage (%)			Title	Name	Relationship	
General Manager	R.O.C.	Caleb Lee (Resigned on March 15, 2024)	Male	2023/12/29	—	—	—	—	—	—	1. Master, Graduate Institute of Chemistry, NTU 2. Manager of Marketing Department, Suzhou Jinxiang Electronic Marketing Department 3. Assistant to Marketing Manager of Ventec Electronics (Suzhou) Co, Ltd. 4. Deputy General Manager/Director of Ventec Electronics Corporation 5. Marketing Director of Ventec Electronics (Suzhou) Co, Ltd.	—	—	—	—	—
General Manager	R.O.C.	Liu, Chia He (New appointment on March 16,2024)	Male	2024/3/16	—	—	—	—	—	—	1. Master, Chemical Engineering Institute of National Taiwan University of Science and Technology 2. Manager of R & D Department Project Management Office and Senior Manager of Intelligent Property and Information Research Office of YLCY Chemical Corp. 3. Factory Director of General Manager Office of LCY Technology Corp.	—	—	—	—	—
Copper foil plant director	R.O.C.	Huang,Shih Yu	Male	2021/03/01	—	—	540	0.000	—	—	1. Bachelor of Department of Water Resources and Environmental Engineering of Tamkang University 2. Factory Director, Production Director and Head of Quality Assurance Division of Copper Foil Plant of LCY Technology Corp. 3. Quality Assurance Engineer of CHIN POON Industrial Co., Ltd. 4. Deputy Group Leader of ACCURO LAB CO., LTD.	—	—	—	—	—
Dean of Research & Development Department	R.O.C.	Chen, Yen Hao	Male	2021/03/01	2,700	0.002	—	—	—	—	1. Doctor, Department of Chemical and Materials Engineering, National Central University 2. Engineer, Technical Department, Copper Foil Plant of LCY Technology Corp. 3. Talent of RAISE Plan of Ministry of Science and Technology	—	—	—	—	—

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Managerial Officer who Are Spouses or within the Second Degree of Kinship			Note
					Shares	Percentage (%)	Shares	Percentage (%)	Shares	Percentage (%)			Title	Name	Relationship	
Auditing Manager	R.O.C.	Lin, Chia Hua	Female	2020/11/13	1,800	0.001	—	—	—	—	1. Bachelor, Accounting Department, Chinese Culture University 2. Employee of the Audit Office of LCY Technology Corp. 3. Director of KPMG Taiwan	—	—	—	—	—
Finance Manager and Corporate Governance Manager	R.O.C.	Stanley Kung (Resigned on August 08, 2024)	Male	2023/01/01	—	—	—	—	—	—	1. Bachelor, Faculty of Mathematics, 1.University of Waterloo 2. Head of Finance Division of Finance Department, and Head of Strategy and Planning Group of General Manager Office, LCY Chemical Corp.	—	—	—	—	—
Finance Manager and Corporate Governance Manager	R.O.C.	Tsai, Meng Hsiu (August 09, 2024 Newly appointed)	Male	2024/08/09	10,800	0.008	—	—	—	—	1. Master's degree in Finance, EMBA Program, National Taiwan University Bachelor, Accounting, National Dong Hwa University 2. Manager, Senior Manager of Finance Department, LCY Chemical Corp. 3. Financial and Accounting Officer, LCY Performance Materials Corp.	Note1				
Accounting Manager	R.O.C.	Lee, Ling Chih	Female	2023/01/01	2,704	0.002	—	—	—	—	1. Bachelor, Accounting Department, Shih Chien University 2. Head of Accounting Division of Finance Department, LCY Chemical Corp.	—	—	—	—	—

Description: Shareholding ratio less than three decimal points shall be represented by “0.000”, and not holding any shares be represented by “-”. For those who have left office, the shareholding information was disclosed to the date of leaving office.

Note1: (1) Supervisor, Naya Co., Ltd.; (2) Supervisor, Dian Xiang Ke Co., Ltd.; and (3) Director, Lee Chang Yung Education Foundation.

(3) Where the chairperson of the Board of Directors and the general manager or person of an equivalent post (the highest level manager) of the Company are the same people, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto:

The Chairman and General Manager of the company are not the same person.

2. Remuneration Paid to the Directors, General Manager, and Deputy General Managers

(1) Remuneration Paid to Directors and Independent Directors

December 31, 2025 Unit: NT\$ thousand

Title	Name	Remuneration Paid to Directors								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors who Are Also Employees								Ratio of Total Remuneration (A+B+C+D+E+F+G) to Net Income (%)		Remuneration from Invested Companies Other than Subsidiaries or the Parent Company Base Compensation
		Base Compensation (A)		Severance Pay and Pension (B)		Directors (C) Note		Business Execution Expenses (D)				Salary, Bonus, and Allowance (E)		Severance Pay and Pension (F)		Employee Compensation (G)						
		The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	Cash	Stock	Cash	Stock	The Company	All Companies in Consolidated Financial Statements	
Director	LCY Chemical Corp. Representative: Paul Chen	0	0	0	0	0	0	3,800	3,800	3,800 -1.24%	3,800 -1.24%	0	0	0	0	0	0	0	0	3,800 -1.24%	3,800 -1.24%	0
	LCY Chemical Corp. Representative: Sung, Ting Pang	0	0	0	0	0	0	180	180	180 -0.06%	180 -0.06%	0	0	0	0	0	0	0	0	180 -0.06%	180 -0.06%	64
	Representative of LEE CHANG YUNG COMPANY, LTD.: Pan, Li Lin Note 2	0	0	0	0	0	0	150	150	150 -0.05%	150 -0.05%	0	0	0	0	0	0	0	0	150 -0.05%	150 -0.05%	0
	Wei,Cheng Chen	0	0	0	0	0	0	180	180	180 -0.06%	180 -0.06%	0	0	0	0	0	0	0	0	180 -0.06%	180 -0.06%	4,128
Independent Director	Liu, San Chyi	0	0	0	0	0	0	600	600	600 -0.20%	600 -0.20%	0	0	0	0	0	0	0	0	600 -0.20%	600 -0.20%	0
	Tu, Wei Hua	0	0	0	0	0	0	600	600	600 -0.20%	600 -0.20%	0	0	0	0	0	0	0	0	600 -0.20%	600 -0.20%	0
	Peng, Yu Min	0	0	0	0	0	0	600	600	600 -0.20%	600 -0.20%	0	0	0	0	0	0	0	0	600 -0.20%	600 -0.20%	0

Note 1: Paul Chen, Sung, Ting Pang, and Pan, Li Lin are directors representing legal entities. Some of the director's remuneration is received by the juristic-person shareholders they represent.

Note 2: Pan, Li Lin resigned on October 27, 2024, and her data is calculated from January 1, 2024 to October 27, 2024.

Description 1: The independent director remuneration policy, system, standard, and structure, and the connection between the amount of remuneration and the factors, such as their job responsibilities, risks, and time contributed: Article 30-1 of the Company's Articles of Incorporation stipulates that independent directors do not participate in the distribution of directors' remuneration. The Company's policy for paying remuneration to independent directors is to pay fixed monthly remuneration to each person regardless of the Company's profit or loss, without any additional allowances, position-based compensation, retirement benefits, or bonuses. If travel is required for performing duties, it will be handled according to the Company's travel regulations.

Description 2: Other than disclosures in the above table, remuneration paid to directors for providing services (e.g., providing consulting services as a non-employee) for all companies in consolidated financial statements in the most recent year: None

Range of Remuneration

Range of Remuneration Paid to Directors	Name of Director			
	Total Amount of Remuneration (A+B+C+D)		Total Amount of Remuneration (A+B+C+D+E+F+G)	
	The Company	All Companies in Consolidated Financial Statements H	The Company	Parent Company and All Reinvestment Businesses I
Less than NT\$1,000,000	Representatives of LCY Chemical Corp. - Sung, Ting Pang, Representatives of LEE CHANG YUNG COMPANY, LTD. - Pan, Li Lin, Wei,Cheng Chen, Liu, San Chyi, Tu, Wei Hua, Peng,Yu Min	Representatives of LCY Chemical Corp. - Sung, Ting Pang, Representatives of LEE CHANG YUNG COMPANY, LTD. - Pan, Li Lin, Wei,Cheng Chen, Liu, San Chyi, Tu, Wei Hua, Peng,Yu Min	Representatives of LCY Chemical Corp. - Sung, Ting Pang, Representatives of LEE CHANG YUNG COMPANY, LTD. - Pan, Li Lin, Wei,Cheng Chen, Liu, San Chyi, Tu, Wei Hua, Peng,Yu Min	Representatives of LCY Chemical Corp. - Sung, Ting Pang, Representatives of LEE CHANG YUNG COMPANY, LTD. - Pan, Li Lin, Liu, San Chyi, Tu, Wei Hua, Peng,Yu Min
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)				
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)				
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	Juristic person representative of LCY Chemical Corp.- Paul Chen	Juristic person representative of LCY Chemical Corp.-Paul Chen	Juristic person representative of LCY Chemical Corp.-Paul Chen	Juristic person representative of LCY CHEMICAL CORP.- Paul Chen, Wei,Cheng Chen
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)				
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)				
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)				
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)				
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)				
Over NT\$100,000,000				
Total	7 people	7 people	7 people	7 people

* The remuneration disclosed herein is different from the income stipulated in the Income Tax Act. Thus, the content in the table is only intended for the disclosure of information, not for the taxation purpose.

(2) Remuneration Paid to the General Manager and Deputy General Managers

Unit: NT\$ thousand

Title	Name	Salary (A)		Severance Pay and Pension (B)		Bonus and Allowance (C) ^{Note 2}		Employee Compensation (D)				Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Remuneration from Invested Companies Other than Subsidiaries or the Parent Company
		The Company	All Companies in Consolidated Financial Statement	The Company	All Companies in Consolidated Financial Statement	The Company	All Companies in Consolidated Financial Statement	The Company		All Companies in Consolidated Financial Statements		The Company	All Companies in Consolidated Financial Statements	
								Cash	Stock	Cash	Stock			
General Manager	Caleb Lee Note 1	556	556	23	23	82	82	0	0	0	0	668 -0.22%	668 -0.22%	0
General Manager	Liu, Chia He Note 3	1,841	1,841	85	85	1,760	1,760	0	0	0	0	3,686 -1.21%	3,686 -1.21%	0

- Note 1: General Manager Caleb Lee resigned on March 15, 2024, so the data is calculated from January 1, 2024 to March 15, 2024.
- Note 2: Includes vehicle lease payments of NT\$49,000 during General Manager Caleb Lee's tenure and vehicle lease payments of NT\$186,000 after General Manager Liu, Chia He took office.
- Note 3: General Manager Liu, Chia He took office on March 16, 2024, so the data is calculated from March 16, 2024 to December 31, 2024.

Range of Remuneration

Range of Remuneration Paid to the General Manager and Deputy General Manager	Name of General Manager and Deputy General Manager	
	The Company	Parent Company and All Reinvestment Businesses
Less than NT\$1,000,000	Caleb Lee	Caleb Lee
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)		
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)		
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	Liu, Chia He	Liu, Chia He
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)		
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)		
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)		
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)		
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)		
Over NT\$100,000,000		
Total	2 people	2 people

* The remuneration disclosed herein is different from the income stipulated in the Income Tax Act. Thus, the content in the table is only intended for the disclosure of information, not for the taxation purpose.

(3) Top Five Highest-Paid Executives

Unit: NT\$ thousand

Title	Name	Salary (A)		Severance Pay and Pension (B)		Bonus and Allowance (C)		Employee Compensation (D)				Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Remuneration from Invested Companies Other than Subsidiaries or the Parent Company
		The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company		All Companies in Consolidated Financial Statements		The Company	All Companies in Consolidated Financial Statements	
								Cash	Stock	Cash	Stock			
General Manager	Liu, Chia He	1,841	1,841	86	86	1,760	1,760	0	0	0	0	3,687 -1.21%	3,687 -1.21%	0
Plant Manager	Huang,Shih Yu	1,662	1,662	42	42	844	844	0	0	0	0	2,548 -0.83%	2,548 -0.83%	0
Manager	Kuo, Chung Chuan	1,699	1,699	42	42	694	694	0	0	0	0	2,435 -0.80%	2,435 -0.80%	0
Manager	Kuo, Yi Yin	1,618	1618	42	42	582	582	0	0	0	0	2,242 -0.73%	2,242 -0.73%	0
Technical Director	Chen, Yen Hao	1,559	1,559	42	42	842	842	0	0	0	0	2,443 -0.80%	2,443 -0.80%	0

* The remuneration disclosed herein is different from the income stipulated in the Income Tax Act. Thus, the content in the table is only intended for the disclosure of information, not for the taxation purpose.

Note 1: General Manager Liu, Chia He took office on March 16, 2024, so the data is calculated from March 16, 2024 to December 31, 2024.

Note 2: Bonuses and special allowances (C): The data includes leased vehicle rental fees of NT\$186 thousand for General Manager Liu, Chia He after taking office, and leased vehicle rental fees of NT\$182 thousand for Plant Manager Huang, Shih Yu.

(4) Managerial Officers Receiving Employee Compensations

December 31, 2024

	Title	Name	Stock	Cash	Total	Ratio of Total Amount to Net Income After Tax (%)
Managerial Officers	General Manager	Caleb Lee	0	0	0	0
	General Manager	Liu, Chia He				
	Copper foil plant director	Huang, Shih Yu				
	Dean of Research & Development Department	Chen, Yen Hao				
	Finance Manager and Corporate Governance Manager	Stanley Kung				
	Finance Manager and Corporate Governance Manager	Tsai, Meng Hsiu				
	Auditing Manager	Lin, Chia Hua				
	Accounting Manager	Lee, Ling Chih				

Note: General Manager Caleb Lee resigned on March 15, 2024, and the data is calculated from January 1, 2024 to March 31, 2024; Associate Manager Liu, Chia He was promoted to General Manager on March 16, 2024. Financial Manager and Corporate Governance Officer Kang, Po-Tsung resigned on August 9, 2024, and was succeeded by Tsai, Meng Hsiu; Audit Manager Lin, Chia Hua took unpaid leave on June 27, 2024, with Chen, Meng-Chun serving as Acting Audit Manager.

- (5) Analysis of Total Remuneration, as a Percentage of Net Income Stated in the Parent Company Only Financial Statements, Paid by the Company and All Companies in Consolidated Financial Statements during the Past 2 Fiscal Years to the Directors, General Manager, and Deputy General Managers, Along with Description of Remuneration Policies, Standards, and Packages, Procedure for Determining Remuneration, and Linkage Thereof to Operating Performance and Future Risk Exposure

1. Analysis of total remuneration, as a percentage of net income paid to the directors, general manager, and deputy general managers during the past 2 fiscal years

Unit: NT\$ thousand

Title	2023		2024	
	Ratio of Total Remuneration	Net Income (%)	Ratio of Total Remuneration	Net Income (%)
Directors	2,716	-2.03%	10,302	-3.38
General Manager and Deputy General Manager	10,525	-7.87%	4,355	-1.43
Total	13,241	-9.90%	14,657	-4.80

Description: The remuneration paid by the Company is the same as that paid by all companies in the consolidated statements. The net income in the parent company only financial statements and consolidated statements is also the same. Therefore, single disclosure is adopted.

2. Remuneration policies, standards, combination, the procedure for determining the remunerations, and their relation to business performance

- (1) Remuneration standards and packages, and procedures for determining the remunerations

A. Directors

The Board of Directors is authorized to determine the remunerations of all the directors according to the extent of their participation in the operation of the Company and the value of their contribution while with reference to the general industry standards. If there is any profit, the remuneration of directors shall be allocated in accordance with the Articles of Incorporation and submitted to the shareholders' meeting after being reviewed by the Remuneration Committee and approved at the Board of Directors meetings. If a director of the Company holds a position in the Company, except for participating in the distribution of director's remuneration as provided in the Articles of Association, he or she may be paid a monthly salary at the general manager's salary level. The distribution of directors' remuneration, according to the company's Articles of Incorporation, requires that before distributing profits, no more than two percent of the profits (where profits refer to the current period's pre-tax income before deducting employee compensation and directors' remuneration) shall be allocated as directors' remuneration. Independent directors do not participate in the distribution of directors' remuneration.

B. General Manager and Deputy General Manager

The remuneration of managerial officers includes salary, bonus and employee compensation. The salary level is based on the position held in the Company, the responsibility taken and the contribution to the Company after considering the peer level and being reviewed by the Remuneration Committee and approved by the Board of Directors. The employee compensation shall be allocated in accordance with the Company's Articles of Incorporation. Before the distribution of earnings, the Company shall set aside no less than no less than 0.5% of its annual profits as compensation to employee's directors. The annual profits refer to annual income before tax and before bonuses are set aside for employees and directors.

The distribution of the directors' compensation and employee's compensation shall be made by the resolution of a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors for the preceding two paragraphs shall be submitted to the shareholders' meeting.

(2) Relation to business performance and future risks

The remuneration determination procedure shall be based on the Company's overall operating performance, the individual's performance achievement rate, contribution to the Company's performance and future potential, etc. In addition, to reduce the operating risks in the future, the Remuneration Committee shall regularly and timely review the remuneration system to balance the sustainable operation and risk control of the Company.

In summary, the Company's policy on payment of remunerations to directors, general managers and deputy general managers and its procedures for determining remunerations are positively correlated with its operating performance.

3. Implementation of Corporate Governance

(1) Operations of the Board of Directors

In 2024, the Board of Directors held a total of seven meetings The attendance of directors is as follows:					
Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)	Note
Chairman	Representative of LCY Chemical Corp.: Paul Chen	9	0	100.00	None
Directors	Representative of LCY Chemical Corp.: Sung, Ting Pang	9	0	100.00	None
Directors	LEE CHANG YUNG COMPANY, LTD. Representative: Pan, Li-Lin (Resigned on October 28, 2024)	7	0	100.00	None
Directors	Wei, Cheng Chen	9	0	100.00	None
Independent Director	Liu, San Chyi	9	0	100.00	None
Independent Director	Tu, Wei Hua	9	0	100.00	None
Independent Director	Peng, Yu Min	7	2	77.78	None
Other matters to be recorded:					
1. With regard to the implementation of the Board of Directors, if any of the following circumstances occurs, the dates, terms of the meetings, contents of motions, all independent directors' opinions and the Company's handling of such opinions shall be specified					
(1) Matters listed in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee, and according to Article 14-5 of the Securities and Exchange Act, this provision does not apply.					
(2) Any recorded or written Board resolutions to which independent directors have objections or reservations to be noted in addition to the above: None.					
2. Implementation of recusal of directors from motions in which they have a conflict of interest: None					
3. Implementation of Board of Directors Self-Evaluation and Board Evaluation					
(1) Director Self-evaluation of Board Members					
Frequency	Period	Scope	Method	Content	Results
Once a year	January 1, 2024 to December 31, 2024	Performance evaluation of individual board members	Board members filling in self- evaluation questionnaires	(1) Mastery of the Company's goals and tasks (2) Understanding of the director's roles and responsibilities (3) Participation in the Company's operation (4) Internal relationship	After counting the self- evaluation questionnaires of individual directors, the average score was 93.39,

				management and communication (5) Profession of directors and their continuing education (6) Internal control	which was "beyond the standard"
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(2) Evaluation of the Board of Directors

Frequency	Period	Scope	Method	Content	Results
Once a year	January 1, 2024 to December 31, 2024	Performance Evaluation for Board of Directors	Self-evaluation questionnaires filled in by the Corporate Governance Division	(1) Participation in the Company's operation (2) Improvement in the Board's decision-making quality (3) Composition and structure of the Board (4) Selection and continuing education of the directors (5) Internal control	According to the actual operating results of the current year, the self-evaluation score of the Board of Directors' performance was 96.71 points, which was "beyond the standard"

4. Evaluation of the current year and the most recent year's Board of Directors function objectives and implementation status:

- (1) The Company has established a "Rules of Procedure for Board of Directors Meetings" for the Board to follow and urges directors to participate in various external seminars and functional training courses to enhance the board function.
- (2) The Company provides necessary information to directors, including industry development trends, company operating results, arranges for the General Manager to explain in detail the company's outlook, communication between accountants and independent directors, etc.; The directors have received a total of 51 hours of external training in 2024, and all directors are in line with the provisions of "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies".
- (3) The Company adheres to operational transparency and places importance on shareholders' rights. The company website includes "News Center," "Investor Relations" (Corporate Governance), and "Sustainable Development" sections. After Board meetings, important resolutions are updated on the Market Observation Post System and the company website.
- (4) To protect the directors and managers against the risks they face during the conduction of businesses, the Company has purchased the "Liability Insurance for the Directors and Managers" with Fubon Products Insurance Co., Ltd. in the amount of US\$8 million. The situation, coverage and premium were reported at the Board of Directors meeting on January 14, 2025.
- (5) The Company's Audit Committee and Remuneration Committee are both composed of independent directors, assisting the Board of Directors in fulfilling its supervisory responsibilities. Starting in 2024, performance evaluations of functional committees were conducted. In 2024, the Audit Committee's self-evaluation score was 98.58 points, and the Remuneration Committee's self-evaluation score was 98.00 points, with a perfect score of 100 points for both. The evaluation results were all "Exceeding Standards" and were reported to the Board of Directors on March 13, 2025.
- (6) The Company appointed a corporate governance officer through Board approval on May 13, 2020. The corporate governance officer continues professional development each year, with 12 hours of external training completed in 2024.

- (7) The Company established the "Board of Directors Performance Evaluation Regulations" in May 2019, and in November 2020 added a provision requiring evaluations to be conducted by an external professional independent institution or a team of external experts and scholars every three years. The 2022 external evaluation of the Board of Directors was conducted by the professional institution "Taiwan Institute of Ethical Business," and the evaluation results were reported to the Board of Directors on March 24, 2023. The 2024 self-evaluations of Board members and the Board of Directors have been completed, and the evaluation results were reported to the Board of Directors on January 13, 2025.

(2) Operations of the Audit Committee

The Company elected three independent directors at the extraordinary shareholders' meeting on August 21, 2017, and established an Audit Committee to replace the supervisors' authority. The Audit Committee consists of three members and holds regular quarterly meetings before Board meetings. It assists the Board of Directors and oversees the establishment of the company's internal control system, the effectiveness of internal audit implementation, major financial and business activities, financial reporting processes, and financial control quality. The Committee also communicates and exchanges information with the head of internal audit and the certified public accountants to effectively monitor the company's operations and risk management.

Major matters reviewed by the Audit Committee: (1) Appropriate expression of financial statements of the Company; (2) selection and appointment (dismissal) of CPAs and their remuneration and independence, (3) formulation and revision of the Company's internal control system and methods, (4) assessment of the effectiveness of the internal control system, (5) major assets, derivative commodities, capital loans and endorsement guaranteed transactions, (6) solicitation, issuance or private placement of securities of equity nature, (7) finance, accounting or internal audit (8) compliance with relevant laws and regulations; (9) control of existing or potential risks of the Company.

In 2024, the Audit Committee held 7 meetings, and the attendance of committee members was as follows:

Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate	Note
Independent Director (Convener)	Liu, San Chyi	7	0	100.00	None
Independent Director (Committee Member)	Tu, Wei Hua	7	0	100.00	None
Independent Director (Committee Member)	Peng, Yu Min	6	1	85.71	None

Other matters to be recorded:

1. Dates of Audit Committee meetings, session, proposal contents, content of independent directors' objections, reservations or significant recommendations, Audit Committee resolution results, and the company's response to Audit Committee opinions:

(1) Matters referred to in Article 14-5 of the Securities and Exchange Act:

Audit Committee Session of the Board/ Time of the Meeting /Date	Content of the Proposal	Opinions of the Independent Directors and Resolution of the Audit Committee	The Company's response to the Audit Committee's opinions
The 4th meeting of the 3rd term 2024/1/25	Amendment to the internal control system (including the internal audit system)	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.
The 5th meeting of the 3rd term 2024/3/14	2023 Statement on Internal Control System	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.
	Amendment to the internal control system (including the internal audit system)	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.
	2023 Business Report	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.
	2024 Business Plan and Annual Budget	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.
	2023 Financial Statements	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.
	2. Deficit Compensation for 2023	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.
	Appointment of CPAs for 2024 financial statements and audit of CPA fees	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.
	The Company's 2024 "General Principles for Pre-approval Policy of Non-assurance Services" case	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.
	Amendment to the Ethical Corporate Management Best Practice Principles	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.
	Amendment to the Procedures for Ethical Management and Guidelines for Conduct	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors

				unanimously as proposed.
	The 6th meeting of the 3rd term 2024/5/9	The consolidated financial statements for the first quarter of 2024	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.
		2. Deficit Compensation for the first quarter of 2024	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.
		The First Quarter 2024 Earnings Distribution Proposal	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.
		Request for the credit line and lines for foreign exchange and derivative financial commodities from the bank	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.
		Proposal to lift the non-competition restriction on director Paul Chen	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.
	The 7th meeting of the 3rd term 2024/6/26	The Company's change of Audit Manager	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.
	The 8th meeting of the 3rd term 2024/8/8	Amendment to the internal control system (including the internal audit system)	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.
		The consolidated financial statements for the second quarter of 2024	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.
		2. Deficit Compensation for second quarter of 2024	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.
		Request for the credit line and lines for foreign exchange and derivative financial commodities from the bank	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.
		The Company's change of Finance Manager	Passed unanimously as proposed.	Submitted to the Board of Directors; after interested parties recused themselves as required, the proposal was unanimously approved without objection by the non-recused directors
	The 8th meeting of the 3rd term 2024/11/7	Amendment to the internal control system (including the internal audit system)	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.
		2025 Annual audit plan	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors

				unanimously as proposed.
		The consolidated financial statements for the third quarter of 2024	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.
		Deficit Compensation for third quarter of 2024	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.
		Request for the credit line and lines for foreign exchange and derivative financial commodities from the bank.	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.
		The Establishment of "Management Regulations for Sustainability Information	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.
		The Establishment of "Regulations Governing the Issuance and Subscription of Employee Stock Options	Interested parties recused themselves as required, and the non-recused directors unanimously approved the proposal without objection	Submitted to the Board of Directors; after interested parties recused themselves as required, the proposal was unanimously approved without objection by the non-recused directors
		Proposed Issuance of Employee Stock Options, Approval of the List of Non-Managerial Employees and Their Allocated Shares	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.
		The "General Principles of Pre-Approval Policy for Non-Assurance Services" of the Company	Passed unanimously as proposed.	Unanimously approved without objection by all directors present
	The 9th meeting of the 3rd term 2024/12/20	Ratification of the acquisition of right-of-use assets for real estate leased from related parties in 2022.	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.
		Leasing of Office Space and Parking Spaces for Business Purposes from Related Parties for 2025	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.
		The Company's change of Audit Manager	Passed unanimously as proposed.	Reported to the Board of Directors meeting, and passed by all attending directors unanimously as proposed.

(2) Other matters not approved by the Audit Committee but approved by two-thirds or more of all directors: None.

2. Implementation of recusal by independent directors for agenda items with conflicts of interest: None.

Audit Committee Session of the Board/Time of the Meeting /Date	Name	Reasons for Conflict of Interests	Voting status
-	-	-	-

3. Communication between Independent Directors, Internal Audit Supervisor, and Accountants

Audit Committee Session of the Board/ Time of the Meeting /Date	Communication with the Head of the Internal Audit		Communication with the CPA	
	Matters Communicated	Results		Matters Communicated
2024.01.25 The 4th meeting of the 3rd term	(1) Implementation of routine audit work and tracking of improvement reports (2) Amendment to the internal control system (including the internal audit system)	The independent directors had no suggestions, and it was submitted to the Board of Directors meeting for resolution after deliberation.	There was no need to communicate with the accountant this time.	—
2024.03.14 The 5th meeting of the 3rd term	(1) Implementation of routine audit work and tracking of improvement reports (2) 2023 Statement on Internal Control System (3) Amendment to the internal control system (including the internal audit system)	The independent directors had no suggestions, and it was submitted to the Board of Directors meeting for resolution after deliberation.	CPA Kuo, Wen Chi regarding: (1) Reporting on the audit results of the consolidated financial statements for the 4th quarter of 2023, and the impairment assessment results of property, plant and equipment and right-of-use assets. (2) Legal compliance promotion -The Securities and Futures Bureau announces amendments to the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" *Specifying that listed companies should incorporate sustainability information management into their internal control systems, and should include it as an audit item in the annual audit plan. It is also specified that the effective date of these amended provisions is January 1, 2025. -The Ministry of Environment issued a press release on December 29, 2023, proposing the "Carbon Fee Collection Regulations (Draft)". *Carbon fee subjects,	(1) The independent directors had no suggestions, and the financial statements were submitted to the Board of Directors meeting for resolution. (2) Acknowledged, and the independent directors have no suggestions on it

				<p>calculation formula, reporting and payment timeline</p> <p>-The Taiwan Stock Exchange has amended the "Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" and the "Guidelines for the Management of Assurance Institutions for Sustainability Reports of TWSE/TPEX Listed Companies".</p> <p>*Listed companies with a paid-in capital of NT\$2 billion or less are required to prepare sustainability reports starting from 2025, and are encouraged to refer to SASB standards when disclosing industry indicator information in their sustainability reports. Specifying that companies should complete the filing of their sustainability reports by the end of August each year.</p>	
2024.05.09 The 6th meeting of the 3rd term	(1) Implementation of routine audit work and tracking of improvement reports		<p>CPA Kuo, Wen Chi regarding:</p> <p>(1) Report on the review results of the consolidated financial statements for the first quarter of 2024.</p> <p>(2) Legal compliance promotion</p> <p>-On April 29, the Ministry of Environment announced draft proposals for three items: "Carbon Fee Collection Measures," "Voluntary Reduction Plan Management Measures," and "Designated Greenhouse Gas Reduction Targets for Carbon Fee Collection Entities."</p> <p>-The Financial Supervisory Commission announced a</p>	<p>(1) The independent directors had no suggestions, and the financial statements were submitted to the Board of Directors meeting for resolution.</p> <p>(2) Acknowledged, and the independent directors have no suggestions on it</p>	

				draft amendment to certain provisions of the "Regulations Governing Information to be Published in Annual Reports of Public Companies," with regulatory revisions expected to be completed by the end of June 2024. Simplified annual report requirements will apply to companies starting from the filing of annual reports for the year 2024 in 2025.	
2024.06.26 The 7th meeting of the 3rd term	(1) The Company's change of Audit Manager	The independent directors had no suggestions, and it was submitted to the Board of Directors meeting for resolution after deliberation.		There was no need to communicate with the accountant this time.	—
2024.08.08 The 8th meeting of the 3rd term	(1) Implementation of routine audit work and tracking of improvement reports (2) Amendment to the internal control system (including the internal audit system)	The independent directors had no suggestions, and it was submitted to the Board of Directors meeting for resolution after deliberation.	CPA Kuo, Wen Chi regarding: (1) Report on the review results of the consolidated financial statements for the second quarter of 2024. (2) Legal compliance promotion -Securities and Futures Bureau amends "Guidelines for Establishing Internal Control Systems by Public Companies" *To align with measures promoting enhanced sustainability information disclosure. *COSO published internal control guidelines for sustainability reporting. *Stipulating that listed companies should incorporate sustainability information management into internal control and internal audit. -The amendment draft of certain provisions and Appendix 1 of the "Regulations Governing Information to be Published in Annual		(1) The independent directors had no suggestions, and the financial statements were submitted to the Board of Directors meeting for resolution. (2) Acknowledged, and the independent directors have no suggestions on it

				Reports of Public Companies" has completed the announcement procedure and will be issued soon. *Streamlining the annual report and simplifying the annual report preparation process. *Promoting gender diversity among directors of listed companies.	
2024.11.07 The 9th meeting of the 3rd term	(1) Implementation of routine audit work and tracking of improvement reports (2) Amendment to the internal control system (including the internal audit system) (3) 2025 Annual Audit Plan	The independent directors had no suggestions, and it was submitted to the Board of Directors meeting for resolution after deliberation.	CPA Kuo, Wen Chi regarding: (1) Reported on the review results of the consolidated financial statements for the third quarter of 2024, the 2024 audit scope, fraud assessment, identified significant risks, and key audit matters. (2) Legal compliance promotion -Amendment to Article 14 of the Securities and Exchange Act. *Announcement of the draft amendment to certain provisions of the "Industrial Innovation Act". *The Ministry of Environment officially announced three carbon fee sub-regulations and approved the fee rates. *Key contents of the Q&A on establishing internal controls for public companies.	(1) The independent directors had no suggestions, and the financial statements were submitted to the Board of Directors meeting for resolution. (2) Acknowledged, and the independent directors have no suggestions on it	
2024.12.20 The 10th meeting of the 3rd term	(1) Retroactive approval of the acquisition of right-of-use assets for real estate leased from related parties in 2022 (2) The case of leasing offices and parking spaces for business purposes from related parties in 2025 (3) The Company’s change of Audit Manager	The independent directors had no suggestions, and it was submitted to the Board of Directors meeting for resolution after deliberation.	There was no need to communicate with the accountant this time.	—	

- The Company's audit unit submits written audit reports to independent directors monthly and attends the quarterly Audit Committee meetings to report on the execution status of audit operations. Regular communication with independent directors is also maintained through email and telephone.
- The Company's certifying accountants regularly meet with independent directors and the audit supervisor every quarter to explain the Company's financial situation, financial statement review process, audit scope, etc. to independent directors. They also periodically assess and explain to independent directors the impact on the company regarding revisions and releases of International Financial Reporting Standards (IFRSs) bulletins, tax law amendments, and other relevant items.
- The Company regularly invites accountants to attend the Audit Committee meetings every quarter to participate in discussions on relevant agenda items. Independent directors can communicate directly with the certifying accountants via email or face-to-face meetings.

(3) Implementation of Corporate Governance and the Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the Reasons

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
1. Does the company establish and disclose its corporate governance best-practice principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company approved the "Corporate Governance Practice Principles" at the Board of Directors meeting on July 19, 2017, and has disclosed these principles on the company website https://lcyt.lcycic.com/ and the Market Observation Post System. The Board of Directors made the latest revision on August 10, 2023.	No significant deviation
2. Shareholding structure & shareholders' rights				
(1) Does the company establish and implement internal operating procedures to deal with shareholders' suggestions, doubts, disputes, and litigations?	✓		(1) The Company has established "Rules of Procedure for Shareholders Meetings" and "Corporate Governance Practice Principles," and operations are conducted in accordance with these regulations. The Corporate Governance Practice Principles includes a specific chapter dedicated to protecting shareholders' rights. The Company has appointed one spokesperson and one deputy spokesperson who are responsible for handling shareholders' suggestions, questions, or disputes.	No significant deviation
(2) Does the company possess a list of its major shareholders with controlling power as well as the ultimate owners of those major shareholders?	✓		(2) In accordance with Article 25 of the Securities and Exchange Act, the Company reports the changes in the shares held by the insiders (directors, managers and shareholders holding more than 10% of the shares) on the Market Observation Post System designated by the competent authority on a monthly basis. In addition, according to the list of shareholders and the list of shareholders holding more than 5% each quarter provided by the stock agency when the transfer of ownership is	No significant deviation

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
(3) Does the company establish and execute a risk management and firewall system within its affiliates?	✓		stopped, the Company possesses a list of its major shareholders with controlling power as well as the ultimate owners of those major shareholders. (3) The Company has set up "Management Measures for Transactions with Related Parties, Group Enterprises and specific Companies", "Operational Measures for Loan of Funds to Others" and "Operational Measures for Endorsement Guarantee" to control transactions between the Company and its affiliates. In addition, it has set up supervision measures for subsidiaries to implement the risk control mechanism of subsidiaries according to the "Regulations Governing Establishment of Internal Control Systems by Public Companies" of the Financial Supervisory Commission. Relevant risk management and firewalls have been properly established.	No significant deviation
(4) Does the company establish internal rules against insiders using undisclosed information to trade in securities?	✓		(4) The Company has established the Operating Method for Internal Major Information and Prevention and Management of Insider Trading to avoid and prevent those who know the scope of information from mistakenly touching insider trading because of not knowing the laws and regulations, and regularly informs the Company's insiders and relevant personnel to strictly abide by the regulations. On December 2, 2024, "Prevention of Insider Trading" was promoted to all company employees, and on December 3, 2024, "Prevention of Insider Trading, Changes in Insider Shareholdings, and Prohibition of Short-swing Trading" was promoted to directors and insiders, along with the provision of the latest legal information for 2024, regulatory promotion items from competent authorities, and sharing of relevant case studies.	No significant deviation
3. Composition and responsibilities of the Board of Directors (1) Has the Company established a diversification policy, concrete	✓		(1) The Company has clearly stipulated in its "Directors Election Procedures" and "Corporate Governance Practice Principles" that the composition of the Board of Directors should incorporate elements of diversity. The nomination and selection of	No significant deviation

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof																																																																																
	Yes	No	Description																																																																																	
management objectives and its implementation?			<p>the Company's board members comply with the Articles of Incorporation and adopt the candidate nomination system. The current Board of Directors consists of 7 members (including 3 independent directors), with an average age of approximately 69 years in 2024, and includes one female member. The directors have many years of experience in operational judgment, accounting and financial analysis, risk control, industry analysis, international market view, leadership and decision-making ability, and have the ability to assist the Company's management and trend development. The core competencies of Board members are as follows:</p> <table><tr><th rowspan="2">Board members</th><th colspan="8">Core Competencies</th></tr><tr><th>Operational judgment</th><th>Accounting and financial analysis</th><th>Risk control and management</th><th>Industry analysis</th><th>Knowledge of the international market</th><th>Leadership skill</th><th>Decision-making skill</th><th>Marketing</th></tr><tr><td>Paul Chen</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Sung, Ting Pang</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Pan, Li Lin</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td></td></tr><tr><td>Wei,Cheng Chen</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Liu, San Chyi</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td></td></tr><tr><td>Tu, Wei Hua</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr><tr><td>Peng, Yu Min</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr></table>	Board members	Core Competencies								Operational judgment	Accounting and financial analysis	Risk control and management	Industry analysis	Knowledge of the international market	Leadership skill	Decision-making skill	Marketing	Paul Chen	✓	✓	✓	✓	✓	✓	✓	✓	Sung, Ting Pang	✓	✓	✓	✓	✓	✓	✓	✓	Pan, Li Lin	✓	✓	✓	✓	✓	✓	✓		Wei,Cheng Chen	✓	✓	✓	✓	✓	✓	✓	✓	Liu, San Chyi	✓	✓	✓	✓	✓	✓	✓		Tu, Wei Hua	✓	✓	✓	✓	✓	✓	✓	✓	Peng, Yu Min	✓	✓	✓	✓	✓	✓	✓	✓	
Board members	Core Competencies																																																																																			
	Operational judgment	Accounting and financial analysis	Risk control and management	Industry analysis	Knowledge of the international market	Leadership skill	Decision-making skill	Marketing																																																																												
Paul Chen	✓	✓	✓	✓	✓	✓	✓	✓																																																																												
Sung, Ting Pang	✓	✓	✓	✓	✓	✓	✓	✓																																																																												
Pan, Li Lin	✓	✓	✓	✓	✓	✓	✓																																																																													
Wei,Cheng Chen	✓	✓	✓	✓	✓	✓	✓	✓																																																																												
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Tu, Wei Hua	✓	✓	✓	✓	✓	✓	✓	✓																																																																												
Peng, Yu Min	✓	✓	✓	✓	✓	✓	✓	✓																																																																												
(2) Does the company voluntarily establish other functional committees in addition to the legally-		✓	(2) The Company has set up a Remuneration Committee and an Audit Committee in accordance with the law and operates in accordance with relevant laws and regulations. In the future, the Company will establish other functional committees according to its operation situation and in accordance with the law.	The differences are described at the left																																																																																

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
required Remuneration Committee and Audit Committee?				
(3) Does the company establish standards and methods to evaluate the performance of the Board of Directors, conduct the evaluation annually and regularly, report the results of evaluations to the Board of Directors, and use them as a reference for individual directors' remuneration and nomination and renewal?	✓		(3) 1. The Company established the "Board of Directors Performance Evaluation Procedures" by resolution of the Board of Directors on May 10, 2019, conducting annual evaluations of individual directors' self-assessments and the overall Board of Directors. The evaluation period covers from January 1 to December 31 of the current year. On November 13, 2020, it was further amended to require that an evaluation be conducted once every three years by an external professional independent institution or a team of external experts and scholars. Subsequently, on January 14, 2025, it was revised to become the "Board of Directors and Functional Committees Performance Evaluation Procedures," which, in addition to the Board of Directors, also covers performance evaluations of the Audit Committee and the Remuneration Committee. 2. The Board of Directors performance evaluation for 2024 has been completed. After statistical analysis of the questionnaires, the average score for individual board members was 93.39 points, the self-evaluation score for the Board of Directors operations was 96.71 points, the self-evaluation score for the Audit Committee was 98.58 points, and the self-evaluation score for the Remuneration Committee was 98.00 points, with all scores out of a possible 100 points. All evaluation results were rated as "Exceeding Standards" and are planned to be reported to the Board of Directors on March 13, 2025. 3. The compensation of directors of the Company is decided according to the participation procedures, contribution value and peer level of individual directors in the operation of the Company. Independent directors do not	No significant deviation

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
(4) Does the company regularly evaluate the independence of the CPAs?	✓		<p>participate in the distribution of director compensation. The self-evaluation results of director’s performance will also be listed as the reference for the next nomination and renewal.</p> <p>(4) 1. The Company regularly (once a year) evaluates the items and procedures for the independence of CPAs in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. The items and procedures include: (1) Obtaining the CPA's personal resume and independence declaration, (2) Conducting assessments according to items stipulated in Article 47 of the Certified Public Accountant Act and Statement of Professional Ethics No. 10, (3) Current interactive communication with the company's management (including the head of internal audit), and (4) Audit Quality Indicators (AQIs).</p> <p>2. The evaluation results for the most recent year have been submitted to and approved by the Audit Committee and the Board of Directors on March 13, 2025.</p>	No significant deviation
4. Does the Company appoint adequate persons and a chief governance officer to be in charge of corporate governance matters (including but not limited to providing directors and supervisors with required information for business execution, assisting directors in following laws and regulations, handling	✓		<p>The Company, upon approval by the Board of Directors on May 13, 2020, established a Corporate Governance Officer responsible for providing directors and independent directors with information necessary for business execution, preparing meeting documents for the Board of Directors and shareholders' meetings, and assisting directors with legal compliance and continuing education. The implementation status for 2024 is as follows:</p> <p>(1) A total of 9 Board of Directors meetings were convened. After drafting the agenda, meeting notices were sent within the regulatory timeframe, material information was promptly disclosed according to board resolutions while ensuring its legal compliance and accuracy, and meeting minutes were prepared after each board meeting and sent to all directors via email.</p> <p>(2) One Annual General Meeting was held. The Company completed pre-registration of the shareholders' meeting date, prepared meeting notices, handbooks, supplementary</p>	No significant deviation

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
matters concerning the Board of Directors meetings and shareholders' meetings and keeping minutes at the Board of Directors meetings and shareholders' meetings according to law)?			<p>materials, and annual reports in both Chinese and English versions as required by regulations. After the meeting, the Company announced shareholders' meeting resolutions, disclosed material information, prepared and disclosed the meeting minutes. All documents were completed and uploaded within the regulatory timeframe.</p> <p>(3) Notified and arranged continuing education course information for all directors, and all directors completed the required training hours for the year in accordance with regulations.</p> <p>(4) Purchased the liability insurance for the directors and managers, and the insurance period was from January 30, 2024 to January 30, 2025. The insurance has been renewed, the insurance period was from January 30, 2025 to January 30, 2026, the insurance company was Fubon Products Insurance Co., Ltd. The information was submitted and reported to the Board of Directors on January 13, 2025 as required.</p> <p>(5) Arranged for relevant personnel to attend and report at Board meetings based on the content of agenda items, assisted directors in complying with relevant regulations, handled corporate governance information disclosure, and maintained the company website.</p> <p>(6) Completed the 2024 performance evaluations for individual directors, the Board of Directors, and functional committees (Audit Committee and Compensation Committee).</p>	
5. Has the Company established a means of communication with its Stakeholders (including but not limited to shareholders, employees, customers,	✓		The Company's official website has a "Stakeholders Section," with designated personnel responsible for responding to inquiries. The Company has identified economic, environmental, and social issues based on its operations to understand stakeholders' level of concern regarding various topics. The stakeholder categories, issues of concern, response windows and communication channels are summarized as follows:	No significant deviation

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof				
	Yes	No	Description					
suppliers, etc.) or created a Stakeholders Section on its Company website? Does the Company respond to important corporate social responsibility issues that are concerned by stakeholders				Stakeholder	Topics Concerned	Response Window	Communication Channel	
				Employees	Salary and welfare Labor equity and labor-management relationship Talent cultivation and occupational development Workplace safety and health Communication and appealing channels	Human resources units	Interview Announcement Questionnaire Labor-management meeting	
				Shareholder (Investor)	Industrial competitiveness Operating performance Corporate governance Risk management Information transparency	Spokesperson	Market Observation Post System Corporate Information Session Corporate website Telephone and email	
				Customer	Aftersales services and price Product quality On-time delivery	Business unit	Questionnaire Corporate website Telephone, E-mail Visit in person	
				Supplier	Supplier management Acts and regulations Green procurement Payment status	Procurement unit	Questionnaire Documents and on-site visit Telephone and email Visit in person	
				Government Competent authority	Law compliance and promotion of acts and regulations Corporate governance and risk management Environmental protection and	Spokesperson Corporate Governance Factory affair unit	Questionnaire Undertaken by the corresponding department/office In-factory audit	

Evaluation Item	Implementation Status						Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description				
				social contribution			
			Others	Environmental protection and social contribution	Spokesperson Factory affair unit	Visit in person	
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company has appointed the Agency Department of CTBC Bank Co., Ltd. to handle the matters related to the shareholders' meeting. The bank has obtained the certificate of a professional share service agency.				No significant deviation
7. Information disclosure							
(1) Does the company have a website to disclose the financial operations and corporate governance status?	✓		(1) The Company has established a corporate website at https://lcyt.lcycic.com/ and promptly discloses financial, business, and corporate governance information.				No significant deviation
(2) Does the Company use other information disclosure channels (e.g. maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference, etc.)?	✓		(2) The Company website consists of traditional Chinese, Simplified Chinese and English versions. The Finance Department has assigned personnel to collect disclosure information, including briefing materials for corporate presentations. The Company’s website is operated well in accordance with the information disclosure requirements of the competent authorities. The spokesman and acting spokesman’s contact channels are provided for shareholders and investors to inquire and communicate. The Company was invited to participate in the online corporate information session held by Yuanta Securities Co., Ltd. on October 30, 2024. The relevant information has been disclosed on the Company's website.				No significant deviation
(3) Does the company publicly announce and file the		✓	(3) The Company discloses its annual financial reports audited by accountants by March 31 of each year as required by law, quarterly financial reports reviewed by				No significant deviation

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
annual financial reports within two months after the close of the given fiscal year and publicly announce and file the first, second, and third quarterly financial reports and the operation of each month ahead of the required deadline?			accountants within 45 days after the end of each quarter, and the previous month's revenue amount before the 10th day of the following month.	
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, directors' and supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of customer policies, and participation	✓		<p>(1) Employee rights: The Company complies with the provisions of the Labor Standard Act and personnel regulations, and holds quarterly management meetings to coordinate labor-management relations.</p> <p>(2) Employee care: The Company has established communication channels for the employees to communicate and interact directly with management through telephone and E-mail. The Company provides a quality work environment suitable for employees, implements a smoke-free workplace policy, conducts regular environmental monitoring, arranges employee group insurance, regular health check-ups, flu vaccinations, and equips office spaces with blood pressure monitors. Additionally, the Company collaborates with the Teacher Chang Foundation to provide employees with "telephone consultation hotlines and mailboxes" and "one-on-one professional psychological counseling" services, emphasizing the importance of employees' physical and mental well-being.</p> <p>(3) Investor relations: The Company attaches great importance to shareholders' rights and interests. The Company discloses its operating results and long-term strategies in a correct, timely and transparent way on the Market Observation Post System and the</p>	No significant deviation

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
in liability insurance by directors and supervisors)?			<p>Company's website to protect the rights and interests of investors. Investors can also contact the Company's spokesperson and acting spokesperson at any time. The ratio of electronic voting at the 2024 shareholders' meeting is 63.47%, and there is no such situation that the agenda is changed by a provisional motion or 7 days before the meeting. On October 30, 2024, the Company was invited to participate in the online corporate information session by Yuanta Securities to have a two-way conversation with investors.</p> <p>(4) Supplier relation: The Company maintains a long-term and stable cooperative relationship with suppliers, and there is no default on payment for goods. Currently, it is actively urging the suppliers to comply with issues such as a friendly environment, health, safety, labor and human rights to fulfill corporate social responsibilities.</p> <p>(5) Stakeholder rights: The stakeholders of the Company can contact the corresponding window of the Company at any time through the email on the Company's corporate website or through the direct communication channel for stakeholders. The Company adheres to the attitude of integrity and responsibility to properly handle the situation and fulfill its corporate social responsibility.</p> <p>(6) Training of Directors and Supervisors: The directors of the Company comply with the requirements of Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies and their training information was announced on the Market Observation Post System and the Company's website. The training hours of the directors in 2024 are as follows:</p>	

Evaluation Item	Implementation Status							Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof	
	Yes	No	Description						
			Title Name	Date	Training Institution	Course Name	Training Hours	Total Hours	
			Chairman Paul Chen	7/3	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit Forum	6	6	
			Directors Sung, Ting Pang	7/3	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit Forum	6	6	
			Directors Pan, Li Lin	7/3	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit Forum	3	3	
			Directors Wei,Cheng Chen	7/3	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit Forum	7/3	12	
			Independent Director Liu, San Chyi	12/4	Securities and Futures Institute	How Non-Financial/Accounting Background Directors and Supervisors Should Review Financial Reports	3	6	
				12/5	Securities and Futures Institute	Discussion on Human Resources and Employee Placement Issues in Corporate Mergers and Acquisitions	3		
			Independent Director Tu, Wei Hua	7/3	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit Forum	6	6	
			Independent Director Peng, Yu Min	7/3	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit Forum	6	12	
			The above-disclosed continuing education hours, scope, system and arrangement comply with the regulations of Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies.						

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof																														
	Yes	No	Description																															
			<p>(7) The corporate governance manager shall follow the directions in the establishment and exercise of functions and powers of the Board of Directors of the listed company, handle matters related to corporate governance, deal with matters related to the Board of Directors and the shareholders' meeting, and assist the directors in their appointment, continuing education, compliance with laws and regulations and implementation of business requirements. Continuing training in 2024:</p> <table><tr><th>Name</th><th>Date</th><th>Training Institution</th><th>Course Name</th><th>Training Hours</th><th>Total Hours</th></tr><tr><td>Stanley Kung (Resigned on 8/8)</td><td>7/3</td><td>Taiwan Stock Exchange</td><td>2024 Cathay Sustainable Finance and Climate Change Summit Forum</td><td>6</td><td>6</td></tr><tr><td rowspan="4">Tsai, Meng Hsiu (Assumed office on 8/9)</td><td>8/26</td><td>Chung-Hua Institution for Economic Research</td><td>Climate Finance and Carbon Asset Management</td><td>3</td><td rowspan="4">12</td></tr><tr><td>10/4</td><td>Securities and Futures Institute</td><td>Insider Trading Prevention Advocacy Meeting</td><td>3</td></tr><tr><td>9/26</td><td>Securities and Futures Institute</td><td>Facts Constituting the Crime of Breach of Trust and Special Breach of Trust by Directors and Supervisors</td><td>3</td></tr><tr><td>12/12</td><td>Securities and Futures Institute</td><td>Shareholders' Meeting, Management Rights and Equity Strategy</td><td>3</td></tr></table> <p>(8) Implementation of risk management policies and risk measures: the Company adheres to the principle of prudent operation and focuses on its businesses. Therefore, its internal management regulations are formulated on the premise of well controlling and bearing the risk system, and smoothly carrying out various risk management and evaluation. The Company continues to promote the risk management-oriented</p>	Name	Date	Training Institution	Course Name	Training Hours	Total Hours	Stanley Kung (Resigned on 8/8)	7/3	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit Forum	6	6	Tsai, Meng Hsiu (Assumed office on 8/9)	8/26	Chung-Hua Institution for Economic Research	Climate Finance and Carbon Asset Management	3	12	10/4	Securities and Futures Institute	Insider Trading Prevention Advocacy Meeting	3	9/26	Securities and Futures Institute	Facts Constituting the Crime of Breach of Trust and Special Breach of Trust by Directors and Supervisors	3	12/12	Securities and Futures Institute	Shareholders' Meeting, Management Rights and Equity Strategy	3	
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	9/26	Securities and Futures Institute	Facts Constituting the Crime of Breach of Trust and Special Breach of Trust by Directors and Supervisors	3																														
	12/12	Securities and Futures Institute	Shareholders' Meeting, Management Rights and Equity Strategy	3																														

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			<p>business model, and can establish a risk management mechanism of early identification, accurate measurement, effective supervision and strict control. The risk is controlled within an acceptable or controlled scope through regular or irregular inspection by the internal auditing unit.</p> <p>(9) Implementation of customer policy: In addition to regular customer visits, the Company also follows the principle of ethical management. To provide high-quality services to customers, it has also established a customer service department.</p> <p>(10) Liability insurance for directors and supervisors: The Company purchases liability insurance for directors and managers to reduce and disperse the risk of significant damage to the Company's shareholders due to mistakes or omissions of directors, independent directors and managers, and reports to the Board of Directors the situation, coverage and cost of the liability insurance after purchasing the insurance.</p>	
<p>9. Regarding the corporate governance evaluation results published by the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the most recent year, please explain the improvements made and the priority areas and measures for those items not yet improved:</p> <p>(1) The Company had no items requiring improvement in the 2024 corporate governance evaluation.</p> <p>(2) In order to enhance its corporate governance mechanism, the Company has proactively conducted self-examination and continues to improve the following items:</p> <p>A. Have arranged for independent directors to communicate separately with the head of internal audit and the certified public accountant.</p> <p>B. Disclose the authority and continuing education of the corporate governance officer on the company website and in the annual report.</p> <p>(3) Short and medium-term improvement targets for items not meeting the evaluation criteria:</p> <p>A. Short-term: Establish additional functional committees.</p> <p>B. Medium-term: Consider increasing the proportion of female directors in the next board election to strengthen the board structure and operations.</p> <p>C. Long-term: create a succession plan for the Board of Directors and key management levels and risk management policies, so that the Company can achieve the goal of sustainable governance.</p>				

(4) Composition, responsibilities, and operations of the Remuneration Committee

1. Composition

The Remuneration Committee consists of three members, appointed by resolution of the Board of Directors. All members are independent directors, and the convener and meeting chairperson are elected by all committee members. The committee holds at least two meetings per year, and committee members are notified in accordance with regulations, with the reason for convening clearly stated in each notification.

2. Professional qualifications and independence criteria of the 6th Remuneration Committee members:

March 31, 2025

Criteria Identity Type/Name		Professional Qualification and Work Experience	Independence Status (See the Note for Independence Criteria)	Number of Other Public Companies where the Individual Concurrently Serves as a Remuneration Committee Member
(Convener) Independent Director	Tu, Wei Hua	Bachelor of Chemical Engineering from Tunghai University, Master of Business Administration for Executives from National Central University. Previously served as Deputy General Manager of New Business Department at DuPont Taiwan, Executive Supervisor of Taiwan Institute of Chemical Engineers, and Executive Director of International Industry-Academia Alliance at National Central University Industry-Academia Operations Center. Possesses marketing and industry expertise.	Conforming to all the independence criteria (Note). As of March 31, does not hold any shares of the Company and has not violated any provisions of Article 30 of the Company Act.	0

Criteria Identity Type/Name		Professional Qualification and Work Experience	Independence Status (See the Note for Independence Criteria)	Number of Other Public Companies where the Individual Concurrently Serves as a Remuneration Committee Member
Independent Director	Liu, San Chyi	Accounting Department of Soochow University, current Chairman of Hwa Hsia University of Technology, and former Vice President of Fo Guang University, Chairman of Kaohsiung Rapid Transit Corporation, Director of Accounting Department, of Yu Da University of Science and Technology, the Executive Yuan, the Controller of the Executive Yuan, and Chief Accounting Officer of the Ministry of Education, with accounting and finance ability.	Conforming to all the independence criteria (Note). As of March 31, does not hold any shares of the Company and has not violated any provisions of Article 30 of the Company Act.	0
Independent Director	Peng, Yu Min	Ph.D. in Materials Engineering from the University of Manchester, UK. Currently serves as Strategic Chief Advisor of Jin Join Rone Technology Corporation, Previously served as Vice President of Industrial Technology Research Institute. Possesses marketing and business expertise.	Conforming to all the independence criteria (Note). As of March 31, does not hold any shares of the Company and has not violated any provisions of Article 30 of the Company Act.	2

Note: Independence Criteria:

1. No occurrence of the following situations within two years prior to appointment and during the term of office: (1) An employee of the Company or any of its affiliates. (2) An director or supervisor of the Company or any of its affiliates. (3) A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or is ranked in the top 10 in shareholdings. (4) A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of the manager in the preceding subparagraph (1) or persons in the preceding two subparagraphs. (5) A director, supervisor, or employee of an institutional shareholder that directly

holds 5% or more of the total shares issued by the Company, ranks as one of its top five shareholders or designates a representative as the director or representative of the Company according to paragraph 1 and 2 of Article 27 of the Company Act. (6) A director, supervisor, or employee of another company whose half of the seats of directors or shares with voting rights is controlled by the same person as the Company. (7) A director (member of the governing board), Supervisor (member of the supervisory board) or employee of another Company or institution that the Chairman, General Manager or person holds an equivalent position of it are the same people or the spouse of the person holding the aforementioned positions of the Company. (8) A director, supervisor, manager, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the Company. (9) A professional individual who, or an owner, partner, Director (member of the governing board), Supervisor (member of the supervisory board), or manager of a sole proprietorship, partnership, Company, or institution, that provides audit services, or commercial, legal, financial, accounting or related services from which a cumulative amount of remuneration not exceeding NT\$500,000 has been obtained in the most recent two years, to the Company or to any of its affiliates, or a spouse thereof.

2. If an independent director has been an independent director of a company in Paragraph 1 (2) or Paragraph 1(8), or of any of its related enterprises, or of any particular company or institution with which the Company has financial or business dealings, and has been discharged, the provisions of two years prior to his election in Paragraph 1 shall not apply.
3. Responsibilities: The committee shall exercise the care of a good administrator and faithfully perform the following duties and principles, and submit their recommendations to the board of directors for discussion.

(1) Authority

- A. Regularly review the Remuneration Committee Charter and put forward suggestions for revision.
- B. Establish and regularly review the performance evaluation standards, annual and long-term performance objectives of the Company's directors and managers as well as the policies, systems, standards and structures of the Remuneration Committee.
- C. Periodically evaluate the achievement of the performance objectives of the directors and managers of the Company, and determine the content and amount of individual remuneration based on the evaluation results obtained from the performance evaluation standards.

(2) Principles for performing powers

- A. Ensure that the Company's Remuneration Committee arrangements comply with relevant laws and regulations and are sufficient to attract outstanding talents.

- B. The performance evaluation and remuneration of directors and managers shall refer to the common level of the industry, and take into account the results of individual performance evaluation, the time invested, the responsibilities undertaken, the achievement of personal goals, the performance in other positions, and the remuneration paid by the Company in recent years to similar positions, that is, to evaluate the relevance of individual performance to the Company's operating performance and future risks based on the achievement of the Company's short-term and long-term business objectives, the Company's financial condition, etc.
- C. Directors and managers should not be guided to engage in activities beyond the Company's risk appetite for pursuing remuneration.
- D. The proportion of bonuses paid to directors and senior managers for short-term performance and the payment time of variable remuneration should consider the characteristics of the industry and the nature of the Company's business.
- E. The content and amount of directors' and managers' remuneration should be determined in consideration of its reasonableness and should not be materially inconsistent with financial performance.
- F. When discussing the remuneration of an individual committee member at a meeting, that member shall not participate in the discussion or vote if it would be detrimental to the interests of the Company and shall recuse himself from the discussion or vote and shall not exercise his voting right on behalf of another member of the Committee.

The remuneration mentioned in the preceding two paragraphs includes cash remuneration, stock options, dividend shares, retirement benefits or severance payments, various allowances and other substantial incentive measures; its scope should be consistent with that of the director and manager remuneration in the guidelines for matters to be recorded in the annual report of public companies.

4. Implementation Status

- (1) The Remuneration Committee consists of 3 members.
- (2) Term of the 6th committee: June 28, 2023 to June 27, 2026.

The Remuneration Committee held 7 meetings in 2024, and the attendance of committee members is as follows:

The 6th term:

Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)	Note
Convener	Tu, Wei Hua	7	—	100.00	None
Committee Member	Liu, San Chyi	7	—	100.00	None
Committee Member	Peng, Yu Min	7	—	100.00	None

Other matters to be recorded:

1. Situations where the board of directors did not adopt or modified the recommendations of the Remuneration Committee, specifying the date and session of the board meeting, content of the proposal, result of the board resolution, and the company's handling of the Remuneration Committee's opinions (if the remuneration approved by the board is better than that recommended by the Remuneration Committee, specify the differences and reasons): None.
2. Resolutions made by the Remuneration Committee where committee members had objections or reservations that were recorded or stated in writing, specifying the date and session of the Remuneration Committee meeting, content of the proposal, opinions of all members, and the handling of these opinions: None.
3. Date of meeting, proposal content, and resolution results in the past year:

Term	Content of the Proposal	Remuneration Committee Resolution Results	Company's handling of the Remuneration Committee's opinions
The 4th meeting of the 6th term 2024/01/25	Proposal on confirmation of the bonus payment standard for managers in 2023	The proposal was unanimously approved without objection by all attending committee members as consulted by the chairperson.	Submitted to the Board of Directors, the proposal was unanimously approved without objection by all attending directors as consulted by the chairperson.
	2024 Non-routine Salary Adjustment Plan for Managers (Meal Allowance)	The proposal was unanimously approved without objection by all attending committee members as consulted by the chairperson.	Submitted to the Board of Directors, the proposal was unanimously approved without objection by all attending directors as consulted by the chairperson.
The 5th meeting of the 6th term 2024/03/14	The compensation case for the Company's managers	The proposal was unanimously approved without objection by all attending committee members as consulted by the chairperson.	Submitted to the Board of Directors, the proposal was unanimously approved without objection by all attending directors as consulted by the chairperson.
	Proposal on 2023 employee compensation and directors' remuneration distribution	The proposal was unanimously approved without objection by all attending committee members as consulted by the chairperson.	Submitted to the Board of Directors, the proposal was unanimously approved without objection by all attending directors as consulted by the chairperson.
	Confirmation of performance evaluation standard for managers in 2024	The proposal was unanimously approved without objection by all attending committee members as consulted by the chairperson.	Submitted to the Board of Directors, stakeholders recused themselves in accordance with regulations, and the proposal was unanimously approved without objection by all attending

			directors as consulted by the chairperson.
The 6th meeting of the 6th term 2024/06/26	The compensation case for the Company's managers	The proposal was unanimously approved without objection by all attending committee members as consulted by the chairperson.	Submitted to the Board of Directors, the proposal was unanimously approved without objection by all attending directors as consulted by the chairperson.
The 7th meeting of the 6th term 2024/08/08	The compensation case for the Company's managers	The proposal was unanimously approved without objection by all attending committee members as consulted by the chairperson.	Submitted to the Board of Directors, the proposal was unanimously approved without objection by all attending directors as consulted by the chairperson.
The 8th meeting of the 6th term 2024/09/19	Salary Adjustment for Managerial Officers in 2024	The proposal was unanimously approved without objection by all attending committee members as consulted by the chairperson.	Submitted to the Board of Directors, the interested parties recused themselves in accordance with regulations, and after a report by the Personnel Department, the proposal was unanimously approved without objection by all attending directors as consulted by the chairperson.
The 9th meeting of the 6th term 2024/11/07	Proposed issuance of employee stock options, approval of the list of managers eligible for allocation and the number of shares to be granted	The proposal was unanimously approved without objection by all attending committee members as consulted by the chairperson.	The interested parties recused themselves in accordance with regulations, and after a report by the Personnel Department, the proposal was unanimously approved without objection by all attending directors as consulted by the chairperson.
The 10th meeting of the 6th term 2024/12/20	The compensation case for the Company's managers	The proposal was unanimously approved without objection by all attending committee members as consulted by the chairperson.	Submitted to the Board of Directors, the proposal was unanimously approved without objection by all attending directors as consulted by the chairperson.

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

Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
1. Has the Company established a governance structure and set up an exclusively (or concurrently) dedicated unit to promote sustainable development, which is delegated by the Board of Directors to authorize senior management to handle related matters, and supervised by the Board of Directors?	✓		<p>The General Manager's Office serves as the concurrent unit for promoting sustainable development, with the General Manager supervising sustainable development and establishing medium to long-term sustainable development plans. It serves as a cross-departmental communication platform that integrates vertically and connects horizontally, formulates corresponding strategies and work guidelines, allocates budgets related to sustainable development for each organization, plans and implements annual programs, while tracking implementation effectiveness to ensure that sustainable development strategies are fully implemented in the company's daily operations.</p> <p>The General Manager reports to the Board of Directors quarterly on the implementation status of the sustainable development roadmap, and annually reports on the implementation of sustainable development. In 2024, a total of 4 reports were made to the Board of Directors, with agenda items including:</p> <ol style="list-style-type: none">1. Identifying and evaluating sustainability issues requiring attention: Identification and analysis of sustainability-related issues that may affect the company's current and future operations, and formulating corresponding action plans.2. Setting sustainable development goals, policies, and action plans: Establishing the company's goals for sustainable development, formulating corresponding policies and specific action plans, and determining the required capital expenditures.3. Supervising the implementation and execution assessment of sustainable management matters: Continuously monitoring related measures for sustainable management, and	<p>In the future, depending on the situation of the Company, a dedicated unit under the Board of Directors will be established</p>

Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			regularly evaluating their implementation status to ensure effective execution of various measures.	
2. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the business operations and formulate relevant risk management policies or strategies based on the materiality principle?	✓		<p>According to the responsibilities of each department, the Company has formulated six major risk assessment dimensions of "Green Operation", "Social Commitment", "Staff Care", "Business Innovation Model", "Sustainable Governance" and "Climate Change", and has set short, medium and long-term implementation plans for these dimensions. The management policies for these six dimensions are as follows:</p> <ol style="list-style-type: none"> 1. Green Operation: "Industrial Safety and Environmental Protection" is a necessary condition to maintain the operation, the Company will follow relevant laws and regulations, and pay attention to air quality, greenhouse gas emissions, energy management, water resources management and business waste management to continuously optimize the green process. 2. Social Commitment: "People Orientation" is the foundation for LCY TECHNOLOGY CORP. to have good cooperation between the enterprise and stakeholders, implement in-place care, and contribute to the society to enhance social value and achieve the goal of sustainable development. 3. Staff Care: "Health and safety" is the basic protection for staff. The Company has built a friendly workplace according to the safety and health standards and attached great importance to Labor-management relations and staff training to ensure staff care. 4. Business Innovation Model: The Company considers low-pollution, low-carbon and low-consumption products from each stage of the product life cycle and improves the efficiency of factory operation to strive to fulfill the responsibility for a sustainable society. 5. Sustainable Governance: "Honesty-based" is the Company's main business philosophy. It attaches importance to laws and regulations and supervision and management 	No significant deviation

Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			<p>mechanism, prohibits illegitimate interests, implements money laundering and prevents capital terrorism to reduce the cost of crisis impact, and continuously improve corporate governance.</p> <p>6. Climate change: The Company introduces the TCFD architecture to enhance resilience to operational risks associated with climate change, and continuously assesses and understands strategies for adapting to operational risks and opportunities associated with climate change.</p>	
<p>3. Environmental issues</p> <p>(1) Does the Company establish an environmental management system proper to its industry's characteristics?</p>	✓		<p>1. The Company continues to implement the environmental safety and health policy and follows the requirements of the occupational safety and health law to maintain and optimize the safe working environment. It also appoints environmental protection service providers to ensure the factory environment from time to time, so as to avoid environmental pollution.</p> <p>2. The Company has obtained certifications for ISO50001:2018 Energy management system (valid to October 2025) and ISO 14001:2015 Environmental management system (valid to March 4, 2026). The Company was awarded the 15-Year Environmental Sustainability Prize by the certification unit SGS in 2016.</p>	No significant deviation
<p>(2) Have the Company committed to improving resource utilization efficiency and the use of renewable materials with low environmental impact?</p>	✓		<p>1. Production aspect: The company actively promotes environmental protection and sustainable development in the production process, striving to reduce environmental impact. All manufacturing processes use 100% recycled copper wire, and waste thin copper or scrapped products generated during the production process are recycled and reused to reduce energy consumption and improve resource utilization efficiency. In addition, to reduce wood waste, we recycle and increase the reuse rate of wooden boxes during copper foil transportation, further supporting resource recycling.</p>	No significant deviation

Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			<p>In terms of product design and development, all metal material purchases require suppliers to provide a non-conflict minerals declaration, ensuring that we do not use conflict minerals and maintaining a high emphasis on ethical procurement. At the same time, we prohibit the use of hazardous substances throughout the entire process, and commission third-party testing institution SGS to inspect our products, ensuring that all copper foil products comply with environmental standards such as the EU's RoHS, REACH, POHS, and SONY SS-00259, effectively reducing the burden on the environment.</p> <p>2. Energy-conservation: Through the systematic PDCA operation, the systematic management of the energy and resource use efficiency, and continuous improvement, the average power saving rate in 2020 reached 0.85%. The Company completed the “Analysis of optimal distance between two electrodes with big data” at the end of 2020, "reduced two cooling water pump operations to one unit" by automatic switching system from 2021. As a result, although the total energy consumption increased slightly due to the 15.54% increase in production capacity in 2021, the energy use per unit of production decreased by 6.57% compared with 2020. 2022 also saw a power saving of 0.81%, continuing to move towards the carbon reduction target. Due to economic conditions and damage to the clean room ceiling caused by Typhoon Shanxu in 2024, the factory reduced production to accommodate the replacement of the clean room ceiling. Some fixed power consumption could not be reduced, resulting in higher energy usage per unit of production in 2024. The company will continue to be committed to adopting innovative technologies and best practices, promoting sustainable development, and contributing more to environmental protection.</p>	

Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			3. In terms of water use: We have signed a reclaimed water usage contract with government agencies, and in 2024, we continue to use domestic wastewater for industrial water usage in the factory area through circular economy methods. 4. Administrative Aspects: Implemented an electronic approval system and established an electronic contract management platform. Meeting notifications and minutes are sent electronically, and meeting materials are primarily printed double-sided to reduce paper usage. Used toner cartridges from copiers and printers are returned to the original manufacturers for recycling to avoid environmental impact from disposal. Reusable cups are provided for visitors' beverages to reduce consumable use, and employees are encouraged to bring their own eco-friendly utensils. Internal document delivery reuses old envelopes and used kraft paper bags through a bag recycling system.	
(3) Does the Company assess the potential risks and opportunities of climate change for its current and future operations and undertake response measures?	✓		1. Facing global climate change, it is difficult to predict the possibility of global warming, wind disaster, flood and drought, which will affect the industrial supply chain, and difficult for the Company to avoid operation risk. To reduce the impact of climate change on operations, since 2019, The company has prioritized risk identification and inventory of internal adaptation actions for three potentially high-risk issues related to our operations: greenhouse gas emission regulations, energy supply management, and water resource management. This includes greenhouse gas emission reduction, improving resource use efficiency (energy conservation, electricity saving, water resource reuse), purchasing 2,305 green energy certificates, and conducting feasibility assessments for other green energy options. 2. In 2020, the Company officially introduced the Task Force on Climate-Related Financial Disclosures (TCFD) to the factories of Group's parent company to conduct climate-related risk and opportunity assessment, continuously explore the short, medium and long-term impacts of various risks and opportunities on operations, and	No significant deviation

Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof																					
	Yes	No	Description																						
			revise climate change-related risk management strategies and specific actions from time to time, with the hope of standing firm in the tide of climate emergency and contributing to the sustainability of the earth.																						
(4) Does the Company calculate the amount of greenhouse gas emissions, water consumption, and waste production in the past two years and implement policies to cut down carbon and greenhouse gas emissions, and waste production?	✓		<div>1. Greenhouse Gases: In April 2024, The company completed the "Enterprise Greenhouse Gas Emissions Inventory" and the registration process on the "Enterprise Greenhouse Gas Emissions Information Platform" as required by law. The regulatory authorities also responded in February 2025 with approval of the review. The Company has introduced ISO 50001 and ISO 14001 systems and continuously maintains the validity of the certificate. Based on the PDCA cycle module, the Company continues to improve (energy-saving and waste-reduction) and optimize of the process, to achieve the social responsibilities of reducing the impact on the environment and sustainable operation of corporate.</div> <table><tr><td>Item</td><td>2023</td><td>2024 ^{Note 1}</td></tr><tr><td>Scope 1 (tonnes CO₂e/year)</td><td>155.9997</td><td>177.21</td></tr><tr><td>Scope 2 (tonnes CO₂e/year)</td><td>58,681.3576</td><td>51,851.76</td></tr><tr><td>Annual Total Emissions (tonnes CO₂e/year)</td><td>58,837.357</td><td>52,028.97</td></tr><tr><td>Scope 1 Percentage (%)</td><td>0.27%</td><td>0.34%</td></tr><tr><td>Scope 2 Percentage (%)</td><td>99.73%</td><td>99.66%</td></tr><tr><td>Carbon Intensity (tonnes CO₂e/million dollars) ^{Note 2}</td><td>16.54</td><td>17.38</td></tr></table> <div>Note: 1. The data in the above table complies with ISO 14064-1:2018, applies the global warming potential values from the IPCC 2021 Sixth Assessment Report, and has been verified by a third party. 2. Carbon emission factor database source: Greenhouse Gas Emission Factors (2024) from the Environmental Protection Administration, Executive Yuan.</div>	Item	2023	2024 ^{Note 1}	Scope 1 (tonnes CO ₂ e/year)	155.9997	177.21	Scope 2 (tonnes CO ₂ e/year)	58,681.3576	51,851.76	Annual Total Emissions (tonnes CO ₂ e/year)	58,837.357	52,028.97	Scope 1 Percentage (%)	0.27%	0.34%	Scope 2 Percentage (%)	99.73%	99.66%	Carbon Intensity (tonnes CO ₂ e/million dollars) ^{Note 2}	16.54	17.38	No significant deviation
Item	2023	2024 ^{Note 1}																							
Scope 1 (tonnes CO ₂ e/year)	155.9997	177.21																							
Scope 2 (tonnes CO ₂ e/year)	58,681.3576	51,851.76																							
Annual Total Emissions (tonnes CO ₂ e/year)	58,837.357	52,028.97																							
Scope 1 Percentage (%)	0.27%	0.34%																							
Scope 2 Percentage (%)	99.73%	99.66%																							
Carbon Intensity (tonnes CO ₂ e/million dollars) ^{Note 2}	16.54	17.38																							

Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof												
	Yes	No	Description													
			<p>3. The carbon emission factor for electricity used in 2023 was 0.495 kg CO2e/kWh; the carbon emission factor for electricity used in 2024 is 0.474 kg CO2e/kWh. (The latest available carbon emission factor at the time of certification, according to the announcement by the Bureau of Energy, Ministry of Economic Affairs)</p> <p>2. Waste: The company takes strict management measures for industrial waste disposal, ensuring that all waste is handled and disposed of by qualified operators approved by the competent authorities, properly implemented according to legal procedures, and providing relevant records and proof. Over the past few years, we have achieved results in reducing waste generation and improving waste treatment efficiency. With continuous optimization of manufacturing processes and strengthened waste management measures, we have successfully reduced the total amount of industrial waste and continue to reuse most waste, effectively achieving waste reduction goals. In addition, we actively promote the proper handling and reduction of hazardous waste. Entering 2024, we continue to strengthen waste management, committed to further reducing waste generation, and continuously improving waste recycling and reuse rates, contributing more to environmental protection.</p> <table><tr><th>Year</th><th>Hazardous waste (tonnes)</th><th>Non-hazardous waste (tonnes)</th><th>Output per unit of product (tonnes/tonne)</th></tr><tr><td>2023</td><td>512.92</td><td>50.88</td><td>0.059</td></tr><tr><td>2024</td><td>511.41</td><td>74.29</td><td>0.073</td></tr></table> <p>3. Water consumption: The unit water consumption of the Company per ton of products is maintained at about 30 cubic meters/ton. The plant is equipped with filtration equipment and an ion exchange resin tower to recycle the process water. In 2022, we began using reclaimed water (sourced from domestic wastewater in the Kaohsiung area), which can meet over</p>	Year	Hazardous waste (tonnes)	Non-hazardous waste (tonnes)	Output per unit of product (tonnes/tonne)	2023	512.92	50.88	0.059	2024	511.41	74.29	0.073	
Year	Hazardous waste (tonnes)	Non-hazardous waste (tonnes)	Output per unit of product (tonnes/tonne)													
2023	512.92	50.88	0.059													
2024	511.41	74.29	0.073													

Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof															
	Yes	No	Description																
			<p>80% of the water requirements for operational processes, reducing tap water usage to below 20%. In 2023, the company successfully achieved the goal of using over 90% reclaimed water, actively reducing water resource consumption and lowering environmental impact. Despite facing many challenges in 2024, in situations where reclaimed water occasionally cannot be supplied stably, we remain committed to our purpose of reducing ecological impact and ensuring that the utilization rate of reclaimed water stays above 85%, demonstrating our long-term commitment to sustainable development and environmental protection. This continuous effort not only reflects the company's environmental responsibility but also demonstrates that even in a changing production environment, we can maintain a high emphasis on resource reuse.</p> <table><tr><th>Year</th><th>Consumption of tap water (m³)</th><th>Consumption of reclaimed water (m³)</th><th>Total water consumption (m³)</th><th>Water consumption of unit product (m³/ton)</th></tr><tr><td>2023</td><td>12,850</td><td>273,966</td><td>286,816</td><td>29.4</td></tr><tr><td>2024 Note 1</td><td>24,865</td><td>255,626</td><td>290,968</td><td>36.1</td></tr></table> <p>Note 1: The relevant units have not yet released the 2024 reclaimed water data; the current data is estimated based on The company's own meter readings.</p>	Year	Consumption of tap water (m³)	Consumption of reclaimed water (m³)	Total water consumption (m³)	Water consumption of unit product (m³/ton)	2023	12,850	273,966	286,816	29.4	2024 Note 1	24,865	255,626	290,968	36.1	
Year	Consumption of tap water (m³)	Consumption of reclaimed water (m³)	Total water consumption (m³)	Water consumption of unit product (m³/ton)															
2023	12,850	273,966	286,816	29.4															
2024 Note 1	24,865	255,626	290,968	36.1															
4. Social Issues (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the	✓		1. The Company complies with the Labor Standards Act, the Employment Service Act, the Gender Work Equality Act and other relevant labor acts and regulations, and attaches great importance to international human rights provisions, and formulates work rules, personnel selection and appointment operation management methods, personnel attendance operation management method, reward and punishment operation	No significant deviation															

Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
International Bill of Human Rights?			<p>management method, salary operation management method and human rights policy to protect the labor and human rights of its staff.</p> <p>2. The Company handles labor insurance, national health insurance, pension and other related matters in accordance with relevant regulations, and has purchased group insurance and other insurances to implement the insurance plan.</p> <p>3. To maintain gender equality and human dignity at work, the Company prohibits any sexual harassment, provides prevention, control, complaint and disciplinary measures for sexual harassment, and does not discriminate against employees based on race, religion, color, nationality, gender and other factors. Up to now, there is no employment discrimination against employees or indigenous people, nor any child labor or forced labor or infringement on human rights.</p>	
(2) Does the company appropriately reflect the business performances or achievements in the employee remuneration policy (including salary, annual leave and other benefits)?	✓		<p>1. The Company has formulated salary management methods, value and core function management methods, work rules, reward and punishment management methods and other rules and regulations to establish a reasonable salary and reward policy. Meanwhile, each department also evaluates the achievement of individual work goals based on the management performance indicators for the current year.</p> <p>2. In accordance with the "reward and punishment" system of the work rules, the Company appropriately encourages the colleagues with good performance, and also gives appropriate punishment to those who violate the work requirements.</p> <p>3. The Company has a remuneration committee, which holds at least two meetings every year to make suggestions on the managers' annual performance targets and achievements as well as the Company's remuneration policies.</p>	No significant deviation
(3) Does the company provide a healthy and safe work environment and organize	✓		<p>1. The company has successfully passed the ISO 45001:2018 Occupational Health and Safety Management System certification (valid until January 31, 2026), and obtained the TOSHMS CNS 45001:2018 Taiwan Occupational Safety and Health Management</p>	No significant deviation

Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
health and safety training for its employees on a regular basis?			<p>System certification (valid until January 30, 2026). This certification demonstrates that we comply with international and local regulations in occupational safety and health management, and have a management system that meets the standards. The company will continue to follow company policies and management procedures, utilizing the PDCA (Plan, Do, Check, Act) cycle to continuously optimize safety and health controls, ensuring the safety and health of employees in the workplace.</p> <p>2. The offices are equipped with a comfortable central air conditioning system, adequate lighting equipment, and suitable visual and auditory working spaces. equipped with secure access control, emergency exits, and legally compliant fire safety equipment. Through regular fire drills and periodic workplace safety promotion, sanitation disinfection, and 5S activities, we maintain environmental health and safety policies in the workplace.</p> <p>3. For health management, The company collaborates with Golden Hospital (Catholic St. Joseph Medical Foundation) to arrange professional medical teams to provide occupational health services. Every month, a nurse is scheduled to provide 6 health service sessions, 2 hours each, while a physician provides 6 sessions annually, 3 hours each, in compliance with the relevant provisions of the "Labor Health Protection Regulations". To further safeguard employee health.</p> <p>4. The company regularly organizes employee health examinations (once a year for plant employees, once every two years for office employees), and regularly holds health promotion seminars. We also provide free influenza vaccination services to help employees understand their health conditions and actively prevent diseases.</p> <p>5. In terms of employee mental health support, The company has established professional psychological counseling services twice a month, with certified psychologists</p>	

Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			<p>providing one-on-one psychological guidance to help employees cope with work pressure, emotional adjustment, and life difficulties.</p> <p>6. To maintain harmony and respect in the workplace, we have established measures to address workplace bullying and inappropriate behavior. According to the "Occupational Safety and Health Act" of the Ministry of Labor, The company has established the "Prevention Procedure for Illegal Infringement in the Workplace (2661-SHC-19)" to prevent employees from experiencing workplace violence or inappropriate behavior. To promote a healthy work environment, The company has established the "Workplace Sexual Harassment Prevention Measures, Complaint, and Disciplinary Standards" in accordance with the "Gender Equality in Employment Act," and has set up clear complaint channels and disciplinary mechanisms. In accordance with the "Labor Inspection Act," we have posted complaint channels in prominent locations, allowing employees to anonymously or openly report any inappropriate behavior encountered at work.</p> <p>In addition, the company has established the "Employee Code of Conduct," and through regular education, training, and promotion, we enhance employees' awareness of workplace ethics, behavioral standards, and anti-bullying policies. These measures aim to create a respectful, fair, and harmonious work environment, prevent workplace bullying behaviors, and ensure that every employee works in a fair and just environment with their basic dignity preserved.</p> <p>7. In 2024, the company has not experienced any occupational accidents or fire incidents.</p>	
(4) Does the company establish effective career development and training plans for its employees?	✓		<p>1. The Company has set up new employee training, professional training, management training of different stages and environmental safety-related training under the functional system, and encourages the employee to participate in internal professional learning or education and training provided by external professional institutions</p>	No significant deviation

Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			<p>according to their work content, so as to enhance professional career skills through different learning methods such as studying, continuing education, and increasing the communication opportunities with peers.</p> <p>2. The employees are encouraged to assess their interests, skills, values and goals and to communicate their career intentions to their supervisors in order to plan their future careers.</p> <p>3. The Company has a substantial incentive policy for those obtaining professional licenses due to career development planning.</p>	
(5) Do the Company's products and services comply with the relevant regulations and international standards in relation to customers' health and safety, customer privacy, marketing, and labeling? Has the Company set policies to protect consumers' rights and set up consumer complaint procedures?	✓		<p>1. The Company mainly produces electrolytic copper foil, which is the key material of copper foil substrates and printed circuit plate. At present, its products have passed the EU REACH certification (registration, evaluation, authorization and restriction of chemicals), RoHS certification (restriction on the use of certain hazardous substances in electronic and electrical equipment), POHS certification (Prohibition on Certain Hazardous Substances in Consumer Products), and SONY SS-00259 certification (SONY Green Partner Environmental Quality Approval System), providing a certain level of basic health and safety protection.</p> <p>2. The electrolytic copper foil products of the Company are designed and developed in collaboration with customers. The key formula and Know-How of various copper foils are different. On the premise of properly protecting important information provided by customers, our company has maintained a cooperative relationship with many customers for more than 20 years, and there is no leakage of customer product information or employees involved in business secrets leakage in the past 5 years.</p> <p>3. The Company attaches importance to marketing ethics, and complies with intellectual wealth laws and international standards in the marketing of its products and services to protect our customers' rights and interests.</p>	No significant deviation

Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			4. The Company is not a first-line manufacturer directly facing end consumers, so it has maintained a good communication channel with downstream customers, and the colleagues of the business will cooperate with the quality assurance unit to visit customers from time to time to understand the information about customers' use of products. In addition, we provide customer service email (CSR) for products and services, and internally follow the operation management method of customer complaints. To facilitate timely handling of customer questions regarding products and services;	
(6) Does the Company formulate and implement supplier management policies that require suppliers to follow relevant regulations on environmental protection, occupational safety and health or labor human rights?	✓		1. Supplier Management Policy: (1) The company procures from long-term cooperative and reputable copper raw material suppliers, and conducts regular quality evaluations and on-site factory visits to raw material suppliers annually. The evaluation content covers 7 dimensions, among which, in terms of support items, we assess whether suppliers have appropriate system decision-makers and review whether educational training records are complete, ensuring that suppliers gradually strengthen employee safety in the work environment and equipment operation. In addition, most of our company's copper raw material suppliers have already passed ISO9000 quality certification, and their production, incoming, and outgoing shipments must follow regulations. Upon factory entry, our company conducts inspections of copper raw materials. The inspection items include composition, purity, organic pollutants, and inorganic impurities (such as zinc, arsenic, lead, antimony, etc.), to ensure suppliers comply with our company's environmental protection policies and pay attention to environmental protection-related issues. If a supplier experiences situations affecting the environment or society, our company has tasked the procurement department to work with relevant	No significant deviation

Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			<p>units to evaluate termination of transactions or contract cancellation. However, as of now, no similar incidents have occurred.</p> <p>(2) In terms of contracting factory works, the Company has formulated the evaluation and operation management methods for contractors and contractor safety, environment and management procedures as a standard to follow. The contractors are required to strictly comply with the relevant government regulations in environmental protection laws, occupational safety and health and labor policies, which are included in the annual assessment standards for qualified contractors, so as to manage the contractors at different levels, strengthen the management and control of the contractor's safety, environment and sanitation, and improve the contractor's environmental protection knowledge and technical ability to achieve the purpose of preventing industrial safety disaster.</p> <p>2. Compliance with labor and human rights regulations and their implementation status:</p> <p>(1) At the beginning of 2022, our company announced a human rights policy to employees, and simultaneously conducted human rights concept training in the "Trust and Respect" workshop, and has established an employee communication mailbox for colleagues to express opinions or suggestions. The company's work rules stipulate that individuals under the age of fifteen may not be employed. Our company does not employ child labor under the age of 16, and in 2024, there have been no incidents of discrimination, violations of freedom of association and collective bargaining rights, employment of child labor, or forced or compulsory labor.</p> <p>(2) Respect for workplace human rights: Providing equal employment opportunities and promoting an inclusive and diverse environment. With regard to employee hiring, education and training, salary and benefits, retirement, severance, resignation, and dismissal, there is no differential treatment based on factors such as race, class,</p>	

Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			<p>language, religion, political affiliation, place of origin, gender, sexual orientation, age, or marital status.</p> <p>(3) Implementing workplace diversity: No differential treatment based on race, class, language, religion, political orientation, place of birth, gender, sexual orientation, age, marriage, physical or mental disability, blood type, etc., and prohibition of forced labor, child labor, human trafficking, and other human rights violations.</p> <p>(4) Design compensation and benefits policies based on the principle of equality: Comply with legal regulations related to wages and working hours, and optimize the salary structure based on the principle of equality, establishing the relative position and value of each position within the organization, with salary differences arising from different functions and responsibilities.</p> <p>(5) Respect for freedom of association: Encourage employees to establish and participate in club activities, and provide diverse, open communication channels. Regularly hold labor-management meetings or employee representative assemblies, striving to promote harmony between labor and management, and create good labor-management relations.</p> <p>(6) Building a safe, healthy, and happy workplace environment: Constructing a safe and hygienic work environment, jointly reducing workplace safety and health risks, promoting employees' physical and mental health, and achieving work-life balance.</p> <p>(7) Establishing employee code of conduct and sexual harassment prevention measures, and publicly declaring opposition to discrimination and any form of harassment, bullying, and other workplace violence.</p> <p>(8) Emphasizing maternal health protection, providing paid maternity leave and parental leave that exceed the Labor Standards Act requirements, and designating priority parking spaces for pregnant employees.</p>	

Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
5. Does the company refer to internationally accepted reporting standards or guidelines to prepare sustainability reports or other reports that disclose non-financial information of the company? Has the aforementioned report obtained assurance or verification opinion from a third-party verification body?	✓		The company's 2024 Sustainability Development Report is being prepared according to internationally accepted reporting standards or guidelines. It is currently in production and is expected to obtain verification from BSI (British Standards Institution) in the third quarter of 2025.	No significant deviation
6. If the Company has established sustainable development best-practice principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," describe the implementation and any deviations from such principles: The Company has amended "Corporate Social Responsibility Best Practice Principles" and renamed it to "Sustainable Development Best Practice Principles" on March 23, 2022. The connotation and relevant procedures of these principles are followed. There is no significant deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.				
7. Other important information regarding the implementation of sustainable development: (1) The company is committed to maintaining good relationships with neighboring communities. During the Spring Festival, the company organized community outreach activities, distributing a total of 40 gift boxes to community residents and relevant organizations to express the company's care and gratitude. This activity not only strengthened cohesion within the community but also further promoted harmonious cooperation with neighboring communities, fully demonstrating the company's commitment to and emphasis on social responsibility. (2) Participation in the Kaohsiung City Environmental Protection Bureau's "Kaohsiung City Air Quality Purification Zone Management Plan" - Plant Adoption Activity: Since 2017, the company has participated annually in the "Kaohsiung City Air Quality Purification Zone Management Plan" promoted by the				

Implementation Items	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
<p>Kaohsiung City Environmental Protection Bureau, contributing through donations to plant adoption activities to improve air quality in Kaohsiung City. To date, the company has made 8 donations, with each donation amounting to NT\$20,000, for a total donation amount of NT\$160,000. This measure not only helps improve local air quality but also enhances environmental awareness among community residents, demonstrating the company's commitment to environmental protection and sustainable development.</p> <p>(3) Our company supports social welfare organizations by regularly purchasing mooncakes from the Children Are Us Foundation. For the 2024 Mid-Autumn Festival, we purchased 210 boxes of mooncakes from them, with a total amount of approximately NT\$120,000. Providing Mid-Autumn Festival gifts to employees while supporting the development of the Children Are Us social welfare organization, helping to raise social awareness and support for disadvantaged groups. Demonstrating the company's proactive approach to social responsibility and care for disadvantaged groups.</p>				

(6) Implementation of ethical corporate management and measures taken

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company establish the ethical corporate management policies approved by the Board of Directors and declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its Board to implement the policies?</p>	✓		On July 19, 2017, our company established the "Ethical Management Principles," "Ethical Management Operating Procedures and Behavioral Guidelines," and "Code of Ethical Conduct," requiring directors and managers to lead by example, adhering strictly to the principles of honesty and credibility to establish a corporate culture of integrity and trustworthiness. All employees must understand professional ethical standards and personal integrity, upholding the spirit of honesty, rigor, and professionalism in performing their duties, and must not engage in any dishonest behavior. These procedures have already been disclosed on the company's website.	No significant deviation
<p>(2) Does the Company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope</p>	✓		<p>1. Based on the business philosophy of honesty, transparency and responsibility, the Company has developed specific ethical management practices and prevention programs based on ethics, such as formulating preventive measures such as prohibiting employees from using business reception to exchange unfair competitive advantages, accepting gifts or reception affecting the business judgment, illegal political contributions, improper charitable donations or sponsorship, improper</p>	No significant deviation

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof										
	Yes	No	Description											
which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include those specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?			interests, infringement of business secrets, trademark rights, patents, copyrights, intellectual and financial rights, etc. 2. The Company regularly conducts audits on ethical management to ensure that existing preventive measures can effectively avoid most dishonest behaviors, and reports the audit results to the Board of Directors.											
(3) Does the company specify in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implement them and review the prevention programs on a regular basis?	✓		<div>The Company has established regulations such as the "Ethical Corporate Management Best Practice Principles", the "Ethical Operating Procedures and Conduct Guide" and the "Operation Procedures and Guidelines for Ethical Corporate Management", and the “Whistle-blowing System”, and specified the reward and punishment measures in the working rules for employees to prevent unethical behaviors of employees and implement these regulations. The above-mentioned regulations are amended as required by law. The implementation status of courses held in 2024 is as follows:</div> <table><tr><td>Course</td><td>Completed</td><td>Not Completed</td><td>Total</td><td>Completion Rate</td></tr><tr><td>Anti-corruption and Integrity</td><td>188</td><td>3</td><td>191</td><td>98%</td></tr></table>	Course	Completed	Not Completed	Total	Completion Rate	Anti-corruption and Integrity	188	3	191	98%	No significant deviation
Course	Completed	Not Completed	Total	Completion Rate										
Anti-corruption and Integrity	188	3	191	98%										
2. Fulfillment of ethical corporate management														

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
(1) Does the company evaluate business partners' ethical records and include ethics-related clauses in the business contracts signed with the counterparties?	✓		The Company conducts transactions in accordance with relevant laws and regulations, and examines the performance behaviors of the business partners to avoid transactions with those with records of unethical behaviors. The counterparty will be required to sign a "Clean Transaction Commitment" after confirming cooperation.	No significant deviation
(2) Does the company establish an exclusively dedicated unit supervised by the Board of Directors to be in charge of ethical corporate management and report to the Board of Directors the implementation of ethical corporate management policies and prevention programs on a regular basis (at least once a year)?	✓		<ol style="list-style-type: none"> 1. The General Manager's Office is responsible for formulating integrity management policies, and the audit unit checks compliance with supervision and implementation every year. All directors, managers, and employees of the company strictly comply with these policies. 2. The audit unit reports the company's implementation of integrity management to the Board of Directors annually, while also presenting the audit results on integrity management. 	No significant deviation
(3) Does the company establish policies to prevent conflicts of interest, provide appropriate communication channels,	✓		<ol style="list-style-type: none"> 1. The company mentions policies to prevent conflicts of interest in both the "Integrity Management Procedures and Behavioral Guidelines" and "Employee Code of Conduct," clearly specifying that for criminal activities, fraud, dishonesty, or violations of laws and regulations, the company has established dedicated whistleblowing channels for complainants to file reports (whistleblowing email: 	No significant deviation

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
and implement them accordingly?			gmlyt@lcygroup.com; written submission: LCY Technology whistleblowing mailbox). 2. The company's directors, managers, and employees must not use their positions or influence within the company to obtain improper benefits for themselves or others; when the Board of Directors encounters agenda items involving directors' conflicts of interest that may potentially harm the company's interests, after explaining the reasons, the directors should recuse themselves and not participate in the discussion or voting.	
(4) Does the company establish effective accounting systems and internal control systems to implement ethical corporate management, with the internal audit unit being responsible for devising relevant audit plans based on the results	✓		1. The company has established effective accounting systems and internal control systems in accordance with the principles of integrity management. The audit unit confirms integrity behaviors when auditing various cycles according to the annual audit plan, and prepares audit reports with subsequent improvement plans for submission to the Audit Committee, Board of Directors, and management team to implement audit effectiveness. 2. From August to December 2024, the company will hold monthly activities to update core values, promoting the core values of safety and health, integrity and honesty, embracing responsibility, continuous improvement, and value co-creation. 3. The company records information about gift givers, recipients, and the gifts themselves when receiving festive gifts and other presents from external sources.	No significant deviation
Has an audit plan been established to verify compliance with dishonesty prevention programs, or have accountants been appointed to conduct audits?				

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
(5) Does the company regularly hold internal and external training on ethical corporate management?	✓		The company discloses its Ethical Corporate Management Best Practice Principles on the company website. From August to December 2024, the company will hold monthly activities to update core values, promoting the core values of safety and health, integrity and honesty, embracing responsibility, continuous improvement, and value co-creation, as well as management philosophy.	No significant deviation
3. Operation of the whistle-blowing system (1) Does the company establish both a reward/whistle-blowing system and convenient whistle-blowing channels? Are appropriate personnel assigned to the accused party?	✓		1. The Company has a whistleblowing system and management measures for rewards and punishments. In case of finding any crime, fraud, dishonesty or behaviors violating laws, the whistleblower can report through the whistleblowing channels (E-mail: gmlcyt@lcygroup.com; written report: complaint mailbox of LCY Technology) to appeal to the Company: (1) When the reported person is a general employee: The General Manager appoints relevant supervisors and the audit director to form an investigation team to conduct the investigation. (2) When the reported person is a director or senior management, the General Manager reports to the independent directors or the Audit Committee, and the independent directors appoint designated personnel to conduct the investigation. 2. The Company will protect the whistle-blowers and the personnel involved in handling the reported cases from unfair or improper treatment due to whistleblowing. If the personnel involved in the whistle-blowing suffer threats, intimidation or other adverse acts, the Company will assist them to report to the police for handling.	No significant deviation
(2) Does the company establish the standard operating procedures for investigating reported misconduct, follow-up	✓		1. The company has established the "Ethical Corporate Management Best Practice Principles" as regulations, and has formulated a "Whistleblowing System" as the basis for handling reports. 2. After receiving a case, the company's processing unit should register and file the case, and handle the entire process confidentially. The investigation and processing	No significant deviation

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
measures to be taken after the investigation, and related confidentiality mechanisms?			<p>procedure is limited to three months (which can be extended by three months if necessary). The relevant standard operating procedures and subsequent handling measures are clearly stipulated in the company's whistleblowing system.</p> <p>3. The information of the reported case shall be kept secret for at least 5 years. If litigation is involved, it shall be kept until the end of litigation.</p>	
(3) Does the Company protect whistle-blowers against receiving improper treatment?	✓		<p>1. The Company has established regulations such as “Ethical Corporate Management Best Practice Principles” and “Whistleblowing System”. The general manager instructs the heads of relevant department and the audit office to form the investigation team, which conducts its work objectively and impartially. In addition to keeping the identity of the whistleblower and the contents of the whistleblower confidential, it will report its findings directly to the superior.</p> <p>2. The Company will protect the whistle-blowers and the personnel involved in handling the reported cases from unfair or improper treatment due to whistleblowing. If the personnel involved in the whistle-blowing suffer threats, intimidation or other adverse acts, the Company will assist them to report to the police for handling.</p>	No significant deviation
4. Enhanced disclosure of ethical corporate management information Does the company disclose the ethical corporate management policies and the results of its implementation on the company website and MOPS?	✓		<p>1. The company's "Ethical Corporate Management Best Practice Principles," "Ethical Corporate Management Operating Procedures and Conduct Guidelines," and "Code of Ethical Conduct" have been disclosed on the company's website, English website, and the Market Observation Post System.</p> <p>2. The implementation status and measures of ethical corporate management have been disclosed on the company's website and in the annual report.</p>	No significant deviation

Evaluation Item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
5.	If the company has established its own Ethical Corporate Management Best Practice Principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," describe any differences between its implementation and the established principles: The company's "Ethical Corporate Management Best Practice Principles" and "Ethical Corporate Management Operating Procedures and Conduct Guidelines" have been established in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," with no significant differences.			
6.	Other important information to facilitate a better understanding of the Company's ethical corporate management policies			
(1)	Establish the Remuneration Committee and regularly review the annual and long-term performance objectives of the Company's directors and managers as well as the policies, systems, standards and structures of the Remuneration Committee.			
(2)	Regularly review and amend the "Ethical Corporate Management Best Practice Principles" to comply with laws and regulations and the company's current operational status.			
(3)	The Rules of Procedure for the Board of Directors has provided the Directors' avoidance of motions in conflict of interest to ensure that relevant resolutions are not harmful to the Company's rights and interests.			
(4)	Each department will conduct an annual self-evaluation to review the effectiveness of the internal control system and the compliance of staff with the rules and regulations in light of changes in the organization and environment.			

- (7) Other important information for facilitating a better understanding of the Company's corporate governance practices
1. Important information is disclosed on the MOPS and the Company's website in real-time.
 2. An audit committee is set up to replace the supervisory authority to ensure that the financial statements are properly presented and the CPAs are independent and fair, and its operational status is disclosed on the MOPS and the Company website.
 3. A Remuneration Committee is set up to review the policies, systems, standards and structure of the remuneration system on a regular basis, and its operational status is disclosed on the MOPS and the Company website.
 4. Electronic voting has been adopted and listed as a channel for voting on motions of the shareholders' meeting to fully exercise the shareholders' rights.
 5. To assure the knowledge on and compliance with the "Procedures for Handling Material Inside Information and Prevention of Insider Trading" of the directors, managers and colleagues of the Company, the Company regularly promotes laws and regulations every year, and incorporates it into the internal control system to reduce the risk of insider trading.
 6. Abide by the code of ethical conduct, operate with integrity and implement the internal audit mechanism.

(8) Status of Internal Control System

1. Statement on Internal Control

Statement on Internal Control of Public Companies

Indicate that both design and execution are effective

(In the portion relating to the observance of laws and regulations, this Statement refers to all laws and regulations in effect at the time the Statement was issued)

LCY Technology Corporation

Statement on Internal Control

Date: March 13, 2025

Based on the findings of a self-assessment, Ho Tung Chemical Corporation states the following with regard to its internal control system during the year 2024:

1. The Company acknowledges that it is the responsibility of the Board of Directors and managerial officers to establish, implement, and maintain the established internal control system. The objectives of the internal control system include achieving various objectives in business benefits and efficiency (including profitability, performance, and protection of security for assets), ensuring the reliability, timeliness, transparency, and regulatory compliance of reporting, and providing reasonable assurance.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its 3 stated objectives above. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond control. Nevertheless, the internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
3. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, (5) monitoring activities. Each key component includes several items. Please refer to the Regulations for the aforementioned items.
4. The Company has evaluated the design and operating effectiveness of the internal control system according to the Regulations.
5. Based on the findings of the aforementioned evaluation, the Company believes that, on December 31, 2024, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries) to provide reasonable assurance over our operating effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.
6. This statement is an integral part of the Company's annual report and prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This statement was passed by the Board of Directors in the meeting held on March 13, 2025, with none of the 7 attending directors expressing dissenting opinions. The remainder all affirmed the content of this statement.

LCY Technology Corporation

Chairman:

Signature

General Manager:

Signature

2. If a CPA Has Been Hired to Carry Out a Special Audit of the Internal Control System, the CPA Audit Report Shall Be Disclosed: None.

(9) Major Resolutions of Shareholders' Meeting and Board Meetings during the Most Recent Fiscal Year and the Current Fiscal Year Up to the Date of Publication of the Annual Report

1. Shareholders Meeting

Date	Matters Resolved	Implementation Status
2024/6/18	1. Acknowledgment of 2023 Business Report and Financial Statements	The resolution results have been followed
	2. Approval of the 2023 Deficit Compensation Plan	The resolution results have been followed
	3. Approval of the report on amendments to the Corporate Governance Best Practice Principles	The resolution results have been followed
	4. Approval of the report on amendments to the Ethical Corporate Management Best Practice Principles	The resolution results have been followed
	5. Approval of the Ethical Corporate Management Operating Procedures and Conduct Guidelines	The resolution results have been followed
	6. Approved the proposal for lifting the non-competition restriction on the Company's directors	The resolution results have been followed
	7. Approved the proposal for lifting the non-competition restriction on the Company's directors	The resolution results have been followed
	8. Approval of the Rules of Procedure for Shareholders' Meetings	The resolution results have been followed

2. Board of Directors

Date	Matters Resolved
2024/1/5	◆ The Company proposes to sign a cooperation agreement with Nippon Denkai, Ltd.
2024/1/25	◆ Amendment to the internal control system (including the internal audit system) ◆ Proposal on confirmation of the bonus payment standard for managers in 2023 ◆ 2024 Non-routine Salary Adjustment Plan for Managers (Meal Allowance) ◆ Amendment to the Ethical Corporate Management Best Practice Principles ◆ Amendment to the Procedures for Ethical Management and Guidelines for Conduct
2024/3/14	◆ 2023 Statement on Internal Control System. ◆ Amendment to the internal control system (including the internal audit system).

Date	Matters Resolved
	<ul style="list-style-type: none"> ◆ 2023 Business Report. ◆ 2024 Business Plan and Annual Budget. ◆ 2023 Financial Statements. ◆ Deficit Compensation for 2023. ◆ Appointment of CPAs for 2024 financial statements and audit of CPA fees. ◆ Proposal on 2023 employee compensation and directors' remuneration distribution. ◆ Changes in the Company's General Manager and Spokesperson. ◆ The Company's Manager Compensation Case. ◆ Confirmation of performance evaluation standard for managers in 2023. ◆ Decided the date, location and reasons for the convening of the 2024 Annual Shareholders' Meeting.
2024/5/9	<ul style="list-style-type: none"> ◆ The consolidated financial statements for the first quarter of 2024. ◆ Deficit Compensation for the first quarter of 2024. ◆ Request for the credit line and lines for foreign exchange and derivative financial commodities from the bank. ◆ Proposal to lift the non-competition restriction on director Paul Chen
2024/6/26	<ul style="list-style-type: none"> ◆ The Company's change of Audit Manager ◆ The Company's Manager Compensation Case.
2024/8/8	<ul style="list-style-type: none"> ◆ Amendment to the internal control system (including the internal audit system). ◆ The consolidated financial statements for the second quarter of 2024 ◆ 2. Deficit Compensation for second quarter of 2024 ◆ Request for the credit line and lines for foreign exchange and derivative financial commodities from the bank. ◆ The Company's change of Finance Manager. ◆ Change of the Company's "Corporate Governance Officer" and acting spokesman. ◆ The Company's Manager Compensation Case. ◆ Amendment to the "Audit Committee Organizational Rules". ◆ Amendment to the "Rules of Procedure for Board of Directors Meetings".
2024/9/19	<ul style="list-style-type: none"> ◆ Salary Adjustment for Managerial Officers in 2024. ◆ Case for Lifting Non-Competition Restrictions on Managers.
2024/11/7	<ul style="list-style-type: none"> ◆ Amendment to the internal control system (including the internal audit system) ◆ 2025 Annual audit plan. ◆ The consolidated financial statements for the third quarter of 2024. ◆ Deficit Compensation for third quarter of 2024 ◆ Request for the credit line and lines for foreign exchange and derivative financial commodities from the bank. ◆ Formulation of the "Management Regulations for Sustainability Information". ◆ Formulation of the "Regulations for the Issuance and Subscription of Employee Stock Options". ◆ Proposal to issue employee stock options, approval of the list of non-managerial employees eligible for allocation and the number of shares to be granted.

Date	Matters Resolved
	<ul style="list-style-type: none"> ◆ Proposal to issue employee stock options, approval of the list of managers eligible for allocation and the number of shares to be granted. ◆ Amendment to the "Operational Regulations for Board of Directors Performance Evaluation".
2024/12/20	<ul style="list-style-type: none"> ◆ Ratification of the acquisition of right-of-use assets for real estate leased from related parties in 2022. ◆ Proposal to lease offices and parking spaces for business purposes from related parties in 2025. ◆ The Company's change of Audit Manager ◆ The Company's Manager Compensation Case.
2025/1/13	<ul style="list-style-type: none"> ◆ Amendment to the "Employee Stock Option Issuance and Subscription Regulations". ◆ Proposal on confirmation of the bonus payment standard for managers in 2024.
2025/3/13	<ul style="list-style-type: none"> ◆ 2024 Statement on Internal Control System. ◆ Amendment to the internal control system (including the internal audit system). ◆ Proposal on 2024 employee compensation and directors' remuneration distribution. ◆ 2024 Financial Statements. ◆ Deficit Compensation for 2024. ◆ 2024 Business Report. ◆ 2025 Business Plan and Annual Budget. ◆ Appointment of CPAs for 2025 financial statements and audit of CPA fees. ◆ Confirmation of performance evaluation standard for managers in 2025. ◆ Request for the credit line and lines for foreign exchange and derivative financial commodities from the bank. ◆ Proposal to terminate the operations of the subsidiary LCYT Holdings Corp. ◆ Proposal to establish the "Scope of Entry-Level Employees" for the Company. ◆ Amendment to the Company's "Articles of Incorporation ◆ Decided the date, location and reasons for the convening of the 2025 Annual Shareholders' Meeting.

(10) Record or written Statements made by any Directors or Supervisors dissenting to important resolutions passed by the Board of Directors during the most recent fiscal year and up to the publication date of the annual report: None.

4. Information on CPA Fees

- (1) The amounts of the audit fees and non-audit fees paid to the CPAs and to the accounting firm to which they belong and to any affiliated enterprises as well as the details of non-audit services

Unit: NT\$ thousand

Name of CPA Firm	Name of CPA	Audit Period	Audit Fees	Non-audit Fees	Total	Note
Deloitte & Touche	Kuo, Wen Chi Liu, Chien Liang	2024.01~ 2024.12	2,735	1,173	3,908	Audit fee reimbursement, tax certification, information security and personal data protection projects

- (2) Whether the CPA firm is changed and the audit fees paid for the fiscal year of such fees are lower than those for the previous fiscal year: None.
- (3) If the audit fee has decreased by 10% or more compared to the previous year, the CPA's review report should be disclosed: No such occurrence.

5. Information on Replacement of CPAs

(1) Former CPAs

Date of Replacement	Note		
Replacement Reasons and Explanations	Starting from the third quarter of 2023, in line with the internal adjustments at Deloitte & Touche, CPA Lin, Wen Chin has been changed to CPA Kuo, Wen Chi, while CPA Liu, Chien-Liang remains unchanged.		
Termination by the Company or the CPAs or refusal to accept the appointment	Situation/Party	CPA	Client
	Termination by the Company	✓	
	Termination by the CPAs		
No Opinions (Other than Unmodified Opinions) in the Past 2 Years and Reasons	None		
Deviation from the Issuer	Yes		Accounting principles or practices
			Disclosure of financial statements
			Audit scope or steps
			Others
	None	✓	
	Description		
Other disclosed items (under Subparagraphs 1-4 to 1-7, Paragraph 6, Article 10 of the Guidelines)	None		

(2) Regarding the Succeeding CPA

Name of CPA Firm	Deloitte & Touche
Name of CPA	CPA Kuo, Wen Chi
Date of Appointment	Note
Inquiries into Accounting Treatments or Principles for Specific Transactions and Possible Opinions on Financial Statements before Appointment	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

Note: This is due to an internal adjustment of Deloitte & Touche, and the CPA was replaced starting from 2023 Q3. (3) The reply from former CPA to Article 10, Subparagraph 6, Sub-subparagraphs 1 and 2-3 of the Guidelines:
Not applicable.

- (3) The reply from former CPA to Article 10, Subparagraph 6, Sub-subparagraphs 1 and 2-3 of the Guidelines:

Not applicable.

- 6. The Chairman, General Managers, or Any Managerial Officer in Charge of Finance or Accounting Matters in the Most Recent Fiscal Year Holding a Position at the CPAs' Accounting Firm or an Affiliate of the Accounting Firm**

None.

7. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests (during the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report) by a Director, Managerial Officer, or Shareholder with a Stake of More than 10%

(1) Change in Equity Interests by Directors, Managerial Officers, and Major Shareholders

Unit: Share

Title	Name	2024		Up to the Date of Publication of the Annual Report in 2025	
		Change in Number of Shares Held	Change in Number of Shares Pledged	Change in Number of Shares Held	Change in Number of Shares Pledged
Chairman	LCY Chemical Corp. Representative: Paul Chen	0	0	0	0
Directors	LCY Chemical Corp. Representative: Sung, Ting Pang				
Shareholders holding 10% or more	LCY Chemical Corp.				
Directors	LEE CHANG YUNG COMPANY, LTD. Representative: Lee, Chi Chih	0	0	0	0
Directors	Wei, Cheng Chen	0	0	0	0
Independent Director	Liu, San Chyi	0	0	0	0
Independent Director	Tu, Wei Hua	0	0	0	0
Independent Director	Peng, Yu Min	0	0	0	0
General Manager	Liu, Chia He	0	0	0	0
Copper foil plant director	Huang, Shih Yu	0	0	0	0
Technical Director	Chen, Yen Hao	0	0	0	0
Auditing Manager	Lin, Chia Hua	0	0	0	0
Finance Manager and currently is also Corporate Governance Director	Stanley Kung (Resigned on August 08, 2024)	0	0	0	0
Finance Manager and currently is also Corporate Governance Director	Tsai, Meng Hsiu (2024/8/9 Newly appointed)	0	0	0	0
Accounting Manager	Lee, Ling Chih	0	0	0	0
Acting Audit Manager	Chen, Meng Chun (2024/6/28 Newly appointed)	0	0	0	0

- (2) Any Transfer of Equity Interests by a Director, Managerial Officer, or Shareholder with a Stake of More than 10%, Where the Counterparty in any such Transfer of Equity Interests is a Related Party:

Not applicable.

- (3) Any Pledge of Equity Interests by a Director, Managerial Officer, or Shareholder with a Stake of More than 10%, Where the Counterparty in any such Pledge of Equity Interests is a Related Party:

Not applicable.

8. Relationship among the Company's 10 Largest Shareholders who are Related to, Spouse of, or a Relative Within the Second Degree of Kinship of Another

April 20, 2025

Name	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Among 10 Largest Shareholders, Name and Relationship with Anyone who Is a Related Party or a Relative within the Second Degree of Kinship		Note
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Name	Relationship	
LCY Chemical Corp.	85,339,392	61.94	—	—	—	—	LEE CHANG YUNG COMPANY, LTD.	Substantive related party	None
Representative: Hung, Tsai Hsing	0	0	0	0	0	0	None	None	None
Hua Nan Commercial Bank, Ltd. in Custody for Li Mou Wei Trust Property Account	4,670,788	3.39	—	—	—	—	None	None	None
CTBC Bank in Custody for LCY Technology Employee Benefit Saving Trust Property Account	1,695,520	1.23	—	—	—	—	None	None	None
LEE CHANG YUNG COMPANY, LTD.	1,095,538	0.80	—	—	—	—	LCY Chemical Corp.	Substantive related party	None
Representative: Wei, Cheng Chen	0	0	0	0	0	0	None	None	None
British Virgin Islands Company MARVEL GROWTH LIMITED	831,568	0.60	—	—	Note	—	None	None	None
Sun, Chin Chuan	567,900	0.41	Note	—	Note	—	None	None	None
Li, Ming Chung	500,000	0.36	Note	—	Note	—	None	None	None
Citibank Custody Berkeley Capital SBL/PB investment Account	399,000	0.29	—	—	Note	—	None	None	None
Wu, Ping Huang	374,000	0.27	Note	—	Note	—	None	None	None
Cheng, Hu Yuan	320,000	0.23	Note	—	Note	—	None	None	None

Note: The shareholder is not an insider of the Company, thus impossible to know the situation of the shareholder's spouse, minor children holding shares and holding shares in the name of others.

9. Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, Its Directors and Managers, and Any Companies Controlled Either Directly or Indirectly by the Company

December 31, 2024; Unit: Share

Investee business	Ownership by the Company		Investment by Directors/Managerial Officers and Companies Directly or Indirectly Controlled by the Company		Total Ownership	
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio
LCYT Holdings Corp.	100	100%	—	—	100	100%
Kao Hsiung Cogen Co., Ltd.	200,000	20%	650,000	65%	850,000	85%

III. Capital Overview

1. Capital and Shares

(1) Source of Capital

Unit: thousand shares; the issue price is NT\$, and the balance is NT\$1,000

Year/ Month	Par Value Price	Authorized Capital		Paid-in Capital		Note			
		Shares	Amount	Shares	Amount	Source of Capital		Capital Increase by Assets Other than Cash	Others
1997.01	10	80,000	800,000	20,000	200,000	Set Up Capital Stock	TWD 200,000 thousand	—	Note 1
1998.12	10	80,000	800,000	50,000	500,000	Issuance of shares for cash capital increase	TWD 300,000 thousand	—	Note 2
1999.12	11.5	80,000	800,000	60,000	600,000	Issuance of shares for cash capital increase	TWD 100,000 thousand	—	Note 3
2001.11	13	80,000	800,000	80,000	800,000	Issuance of shares for cash capital increase	TWD 200,000 thousand	—	Note 4
2003.11	10	160,000	1,600,000	110,000	1,100,000	Issuance of shares for cash capital increase	TWD 300,000 thousand	—	Note 5
2008.06	10	160,000	1,600,000	44,000	440,000	Reduction of capital	TWD 660,000 thousand	—	Note 6
2008.08	10	160,000	1,600,000	50,000	500,000	Issuance of shares for cash capital increase	TWD 60,000 thousand	—	Note 7
2008.09	20	160,000	1,600,000	60,000	600,000	Issuance of shares for cash capital increase	TWD 100,000 thousand	—	Note 7
2009.12	20	160,000	1,600,000	60,300	603,000	Issuance of shares for cash capital increase	TWD 3,000 thousand	—	Note 8

Year/ Month	Par Value Price	Authorized Capital		Paid-in Capital		Note			
		Shares	Amount	Shares	Amount	Source of Capital		Capital Increase by Assets Other than Cash	Others
2014.07	10	160,000	1,600,000	12,060	120,600	Reduction of capital	TWD 482,400 thousand	—	Note 9
2014.07	10	160,000	1,600,000	66,000	660,000	Issuance of shares for cash capital increase	TWD 539,400 thousand	—	Note 10
2015.02	10	160,000	1,600,000	140,000	1,400,000	Issuance of shares for cash capital increase	TWD 740,000 thousand	—	Note 11
2018.08	10	160,000	1,600,000	153,085	1,530,850	Issuance of shares for cash capital increase	TWD 130,850 thousand	—	Note 12
2021.10	10	160,000	1,600,000	137,776	1,377,765	Reduction of capital	TWD 153,085 thousand	—	Note 13

Note 1: Approval and registration date and No.: By the Commerce Department of the Ministry of Economy by certificate (86) No. 100795 on January 16, 1997.

Note 2: Modification and registration date and No.: By the Commerce Department of the Ministry of Economy by certificate (87) No. 139864 on December 11, 1998.

Note 3: Modification and registration date and No.: By the Commerce Department of the Ministry of Economy by certificate (088) No. 088145376 on December 16, 1999.

Note 4: Modification and registration date and No.: By the Commerce Department of the Ministry of Economy by certificate (090) No. 09001450840 on November 19, 2001.

Note 5: Modification and registration date and No.: By the Commerce Department of the Ministry of Economy by certificate No. 09201315340 on November 19, 2003.

Note 6: Modification and registration date and No.: By the Commerce Department of the Ministry of Economy by certificate No. 09786914410 on July 16, 2008.

Note 7: Modification and registration date and No.: By the Commerce Department of the Ministry of Economy by certificate No. 09701242250 on September 23, 2008.

Note 8: Modification and registration date and No.: By the Commerce Department of the Ministry of Economy by certificate No. 09801297210 on December 31, 2009.

Note 9: Modification and registration date and No.: By the Commerce Department of the Ministry of Economy by certificate No. 10301132110 on July 10, 2014.

Note 10: Modification and registration date and No.: By the Commerce Department of the Ministry of Economy by certificate No. 10301132110 on July 10, 2014.

Note 11: Modification and registration date and No.: By the Commerce Department of the Ministry of Economy by certificate No. 10401022230 on February 5, 2015.

Note 12: Modification and registration date and No.: By the Commerce Department of the Ministry of Economy by certificate No. 10701104550 on August 16, 2018.

Note 13: Modification and registration date and No.: By the Commerce Department of the Ministry of Economy by certificate No. 11001192170 on October 27, 2021.

March 31, 2025

Shareholding Type	Authorized Capital			Note
	Issued Shares	Unissued Shares	Total	
Common stock	137,776,500 share	22,223,500 share	160,000,000 share	Listed stocks

Information on the shelf registration system: None.

(2) List of Major Shareholders

April 22, 2025

Shareholding	Shares Held (Shares)	Shareholding Ratio (%)
Name of Major Shareholders		
LCY Chemical Corp.	85,339,392	61.94
Hua Nan Commercial Bank, Ltd. in Custody for Li Mou Wei Trust Property Account	4,670,788	3.39
CTBC Bank in Custody for LCY Technology Employee Benefit Saving Trust Property Account	1,695,520	1.23
LEE CHANG YUNG COMPANY, LTD.	1,095,538	0.80
British Virgin Islands Company MARVEL GROWTH LIMITED	831,568	0.60
Sun Chin Chuan	567,900	0.41
Li, Ming Chung	500,000	0.36
Citibank Custody Berkeley Capital SBL/PB investment Account	399,000	0.29
Wu, Ping Huang	374,000	0.27
Cheng, Hui Yuan	320,000	0.23

(3) Dividend Policy and Its Implementation

1. Dividend policy

According to the Articles of Incorporation, if there are earnings in the Company's annual general final accounts, they shall first be used to pay taxes and make up for the accumulated losses (including the amount of the adjustment of the undistributed earnings), and then ten percent shall be allocated as the legal reserve as required by law (not applicable when the accumulated legal reserve has reached the Company's paid-in capital). Afterwards, special surplus reserve shall be allocated as regulated by law or by the competent authority. When the Company sets aside the special surplus reserve required by law, for the insufficient amount of the "net deduction of other equity accumulated in the previous period", before the earnings distribution, it should first set aside the undistributed earnings of the previous period. The special surplus reserve with the same amount set aside, if it is still insufficient, then add the net profit

of the current period plus the net profit after tax of the current period to the amount included in the undistributed earnings of the current period.

The balance of the preceding paragraph together with the accumulated undistributed earnings at the beginning of the period (including the amount of the adjustment of the undistributed earnings), shall be formulated as an earnings distribution proposal by the board of directors. When distributing earnings or making deficit compensation quarterly, it shall be distributed under the preceding procedures.

The Company's earnings distribution or loss off-setting of each quarter shall be approved by the Board of Director to distribute all or part of the dividends and bonuses, legal reserve or capital surplus in cash to shareholders after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by at least two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The Company's dividend policy is based on the Company's profit, capital structure and future operational needs. For each earnings distribution, no less than 10% may be distributed as dividend to the shareholders. However, when the accumulated distributable earnings are lower than the paid-in capital, the earnings do not have to be distributed; the distribution of dividend to shareholders may be conducted by cash or in the form of stock. The distribution of cash dividend shall be no less than 10% of the total of shareholders' dividend, in principle. The Company's industrial environment is variable. The types and proportions of the earnings distribution, based on the Company's future capital needs and long-term business plan, may be formulated by the board of directors under the current operating conditions, taking into account shareholders' interests, balanced dividend policies, and capital demand plan, etc. The distribution plan shall be submitted to the shareholders' meeting for resolution and adjustment.

2. Distribution of dividends proposed by the Board of Directors

The Company incurred a net loss after tax for the fiscal year 2024, and the Board of Directors resolved on March 13, 2025, not to distribute any dividends for the fiscal year 2024.

3. If any material change in expected dividend policy: None.

(4) Effect on the Operating Performance and Earnings per Share of Distribution of Stock Dividends Proposed or Adopted in the Most Recent Shareholders' Meeting

There is no proposed stock dividend without compensation at this shareholders' meeting,

therefore this is not applicable.

(5) Remuneration of Employees and Directors

1. Percentage and range of the remuneration of employees and directors as set forth in the Articles of Incorporation

Prior to distributing earnings, the Company shall allocate 0.5% or more of the profits (i.e. profit before tax before deducting compensation to employees and directors) shall be allocated as compensation to employees and 2% or less of the profits shall be allocated as compensation to directors. Independent directors shall not participate in the allocation.

2. The basis for estimating the amount of employee remuneration and director remuneration, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period

The Company estimates the amount of employee and director remuneration based on the pre-tax benefits before deducting the distribution of employee remuneration and director remuneration, calculated and estimated according to the appropriation ratio under the Company's Articles of Incorporation, and recognized as salary expenses. If the amount still changes in the amount after the annual consolidated financial report is issued, the change shall be handled as a change in accounting estimates and recognized in the financial statements for the following year.

3. Distribution of remuneration approved by the Board of Directors

- (1) Employee remuneration and director remuneration may be distributed in the form of cash or stock. If there is any discrepancy between that amount and the estimated recognized expenses in the year, the discrepancy, its cause, and the status of treatment shall be disclosed

Due to the loss in 2024, no employee and director compensation was allocated.

- (2) The amount of any employee remuneration distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial statements or individual financial statements for the current period and the total employee remuneration: N/A.

Not applicable

4. The actual distribution of employee and director remuneration for the previous fiscal year (including the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee and director remuneration, additionally the discrepancy, cause, and how it is treated

The Company incurred a loss for the fiscal year 2023, therefore no employee and director compensation was allocated.

(6) Share Repurchases: None.

2. Handling of Corporate Bonds, Special Shares, Depository Receipts, Employee Stock Options Restricted Stock Awards, or Acquisition or Purchasing Shares Newly Issued by Another Company

(1) Corporate Bonds: None.

(2) Preferred Shares: None.

(3) Global Depository Receipts: None.

(4) Employee Stock Options:

1. Status of Employee Stock Options that have not yet matured and their impact on shareholders' equity:

March 31, 2025

Employee Stock Option Types	The 1st (Term) Employee Stock Options
Effective Date of Registration and Total Number of Units	2025/01/06 450,000 units
Issue (Processing) Date	2025/01/21
Number of Units Issued	327,400
Number of Units Available for Issue	122,600
Number of Shares Available for Subscription through Issuance Ratio to Total Issued Shares	0.23763
Subscription Validity Period	10 years
Exercise Method	Issuance of New Shares
Restricted Subscription Period and Ratio (%)	After two years from being granted the employee stock options, the option holder may exercise their subscription rights according to the following schedule, unless all or part of their subscription quantity has been revoked. Schedule and Exercisable Subscription Ratio: <u>Schedule</u> <u>Exercisable Subscription Ratio</u>

	After 2 years	30%
	After 3 years	70%
	After 4 years	100%
Number of Shares Acquired through Exercise	0	
Amount of Subscription Exercised	0	
Number of Unexercised Subscriptions	327,400	
Subscription Price per Share for Unexercised Options	NT\$ 17.5	
Number of Unexercised Subscriptions as a Percentage of Total Issued Shares (%)	0.23763%	
Impact on Shareholders' Equity	The option holders of our company can only exercise their stock options according to the schedule listed in the Employee Stock Option Certificate Issuance and Subscription Methods after two years from the date of grant. Therefore, there should be no significant actual impact on shareholders' equity.	

Note 1: Each unit represents 1 share.

- Names of managers who have acquired employee stock option certificates and the top ten employees who have acquired the most stock option certificates, along with their acquisition and subscription status

March 31, 2025

	Title	Name	Number of Subscriptions Acquired	Number of Subscriptions Acquired as a Percentage of Total Issued Shares	Exercised				Unexercised			
					Number of Subscriptions	Subscription Price	Subscription Amount	Number of Subscriptions Acquired as a Percentage of Total Issued Shares	Number of Subscriptions	Subscription Price	Subscription Amount	Number of Subscriptions Acquired as a Percentage of Total Issued Shares
Managerial Officers	General Manager	Liu, Chia He	156,200 shares	0.11337	0	NT\$ 17.5	0	0	156,200 shares	NT\$ 17.5	2,733,500	0.11337
	Senior Manager	Tsai, Meng Hsiu										
	Plant Manager	Huang, Shih Yu										
	Director	Chen, Yen Hao										
Employees	Manager	Kuo, Yi Yin	171,200 shares	0.12425	0	NT\$ 17.5	0	0	171,200 shares	NT\$ 17.5	2,996,000	0.12425
	Manager	Kuo, Chung Chuan										
	Director	Sun, Ming Chien										
	Director	Cheng, Chuan Pu										
	Team Leader	Chao, Ming Fa										
	Team Leader	Lin, Kuan Chih										
	Team Leader	Huang, Chih Jen										
	Team Leader	Chang, Chun Mu										
	Engineer	Huang, Kuan Ming										
	Engineer	Kung, Wen Yi										

Note 1: The top ten employees who have acquired the largest number of stock options refer to employees other than managers.

Note 2: The total number of issued shares refers to the number of shares listed in the registration data of the Ministry of Economic Affairs.

(5) New Restricted Employee Shares: None.

(6) Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies: None.

3. Implementation of Capital Allocation Plans

(1) For the period as of the quarter preceding the date of publication of the annual report, with respect to each uncompleted public issue or private placement of securities, and to such issues and placements that have not been completed yet: None.

(2) Were completed in the most recent three years but have not yet fully yielded the planned benefits:

IV. Operational Highlights

1. Business Activities

(1) Scope of Business

1. Main line(s) of business engaged in

- (1) Electronics Components Manufacturing.
- (2) Basic Industrial Chemical Manufacturing.
- (3) Precision Chemical Material Manufacturing.
- (4) International Trade.
- (5) All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Weight of lines of business of each business

Unit: NT\$ thousand; %

Main Products	2023		2024	
	Operating Revenue	Ratio to Turnover	Operating Revenue	Ratio to Turnover
Electrolytic copper foil	3,557,969	100.00	2,993,614	100.00

3. Current products (services)

- (1) PK-HTE-LP3 low ridge line high temperature elongation property pink electrolytic copper foil, thickness 8μm~140μm
- (2) PK-HTE-RTF shiny side treated pink electrolytic copper foil, thickness 12μm~70μm
- (3) BR-HTE-2RT extremely low roughness (Rz<2μm) shiny side treated brown electrolytic copper foil, thickness 12μm~70μm
- (4) BR-DSS-LLX ultra-low roughness brown electrolytic copper foil, thickness 18μm~35μm

- (5) BR-DSS-2LX extremely low roughness ($R_z < 2\mu\text{m}$) brown electrolytic copper foil, thickness $18\mu\text{m} \sim 70\mu\text{m}$

4. New items planned for development

- (1) Ultra-thin PK-HTE-LP3 low-profile high-temperature elongation pink electrolytic copper foil, thickness $8\mu\text{m}$
- (2) Next-generation ultra-low roughness ($R_z < 1.5\mu\text{m}$) reverse-treated copper foil, for high-frequency applications, thickness $12\mu\text{m} \sim 70\mu\text{m}$
- (3) Next-generation ultra-low roughness ($R_z < 1.5\mu\text{m}$) copper foil, for high-frequency applications, thickness $18\mu\text{m} \sim 35\mu\text{m}$

(2) Overview of the Industry

1. Current Status and Development of the Industry

The Company's main product is electrolytic copper foil. According to different downstream application fields, it can be divided into lithium battery copper foil and electronic circuit copper foil. Lithium battery copper foil is used in lithium batteries as a negative electrode material carrier and negative electrode collector for lithium batteries. Shielding sheets, electrical multi-layer boards, high-power lithium batteries for power, flexible printed circuit boards for automotive electronic control systems, lithium batteries for electric vehicles, lithium batteries for mobile phones or tablets, etc.; electronic circuit copper foil, the indispensable basic material for all electronic products, is applied in printed circuit boards with different power according to its own thickness and technology.

Electrolytic copper foil originated in the 1930s. The global production center of electrolytic copper foil is currently concentrated in Asia. Japanese manufacturers include Mitsui Metals, Nippon Mining Metals, Fukuda Metals, Furukawa Electric, etc. Taiwanese manufacturers include Nan Ya Plastics, Chang Chun Petrochemical, Co-Tech, etc. Chinese manufacturers include Kingboard Chemicals, Anhui Tongguan, Wason Copper Foil, Nord Group, etc., and Korean manufacturers include Iljin Metal and SKN, etc.

Electronic circuit copper foil is the main raw material for producing copper clad laminate (CCL), and copper clad laminate is the main raw material for producing printed circuit boards (PCB).

Looking at the development status for 2024: it can be characterized as new momentum coexisting with challenges. In 2024, the global PCB industry has indeed demonstrated a recovery trend, with the Industrial Technology Research Institute's IEK previously estimating that production value would rebound to 78.2 billion USD, largely achieving the target of 6.3% annual growth, and even showing more impressive performance in certain high-end application areas. This growth momentum mainly comes from the following aspects:

First, the explosive growth of AI-related applications has become the strongest driving force. Whether it's cloud AI servers or terminal AI devices, they have generated unprecedented demand for high-end PCBs and substrates. This has led to significant performance growth for related supply chain manufacturers in 2024. Second, the continued expansion of the electric vehicle market has also brought stable demand growth to the PCB industry. With the increase in electric vehicle penetration rate, the demand volume and technical specification requirements for PCBs in automotive electronics have also risen accordingly. In addition, markets such as mobile phones and computers, after experiencing a downturn in previous years, have shown a moderate recovery trend in 2024, which also provides support for the PCB supply chain.

However, development in 2024 has not been entirely smooth. Geopolitical tensions still exist, continuously affecting the stability of global supply chains. At the same time, although the recovery momentum of the overall economy has improved, it still faces challenges such as high interest rates and weak consumption in some regions.

Looking ahead to 2025, the global PCB industry is expected to maintain growth based on the foundation established in 2024, but the rate of increase may be more moderate. AI-related applications will still be the main growth engine, and their penetration and application deepening in various fields will continue to drive demand for high-end PCBs and substrates. The steady development of the electric vehicle market will also continue to contribute strength. However, the PCB industry in 2025 also faces some challenges and trends that cannot be ignored:

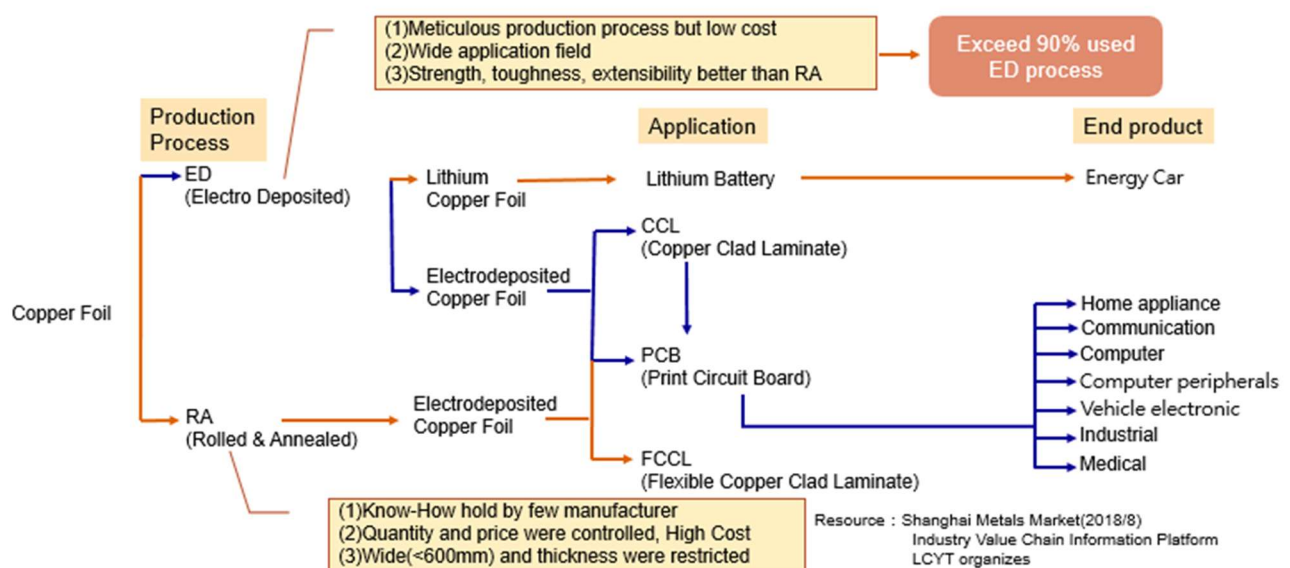
- (1) Continued impact of geopolitical risks: Uncertainties such as global trade frictions and regional conflicts may still cause disruptions to supply chains.
- (2) Sustainability of the recovery in the consumer electronics market: Although some products showed signs of recovery in 2024, the strength and sustainability of the overall consumer electronics market recovery still remains to be seen.
- (3) The importance of supply chain resilience and diversified deployment is increasingly prominent: In order to address geopolitical risks and supply chain disruptions, PCB manufacturers will place greater emphasis on global

deployment and supply chain diversification. Emerging PCB clusters in regions such as Southeast Asia will continue to develop.

- (4) Technological innovation becomes a key competitive advantage: As electronic products become increasingly complex in functionality and performance requirements increase, PCB technological innovations, such as high-frequency high-speed materials, fine-line circuitry, and advanced packaging substrates, will become key for manufacturers to maintain competitiveness.
- (5) Increasing pressure for carbon neutrality and sustainable development: Global emphasis on environmental protection continues to increase, with brand customers and regulations imposing increasingly stringent carbon reduction requirements on supply chains, prompting PCB manufacturers to invest more resources in green manufacturing and sustainable development.

In summary, as expected, the global PCB industry experienced growth in 2024, benefiting from the strong drive of emerging applications such as AI. Looking ahead to 2025, the industry will maintain growth under the continued momentum of technological innovation and emerging applications, but will also need to closely monitor challenges arising from geopolitical risks, consumer market recovery, and supply chain transformation. For Taiwan's PCB supply chain, the key to future development will be how to seize opportunities within these trends, enhance technological capabilities, and strengthen supply chain resilience.

2. Industry Overview



3. Development Trends and Competition of Products

(1) Development Trends of Products

A. AI and Automation:

Amid the global pursuit of efficiency and digital transformation, AI and automation, especially generative AI, are becoming focal points across industries, presenting significant development opportunities for LCY Technology products. Generative AI not only lowers programming barriers but also demonstrates enormous potential in materials simulation and design, production process optimization, and customer service intelligence, promising to accelerate new product development, enhance product performance and production efficiency, thereby reducing costs.

Furthermore, generative AI can assist management in making more precise decisions by analyzing market data and customer feedback. However, the introduction of AI requires careful evaluation of investment benefits and risks. Under the uncertainty of global economic outlook, LCY Technology will formulate a clear implementation strategy, aiming to achieve return on investment within 3 to 5 years while enhancing competitiveness. Overall, AI and automation will be key drivers for LCY Technology's future product upgrades and operational optimization.

B. Electric Vehicle Market:

Despite recent challenges to the growth momentum of the global electric vehicle market, such as slowing demand in some regions and charging infrastructure development not meeting expectations, the long-term development trend remains clear. Particularly noteworthy is that Chinese electric vehicle brands, with their significant advantages in supply chain integration and manufacturing costs, continue to expand in the global market, posing severe competitive pressure on traditional automakers, including Tesla. Meanwhile, Korean automakers are also emerging in the electric vehicle field with their technological strength and aggressive market strategies, further diversifying market competition.

The advent of this "Warring States Period of Electric Vehicles" driven by cost competition and the rise of emerging powers will have far-reaching implications for the automotive electronics supply chain, including LCY Technology. As a supplier of printed circuit boards and copper foil, LCY Technology should closely monitor the technological approaches and cost considerations of different electric vehicle camps, and actively adjust product strategies to respond to market changes.

Specifically, the company can increase cooperation with the Chinese electric vehicle supply chain, which leads in cost control, while continuing

to enhance its technological capabilities in high-end automotive electronic applications (such as ADAS, battery management systems, etc.) to meet the demand from Korean and other international automakers for high-quality, high-reliability products. Furthermore, with the continuous evolution of electric vehicle battery technology, such as the development of solid-state batteries, LCY Technology should also proactively plan related materials and process technologies to capture potential opportunities in the future market. In summary, the changing competitive landscape of the electric vehicle market will bring new challenges to LCY Technology, but also contains diverse opportunities for cooperation and development.

Driven by rapidly evolving global technology, AI, high-speed computing, 5G communications, the booming electric vehicle market, and increasingly sophisticated consumer electronics products are expanding their application areas at an unprecedented pace. This strong expansion trend directly drives the continuous increase in printed circuit board component density, which in turn places more stringent performance requirements on copper foil as a key material. Facing this industry transformation, as a professional copper foil supplier, LCY Technology always maintains keen market insight, and with a forward-looking research and development strategy, actively enhances product performance to meet the urgent needs of diverse end-application fields.

In terms of key copper foil substrate applications, in response to the high glass transition temperature (High Tg) characteristics commonly required by high-end electronic products, and the trend towards adopting halogen-free films amid rising global environmental awareness, LCY Technology has successfully developed copper foil products with higher tear resistance, superior oxidation resistance, and better high-temperature processing capabilities. These performance improvements not only ensure that the company's copper foil can adapt to more stringent printed circuit board manufacturing conditions but also directly enhance the overall reliability and durability of end electronic products.

In the field of printed circuit board applications, to meet the extreme requirements for high-speed signal transmission in 5G base stations, artificial intelligence servers, and high-end network communication equipment, LCY Technology has successfully developed low dielectric constant (Low Dk) and low dielectric loss (Low Df) copper foil products with a surface roughness Profile Rz of less than 1 micron. These characteristics significantly reduce signal loss during transmission, ensuring the stability and efficiency of high-speed data transmission, establishing a solid material foundation for performance improvements in new-generation

communication and computing equipment.

In addition, in response to the demand for component miniaturization and high integration in lightweight mobile devices such as smartphones, LCY Technology has led the industry in successfully mass-producing ultra-thin, low-profile, high-temperature ductile pink electrolytic copper foil with a thickness of only 8 microns. This technological breakthrough not only enables more precise circuit design, making it possible to integrate more functions in limited space, but its excellent high-temperature ductility also ensures that the product can maintain its physical properties during complex manufacturing processes, further enhancing the reliability of end products.

Looking to the future, LCY Technology will continue to uphold the core philosophy of technological innovation, deeply cultivating the research, development, and application of high-end copper foil. The company has set its sights on emerging application areas including AI accelerator cards, the rapidly growing automotive electronics field, and the promising Mini/Micro LED display technology, and is actively arranging relevant materials and process technologies. LCY Technology's goal is not only to provide more comprehensive and competitive solutions for existing customers, but also to occupy a leading position in future market competition through forward-looking technology reserves, becoming a key force driving the development of diverse end applications.

(2) Competition

Copper foil is an indispensable key material for printed circuit boards. Considering the cost and electrical conductivity, the product has low substitutability. In terms of production area, it can be divided into Japanese copper foil, Taiwanese copper foil, and mainland copper foil. In terms of technical structure surface, Japanese copper foil is a high-end technical product. Currently, it is mainly used for COF (chip on flex substrate) and lithium battery copper foil. Taiwanese copper foil is mostly used in high-end copper foil substrates and printed circuit boards. Most of them are used for low-level copper foil substrates and printed circuit boards. At present, the quality and technology of Taiwan-funded copper foil factories are gradually approaching that of Japanese copper foil. Mainland-funded production capacity can be gradually released due to China's promotion of electric vehicle policies, and the current production capacity annual growth rate has been significantly higher than that of the global, and it has become the main production capacity release country of electrolytic copper foil. Due to the high difficulty in the formula design of electrolytic copper foil, the construction of a factory with a production capacity of 1,000 tons per month requires more than US\$150 million. As far as the copper

foil products currently provided by the Company are concerned, their application range is wide. Under the requirements of improving manufacturing process capabilities and the production technology sufficient to meet market requirements, gradually adjusting the sales proportion of niche products, and strengthening customer dependence, it still possesses market competitiveness and room for growth.

(3) Overview of Technologies and R&D Work

1. Technological arrangement in business operations

Since the Company was put into production in 2000, it has focused on the pursuit of high quality, high unit production volume, and environmental protection. In the following years, it has successively completed milestones such as the replacement of lead anodes with dimensionally stable anodes, improved the environmental quality of the clean room, and developed unique formulas.

Currently, the Company's products are principally 1oz and 2oz copper foils with normal thickness, which account for about 37% and 18% of the revenue respectively, followed by 1/3oz and 1/2oz copper foils with higher technical levels, respectively. Accounting for about 18% and 20% of the revenue, they have been normally supplied to the world's leading copper foil substrate manufacturers and printed circuit board manufacturers. The evaluation is equivalent to the quality of Japanese copper foil factories.

For the copper foil requirements for lead-free and halogen-free substrates in recent years, and the requirements for the control of hazardous substances in RoHS, POHS, Green Product, and REACH laws and regulations, the Company has met the requirements and has also introduced production and delivered to customers for use.

2. R&D Status

The current development trend of consumer-electronics products is lighter, thinner, smaller, and more comprehensive functional enhancement. Coupled with the rapid development of 5G, the Internet of Things (IoT), and cloud-related products, the requirements for high-speed transmission, thin line width, and high-frequency interference will be more stringent. Under this requirement, corresponding to the requirements of the raw material copper foil substrate, it is necessary to match the thinner and lower roughness copper foil; in response to this trend, the Company has developed the BR-DSS-LX series and BR-HTE-RT series that to reduce signal loss, the production of thin lines, and reduce costs, and meet the requirements of folding endurance which can not only be used in high-speed multi-layer thin circuit boards, but also in high-frequency signal transmission boards (such as car anti-collision radar, GPS safety system, and Servers, etc.), and the high-end FPC market. In addition, according to the needs of customers in special industries, after the stages of understanding/development/testing/mass testing/mass production, we gradually develop tailor-made copper foils that meet customer specifications. Also, in response to customers' needs for mobile phone boards, the company has developed 8 μm ultra-thin, low-profile, high-temperature ductile pink electrolytic copper foil.

3. Expenditures for R&D Work in the Most Recent Year

The company's technical unit has a considerable degree of familiarity with the formula parameters and production environment needed for manufacturing, and periodically conducts improvement discussions, testing, and research on process technology to meet customer quality and specification requirements while maintaining market competitive advantages. The company's R&D-related expenses include personnel costs for R&D staff and raw materials needed for R&D testing. These expenditures are budgeted according to the development progress of new products and technologies. In 2024, the total R&D expenses invested amounted to NT\$11,168 thousand. These funds were primarily used to continuously strengthen the functions and characteristics of existing products, in order to increase product added value and enhance the company's market competitiveness.

4. Any successfully developed technologies or products for the most recent years

Year	R&D achievements	Description
2024	RTF2 grade reverse-treated copper foil (Rz<2.3μm) BR-HTE-2RT development	Customer verification passed
	RTF3 grade reverse-treated copper foil (Rz<2.0μm) BR-HTE-3RT development	Under customer verification testing

(4) Long-term and Short-term Business Development Plans

1. Short-term Business Development Plans

In the context of slowing global economic growth and rising geopolitical risks, LCY Technology will adopt a more stable and pragmatic short-term strategy, focusing on consolidating existing advantages and expanding into high-potential markets:

- (1) Deepen existing customer cooperation, optimize product portfolio: Continue to strengthen close cooperative relationships with existing printed circuit board customers, enhance customer loyalty through more precise services and customized solutions. At the same time, dynamically adjust the product portfolio structure based on market demand changes and profit considerations, allocating resources more efficiently to high-margin product lines with growth potential.
- (2) Strategic alliances, seizing high-end application areas: Actively establish strategic alliances with leading manufacturers of high-end printed circuit boards

such as network communication equipment, servers, and automotive boards, deeply understand their specification requirements for next-generation products, and use this opportunity to enter high-end downstream application areas. Particularly focus on 5G infrastructure, AI servers, and electric vehicle-related applications, positioning early for market opportunities.

2. Long-term Business Development Plans

Facing a rapidly changing market environment and increasingly fierce competition, LCY Technology will use technological innovation and diversified development as the core driving forces for long-term development:

- (1) Strengthen core competitiveness, improve customer satisfaction: Continuously improve production manufacturing processes and efficiency, strictly maintain product quality stability, and provide market-competitive prices to ensure meeting customers' changing needs while maintaining advantages in intense market competition.
- (2) Expand diverse customer base, extend sales territory: Under the trend of continued expansion in end-product application areas, proactively reach out to potential customers across various application segments in the printed circuit board market, especially in areas with long-term growth potential such as industrial automation, medical electronics, and green energy. Strive to achieve the goal of steady annual growth in customer numbers, diversify customer sources, and expand sales regions.
- (3) Focus on advanced R&D, capture future markets: Continue to invest in the research and development of high-end copper foil products for high-frequency high-speed transmission, low loss, and extreme environment applications, and actively engage in project collaboration and development with leading customers. Expect to gradually achieve significant market share in high-end application markets through technological innovation over the next few years, enhancing the company's technological leadership position and profitability.

2. Analysis of Market and Production and Marketing Situation

(1) Market Analysis

1. Areas/regions of sales of major products and market share

Unit: NT\$ thousand

Territory \ Year	2023		2024	
	Amount	Percentage (%)	Amount	Percentage (%)
Domestic Sales	307,196	8.63%	301,063	10.06%
Foreign Sales	3,250,773	91.37%	2,692,551	89.94%
Total	3,557,969	100.00%	2,993,614	100.00%

The company's export regions include mainland China, Thailand, and Korea, among others. In 2024, the global electrolytic copper foil market (including electronic circuit copper foil and lithium battery copper foil) is valued at slightly more than US\$2.5 billion (approximately NT\$81 billion) (Research and Markets, 2025/03). Based on 2024 calculations, our company produces and sells standard copper foil, with that year's standard copper foil sales revenue accounting for approximately 3.7% of the global electrolytic copper foil market value.

2. Supply and Demand in the Market and Possible Future Growth

The global printed circuit board industry landscape is still dominated by Taiwan, mainland China, Japan, and South Korea, but in recent years, factors such as geopolitics, trade wars, and supply chain risk diversification have led to profound structural changes in the industry. From a production value market share perspective, different suppliers show vastly different results due to variations in products and application structures:

- (1) Mainland China: Although it remains the main global PCB production site, the expansion of new capacity has slowed due to stricter environmental regulations, rising labor costs, and import tariffs. Some manufacturers have begun to shift investments to Southeast Asia, and the production capacity ratio is expected to gradually decline. According to scenario projections, the production value ratio may decrease from 57.5% in 2023 to 55.3% in 2026.
- (2) Taiwan, Japan, and South Korea: Manufacturers in these regions still maintain technical advantages in high-end product markets, such as high-speed, high-frequency PCBs required for applications like AI servers and 800G switches. Although they also face cost pressures, the decline in their production value ratio

is relatively small. Among them, Korean manufacturers are more focused on semiconductor applications and, benefiting from the strong demand in the semiconductor industry, their production value ratio may slightly increase.

- (3) Southeast Asia: The Southeast Asian region, benefiting from geopolitical advantages, lower labor costs, and the ASEAN Common Tariff Agreement, has attracted significant investment in PCB manufacturing facilities from Taiwanese, Japanese, Korean, and Chinese mainland companies. It is expected that by 2026, Southeast Asia's PCB production value ratio will significantly increase, possibly by more than 2 percentage points compared to the current stage, becoming an important global production base for the PCB industry. Thailand is particularly active in developing its PCB industry and is expected to potentially become one of the world's top four PCB producing countries by 2030.
- (4) United States: While the U.S. government is actively promoting the return of manufacturing industries, the current development of the PCB industry still primarily focuses on high value-added applications such as military and aerospace industries, and data centers. The effect on overall PCB production value remains relatively limited, with production value growth slightly higher than the global average and a proportion increase of nearly 0.1 percentage point.

In terms of the copper foil substrate market, high-end markets have historically been dominated by Japanese and American manufacturers. In recent years, Taiwanese manufacturers have actively invested in the development and mass production of mid-to-high-end copper foil substrates to meet the demand from terminal applications such as automotive systems, 5G equipment, and AI servers, and have made significant progress in the field of high-frequency and high-speed materials. Electrolytic copper foil is the main material for copper foil substrates. To meet the specifications required by components such as high-frequency, high-speed, and miniaturization, copper foil production technology capability is a crucial link between board material suppliers and copper foil manufacturers.

Benefiting from the growth driven by applications such as electric vehicles, 5G infrastructure, and AI, PCB market demand continues to increase, especially with strong demand for high-end copper foil substrates from AI servers. Overall, the supply capacity for high-end electronic circuit copper foil in the market remains in a relatively tight state.

3. Competitive Advantage

(1) Master the technological trends and continue to develop mainstream products

The Company's machine design process can disperse different PCB product application fields, and the diversity spans consumer-electronics, automotive electronics, communication equipment, general computer peripherals, etc., and has the tailor-made ability, and co-develop servers, radar, and high-end smartphones with customers by using copper foil, targeting thin lines and high-frequency high-speed transmission boards; the Company has customers all over China, Thailand, Japan, Korea, and Europe, with the depth of technical capabilities and the breadth of downstream customers.

(2) Good and stable customer relationship

The Company has certificated ISO-9001 2015 version quality management system, IATF 16949 2016 version global automotive quality management system, and customer excellent supplier, and has long-term cooperation with downstream customers to maintain stable relationships; in addition, punctual delivery reduces the risk of delayed delivery, and often visit customers to understand customer needs, so that sales customers will not have the risk of downtime for materials, and truly implement product after-sales service to improve customer satisfaction.

(3) Robust financial structure

The Company has a sound asset/liability structure to ensure its sustainable and steady development. In addition, the Company's operating expense ratio in the recent fiscal year is controlled within 5%. Therefore, a stable financial structure is an important foundation for long-term cooperation and grow together for the Company and its customers. It is also the key to maintaining operational stability during the overall economic downturn.

4. Future Development Positive and Negative Factors and Response

(1) Positive Factors

A. Terminal electronic products are booming, and the demand for conductive materials continues to rise

Printed circuit boards, as the cornerstone of modern electronics industry, continue to see increasing demand with the flourishing development of terminal applications such as artificial intelligence (AI) devices and servers,

high-performance computing (HPC), electric vehicles, 5G infrastructure, and metaverse-related devices. Copper foil, due to its excellent conductivity and cost advantages compared to other metal materials, remains an indispensable key raw material in printed circuit boards, with no cost-effective alternatives available in the short term. With the integrated innovation in information, communication equipment, consumer electronics, and industrial/medical sectors, as well as the demand for higher specifications such as high-frequency/high-speed transmission, fine-line circuits, and efficient heat dissipation in new-generation terminal products, the copper foil industry continues to be driven toward higher purity and greater refinement. At the same time, the industry continues to monitor the potential applications of new conductive materials such as graphene, as well as the impact of advanced packaging technologies on traditional PCB demand. In addition, geopolitical trends and supply chain diversification may also indirectly affect the production of end electronic products and the layout of copper foil supply chains.

B. Automotive electronics push up demand for copper foil

With the continuous development of technologies such as vehicle networking, autonomous driving, and driving safety, as well as the acceleration of electrification trends, automotive electronic applications are showing robust growth. Compared to the basic equipment in traditional fuel vehicles, advanced driving safety assistance systems (ADAS), automotive sensing technologies, high-performance electronic sound systems, virtual cockpits, and electric powertrain systems (including battery management systems, motor control units, etc.) have been widely applied in new vehicle models from major automobile manufacturers. Traditional cars are estimated to require about 0.5 square meters of copper foil per vehicle, while under the dual drivers of automotive intelligence and electrification, the copper foil usage in mid-to-high-end electric vehicles is expected to reach or even exceed 2 square meters. Furthermore, automotive electronics have extremely high requirements for copper foil reliability, heat resistance, and corrosion resistance, and the demand for high-end automotive copper foil continues to climb strongly. Different regions, such as Europe and mainland China, are experiencing particularly significant growth in demand for automotive electronic copper foil due to their active promotion of electric vehicle development.

C. 5G Wireless Communication Brings New Market Opportunities

Since 2017, fifth-generation mobile communication (5G) technology has shown enormous potential. With the active deployment from domestic and

international communication device manufacturers, and the gradual maturation and expansion of 5G networks across various countries, to meet the increasingly stringent requirements for ultra-low dielectric loss coefficients in high-frequency substrates for communication products and ensure excellent transmission quality, board material suppliers continue to deepen their research and development in thin-profile and high-frequency high-speed materials. In addition to the complex integration of wireless antenna design and high-speed computing, as well as advanced printed circuit board manufacturing capabilities jointly driving equipment development, the development of copper foil substrates must further meet the demands for higher frequencies and faster speeds. According to the latest market research forecasts, benefiting from the continuously growing mobile data services, diverse communication software applications, and the demand for high-speed, low-latency networks, the 5G network infrastructure market (including communication services, terminals, and base station equipment) is expected to continue expanding in the coming years, bringing significant new growth momentum for copper foil materials, especially in terms of demand for characteristics such as high frequency and low loss. At the same time, the expansion of 5G applications in vertical industries such as industrial Internet of Things, smart healthcare, and smart transportation will further drive the demand for high-performance copper foil.

- D. It is a high-tech and capital-intensive industry with high barriers to entry for potential competitors

Copper foil production and manufacturing involve multiple precision technologies, not only demanding extremely high technical requirements, but also requiring strict standards for product quality stability and consistency. Therefore, the process from development to mass production of new products is full of challenges. In addition, major domestic copper foil manufacturers such as Chang Chun Petrochemical, Nan Ya Plastics, Co-Tech Development, and LCY Technology all possess a solid foundation in the petrochemical and electroplating industries. In addition to professional pipeline configurations and substantial capital investments in critical production equipment such as titanium drums and post-processing machines, copper foil for different application areas (such as high-frequency high-speed communications, automotive electronics, battery anode materials) requires specific professional technologies and know-how. New copper foil plants not only face considerations regarding land acquisition, environmental impact assessments, and government policies, but the delivery time for ordering the key equipment, titanium drums, usually takes 1 to 1.5 years, making the initial capital investment estimated to be at least NT\$4 billion. In addition to high depreciation costs, the economies of scale

and established customer relationships already built by existing manufacturers all constitute significant entry barriers for potential entrants. In addition, increasingly stringent environmental regulations and market demands for sustainable development have added extra considerations and challenges for establishing new plants.

(2) Unfavorable Factors

A. Market supply and demand are affected by global inflation and the capacity expansion of peer industries

Multiple factors, including global economic downside risks, rising raw material and energy costs, industrial capacity expansion, geopolitical uncertainties, and rapid technological changes, are bringing severe challenges to the global electronic product printed circuit board industry chain in which LCY Technology operates. First, the increased possibility of a global economic recession directly suppresses consumer demand for end electronic products, thereby affecting the market size of printed circuit boards and upstream copper foil materials. At the same time, fluctuations in international copper prices and rising energy costs continue to erode the company's profit margins. In addition, the continuously expanding capacity from copper foil manufacturers in mainland China and Southeast Asia has also intensified market competition, potentially putting pressure on product prices. Geopolitical risks and trade protectionism bring uncertainty to global supply chains and market demand, affecting the company's international trade and expansion.

Facing the challenges mentioned above, LCY Technology must actively respond. The company needs to continuously invest in technology research and development, enhancing its competitiveness in high-end, high-value-added products to meet customer demands for more efficient, high-frequency, and high-speed electronic products. At the same time, optimizing cost structure and improving production efficiency are also crucial to alleviate the pressure brought by rising raw material and energy prices. In addition, closely monitoring global economic and industry dynamics, flexibly adjusting market strategies, and actively seeking diversified development opportunities will help LCY Technology maintain stable development in a complex and changing environment.

- B. It is uneasy to cultivate professional and technical talents in the copper foil industry

In the era of knowledge economy and rapid technological iteration, cultivating professional technical talents in the copper foil industry has become an important challenge for LCY Technology's development path. Copper foil production involves knowledge from multiple fields such as precision chemistry, materials science, and electronic engineering. Research and development personnel not only need long-term academic investment but also rely on accumulating practical experience. Facing increasingly complex customization needs from customers in high-end application areas such as high-frequency high-speed, automotive electronics, and battery anode materials, the company urgently needs a sufficient and cross-disciplinary high-quality research and development team for collaborative design and product development.

However, the current global competition for talent is intense, especially in the fields of advanced manufacturing and materials science, making it increasingly difficult to attract and retain professional talents. As industry technology continues to upgrade, the company needs to invest substantial resources in on-the-job training to ensure the R&D team grasps the latest trends and customer requirements, which undoubtedly increases human resource costs and management pressure. If the pace of professional technical talent cultivation cannot match the changes in market and customer needs, it will severely constrain LCY Technology's progress in new product development and technological innovation, thereby affecting its long-term competitiveness. This is not merely a human resource issue, but more importantly concerns whether the enterprise can maintain a leading position in the rapidly changing market and continue to meet customers' increasingly sophisticated demands. The bottleneck in technical talent has become an underlying concern that cannot be ignored for LCY Technology's future development.

- C. Japanese copper foil manufacturers are leading in technology, while Chinese mainland manufacturers are highly competitive

In the global copper foil market, LCY Technology faces dual challenges from technologically advanced Japanese manufacturers and Chinese mainland manufacturers engaged in intense price competition. Japanese manufacturers, with their long-term technological accumulation, maintain leadership in high-end areas such as ultra-thin copper foil, high-frequency high-speed applications, and special surface treatments, creating obstacles for LCY Technology's expansion in high-value-added markets.

On the other hand, the copper foil industry in mainland China is rapidly expanding under government support and driven by enormous domestic demand, leading to intense price competition in the mid-to-low-end market. Some mainland manufacturers are also actively improving their technology, gradually penetrating the mid-to-high-end market, causing LCY Technology to face price pressure in the mid-to-low-end market, while encountering competitors with progressively improving technology in the mid-to-high-end market.

Facing this competitive landscape, LCY Technology needs to continuously increase investment in research and development, focusing on differentiated and high-value-added product development, such as customized and new types of copper foil with special properties, to avoid being trapped in a price war. At the same time, improving production efficiency, optimizing cost structure, and actively developing diversified markets and customers will be key to maintaining its global competitiveness.

D. Rising electricity prices

Electricity costs are a major expense in the electrolytic production of copper foil, accounting for nearly 10% of costs, and their increase puts direct pressure on LCY Technology's operating costs. Amid the trend of global warming, Taiwan's manufacturing industry faces energy transition challenges. The government continues to adjust electricity price structures to balance energy fairness and carbon reduction goals.

Currently, international energy prices remain at relatively high levels. Coupled with Taiwan's energy structure transformation and potential future carbon tax/carbon fee policies, electricity prices are expected to maintain an upward trend or experience increased volatility. This will directly increase the copper foil production costs for LCY Technology, squeeze profit margins, and potentially weaken its price competitiveness in the global market.

Facing the challenge of rising electricity prices, LCY Technology needs to respond proactively. In addition to continuously optimizing production processes and improving energy efficiency to reduce unit energy consumption, they should also closely monitor government energy policy trends and evaluate the feasibility of investing in renewable energy or seeking more cost-effective energy supply solutions. Through a diversified energy strategy and reducing dependence on traditional electricity, they can mitigate the impact of electricity price fluctuations on operations and maintain their competitive advantage in the global market.

(3) Response Strategies

- A. Facing the current challenges of global economic downside risks and rapidly changing supply and demand dynamics in the copper foil industry, LCY Technology is actively enhancing its operational resilience. The company continues to refine its research and development capabilities, and collaborates with professional institutions to introduce advanced technologies for developing high-end copper foil products, particularly focusing on high value-added applications such as AI servers, high-performance computing, and advanced networking. At the same time, LCY Technology is actively expanding the sales proportion of customers in the automotive electronics sector, establishing deeper cooperation with Tier 1 suppliers in the automotive industry chain and vehicle manufacturers to diversify market risks and ensure stable sources of demand. In addition, the company closely monitors market supply and demand, carefully evaluates capacity expansion, and optimizes inventory management to respond to potential price fluctuations. To ensure operational stability, LCY Technology will maintain a robust financial structure, preserving sufficient cash flow and a lower debt ratio to withstand the impact of future economic downturns and market reversals. Through focusing on high-end products, expanding into stable markets, prudently managing production capacity, and maintaining financial stability, LCY Technology is committed to reducing risks brought by changes in the external environment, ensuring the company's long-term sustainable development.
- B. In addition to improving employee salaries and various benefits, the Company has established a core value culture, enabling colleagues to deeply identify with the company's operational direction and strategies, which has resulted in the R&D team having an average tenure of over 10 years. Furthermore, the Company also engages in technical cooperation with professional institutions to enhance the development of new technologies and products through joint design and development with customers, strengthen special specifications and general product applications, provide customized products, and thereby accumulate technical expertise and experience among R&D talents.
- C. Beyond that continuously improving its own research and development capabilities, the Company also continues to cooperate and communicate with professional institutions, introduce special copper foil research and development technologies, or research and develop designs according to tailor-made needs. In addition to improving the Company's research and development and manufacturing capabilities to create technical barriers to entry for other manufacturers, will also help the Company to provide more

diversified products, catch up with the distance with Japanese manufacturers, and get rid of the follow-up catch-up of the red supply chain in the Chinese mainland, to strengthen the Company's competitiveness.

- D. In line with energy transition and supply chain requirements, and under the "Renewable Energy Development Act", the domestic electricity consumption of more than 5,000 kilowatts should purchase at least 10% green electricity and should be completed within 5 years, thus most domestic enterprises have procured green power, including through self-built power plants, purchase certificates, investment in energy storage equipment or payment of voucher. The Company purchased green power in 2021 and began to use it in 2023, and gradually improved corresponding to the energy conservation equipment ratio.

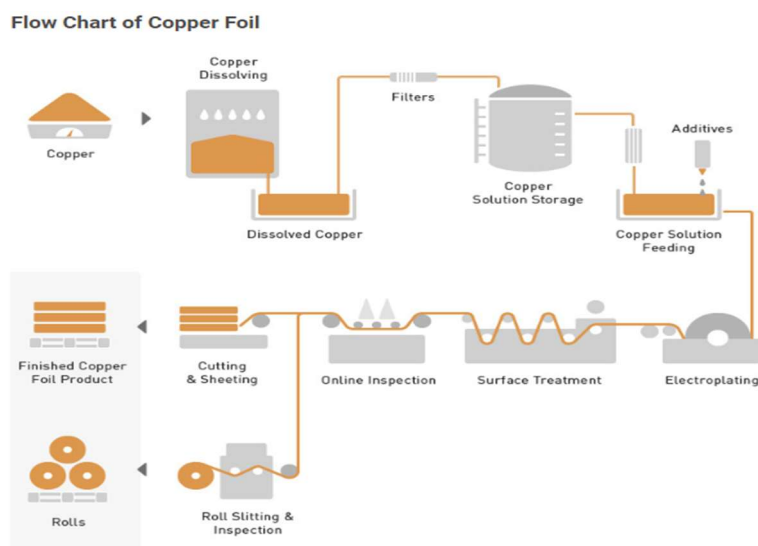
(2) Usage and Manufacturing Processes for Main Products

1. Usage for Main Products

Main Products	Usage
Electrolytic copper foil	Mainly applied in products such as copper foil substrates and printed circuit boards FCCL, FPC, BGA, TAB, COF, and lithium batteries.

2. Manufacturing Processes for Main Products

The manufacturing of electrolytic copper foil primarily involves electrodepositing copper sulfate solution under the action of direct current to produce raw foil rolls, which then undergo surface treatments such as nodularization, heat resistance, and oxidation prevention to become finished foil rolls. After cutting and packaging, the final products are mainly supplied to upstream and downstream industries of printed circuit boards. The relevant process and description are as follows:



(1) Raw foil manufacturing

Mainly use copper wire as raw material, react with sulfuric acid aqueous solution and oxygen to obtain copper sulfate solution; after precision filtration, control the purified solution at the required temperature and flow rate, add trace additives, and pump the solution into inside electrolytic cell, direct current is applied to carry out copper electroplating and precipitation, and then the equipment speed is controlled, and the copper foil of the required thickness can be torn off from the equipment and coiled, and a semi-finished raw foil roll can be obtained.

(2) Annealed foil manufacturing

After the semi-finished raw foil roll is completed, it still needs to go through the post-processing procedure due to insufficient adhesion with the prepreg. Mainly 4 post-treatment processes, which are tumor treatment, heat resistance treatment, acid resistance treatment, and silane treatment. Nodularization treatment mainly involves copper nodularization on the adhesive side of the film, which is a roughening treatment that increases the contact surface area, thereby enhancing the adhesion strength with the film. Next is heat resistance treatment, which primarily involves plating a thin layer of zinc on the copper foil surface to prevent thermal oxidation of the copper foil during the customer's lamination process. This is followed by acid resistance treatment, which involves plating an extremely thin layer of chromium oxide to enhance the acid resistance of printed circuits and the oxidation resistance of stored copper foil. Finally, a layer of silane is applied to increase adhesion strength with the film, resulting in the semi-finished processed foil roll.

(3) Cutting and Shipping

According to the specifications required by customers, the cutting and packaging operations of the finished foil rolls are completed. After passing inspection by the quality control department, the products are shipped to customers.

(3) Supply Situation for Major Raw Materials

The main raw material of copper foil is copper wire, the main source of supply comes from several domestic and foreign copper wire recyclers and copper wire manufacturers, the production sources and supply are sufficient.

(4) Suppliers and Clients that Have Accounting for 10% or More of the Total Purchase (Sales) Amount in Either of the Most Recent Two Years, and Explained the Reason for Any Change in the Amount

1. List of Major Suppliers in the Most Recent Two Years

Unit: NT\$ thousand

2023					2024				As of the end of the preceding quarter of the fiscal year 2025 (Note)			
Item	Name	Amount	Proportion to Net Purchase for the Year (%)	Relationship with the Issuer Item	Name	Amount	Proportion to Net Purchase for the Year (%)	Relationship with the Issuer	Name	Amount	Percentage of purchases as of the end of the preceding quarter of the current fiscal year (%)	Relationship with the Issuer
1	Company A	753,213	27.79	None	Company A	685,460	28.78	None	Not applicable			
2	Company B	464,703	17.15	None	FORMOSA COPPER	488,036	20.49	The Company serves as its director				
3	Company E	459,868	16.97	None	Company B	487,091	20.45	None				
4	FORMOSA COPPER	457,957	16.90	The Company serves as its director								
	Others	574,239	21.19	—	Others	721,322	30.28	—	Others	Not applicable		
	Net purchase Net value	2,709,980	100		Net purchase Net value	2,381,909	100		Net purchase Net value	Not applicable		

Note: As of the date of printing the annual report, the unaudited financial information for March 31, 2025 has not been reviewed by the accountant.

Explanation of change: In 2024, procurement demand decreased, and purchases from Company E also decreased, therefore the procurement amount did not reach ten percent.

2. Sales Information of Major Customers in the Last Two Years

Unit: NT\$ thousand

2023					2024				As of the end of the preceding quarter of the fiscal year 2025 (Note)			
Item	Name	Amount	Proportion to Net Sales for the Year (%)	Relationship with the Issuer Item	Name	Amount	Proportion to Net Sales for the Year (%)	Relationship with the Issuer	Name	Amount	Percentage of purchases as of the end of the preceding quarter of the current fiscal year (%)	Relationship with the Issuer Relationship
1	Client A	975,683	27.42	None	Client C	817,779	27.32	None	Not applicable			
2	Client C	801,353	22.52	None	Client A	409,285	13.67	None				
3	Client B	354,457	9.96	None	Client B	406,051	13.56	None				
	Others	1,426,476	40.10	—	Others	1,360,499	45.45	—	Others	Not applicable		
	Net Sales Net value	3,557,969	100	—	Net Sales Net value	2,993,614	100	—	Net Sales Net value	Not applicable		

Note: As of the date of printing the annual report, the unaudited financial information for March 31, 2025 has not been reviewed by the accountant.

Explanation of change: The change in ranking in 2024 was mainly due to decreased demand from Customer A.

3. Information on Employees for the Two Most Recent Fiscal Years, and the Current Fiscal Year Up to the Date of Publication of the Annual Report

Year		2023	2024	As of March 31, of the Current Year
Number of Employees	General staff	98	82	99
	Production line staff	100	108	105
	Total	198	190	204
Average Age		41.63	43.64	43.06
Average Service Year		12.67	15.56	14.72
Academic Background Distribution (%)	PhD	0.51%	0.53%	0.49%
	Master's	6.06%	6.32%	6.37%
	Bachelor's	65.66%	64.74%	64.22%
	High school	27.78%	28.42%	28.92%
	Below high school	0%	0%	0%

4. Disbursements for Environmental Protection

- (1) Losses and Fines in the Most Recent Fiscal Year and in the Current Fiscal Year Up to the Date of Publication of the Annual Report due to Environmental Pollution Incidents:
- (2) The Company has incorporated the possible risks of violating various environmental laws and regulations into the principles of daily operation and management, and actively understands the government's various environmental protection-related policies and drafts laws and regulations, to take countermeasures in advance. Currently, no environmental pollution and related compensation, punishment, and other expenses have occurred.

5. Labor Relations

Harmonious labor-management relations are the driving force behind business development. All of our company's employees share this common belief, and under mutual trust, assistance, and understanding, we work together in collaboration to establish a stable working environment and positive corporate culture that has lasted to this day. This has also promoted the company's continuous growth and development. We will continue to maintain this approach in the future, while also continuing to implement the following initiatives, striving to create better operational performance and working for the welfare of the company's shareholders and all employees.

- (1) Employee Benefit Plans, Continuing Education, Training, and Retirement Systems and the Status of Their Implementation, and the Status of Labor-management Agreements and Measures for Preserving Employees' Rights and Interests

1. Employee benefits

- (1) Labor insurance, health insurance, and related insurance are handled under our laws and regulations
- (2) Employee group insurance, term life insurance, term accident insurance, medical insurance (including family dependents)
- (3) Regular health examination
- (4) Year-end bonus
- (5) Education and training
- (6) Employee Benefit Saving Trust (Employee holds the share)
- (7) The Company allocates welfare funds by the law for the benefit of employees, and disburses and handles the following welfare matters under our laws and regulations: Spring Festival, Mid-Autumn Festival, Dragon Boat Festival cash gift, birthday cash gift, etc.

In addition to setting a reasonable and competitive salary level based on the labor market conditions, the Company's various benefits also handle relevant insurance under the laws and regulations, and issue bonuses based on its overall operating performance to encourage employees to make long-term contributions and grow together with the Company.

2. Continuing education and training

The goal of the Company's training and development is to continuously improve the quality of human resources and work skills, stimulate work enthusiasm and meet challenges, create higher corporate value, and achieve operating targets and future development. In order to achieve this goal and respond to the rapidly growing manpower needs of the operating scale, the Company has established a complete education and training structure in conjunction with the functional system, planning appropriate new recruit training, professional training, management training at all levels, environmental safety related training and corporate philosophy courses. Providing all-round training for colleagues by physical or e-learning methods, so that each employee can continuously improve their professional functions, find a stage to show their abilities, and build a mid-to-long-term functional and career development plan with the Company.

In addition to professional function training, the Company also arranges job rotations according to the career planning of colleagues and encourages employees to learn in multiple ways or self-improvement, and strives to improve the overall quality of employees and improve the cultivation and development of talents.

(1) Education and training system

EXPERTISE, ON-THE-JOB TRAINING	MANAGEMENT CAPACITY TRAINING	NEWLY RECRUITED PERSONNEL TRAINING	STATUTORY ENVIRONMENTAL SECURITY TRAINING
<p>(1)Use the internal professional learning or the training courses held with external professional institutions to provide opportunities to communicate with peers; through multiple learning methods and channels, and enhance career professional skills.</p> <p>(2)Carry out job rotation, enhance the professional functions of employees in different fields, and increase the breadth and depth of employees' professionalism.</p>	<p>(1)Plan for gradual and continuous supervisory function development, expecting to build a high-quality management team.</p> <p>(2)Courses are divided into different stages by the trainees to cultivate all-round management ability.</p> <p>(3)Establish a common management language to enhance organizational management performance.</p>	<p>(1)Through the common training arranged by the human resources department, new recruits can understand the entire organizational culture and system, strengthen the recognition and solidarity of new recruits to the Company, understand the functions of each unit in a short time, and accelerate their integration into the Company environment.</p> <p>(2)Through the relevant training arranged by the department head, new recruits can clearly learn the working environment and work content, and complete the professional knowledge and skills required for the job.</p>	<p>(1)The Company attaches great importance to environmental safety and hygiene training, and the industrial safety and environmental protection department plans appropriate safety awareness/environmental protection/hygiene/firefighting/emergency response courses, etc., to build and improve the environmental safety and hygiene system.</p> <p>(2)Participate in various legal certificate training courses under laws and regulations and operational requirements to ensure the safety of production and various operations.</p>

(2) A total of 63 courses were held in 2024, and the total number of training hours was 2,291 hours.

3. Retirement Systems and the Status of Implementation

The Company has a complete and clear retirement system, in line with the implementation of the Labor Pension Act on July 1, 2005. For those who belong to the old system of employee retirement, the seniority has been fully settled, and the employer set aside 6% of the pension monthly. Deposit in the labor pension individual account established by the Bureau of Labor Insurance.

4. Labor-management agreements and measures for preserving employees' rights and interests

The Company has always attached great importance to the interaction between labor and management. It has a labor-management meeting channel for employees to directly express personal opinions and has a proposal bonus to encourage employees to put forward suggestions for Company improvement. No Labor Dispute Occurred in the Most Recent Fiscal Year and in the Current Fiscal Year Up to the Date of Publication of the Annual Report.

To protect the rights of employees, in addition to complying with relevant laws and regulations, the Company has formulated "work rules" to regulate the rights and obligations between employees and the Company. If there is any overreach, the heads of each department will hold a meeting to discuss it. Employees can also directly express personal opinions through the suggestion box and legitimate channels.

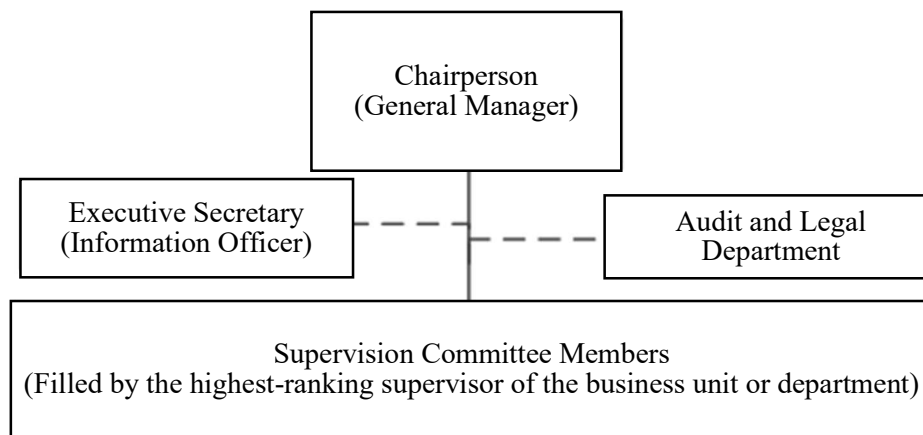
- (2) Loss Resulting from Labor Dispute in the Most Recent Fiscal Year and in the Current Fiscal Year Up to the Date of Publication of the Annual Report: None.

6. Cyber security management:

- (1) Information Security Risk Management Framework, Information Security Policy, Management Programs, and Resources Invested in Information Security Management:

1. Information Security Steering Committee

The company has established an Information Security Steering Committee, with the General Manager and the highest executives of business units or departments serving as committee members. The committee holds at least one meeting per year, where internal staff or external experts present reports or recommendations on the company's information security issues. Additionally, on December 29, 2023, the company appointed an Information Security Officer and assigned one dedicated information security specialist.



2. Promotion and Policy

To ensure the safety of collection, processing, transmission, storage, and flow of Company information, the information department coordinates and promotes related matters under information security management standards, formulates relevant information security policies, maintains computer system security, network security, system access control management, physical and operating environment security, personnel management, information security education and training, and sensitive information protection management, etc., based on the principles of confidentiality, integrity, and availability, allows the Company's personnel to follow and abide by. Besides, the service contract with third-party manufacturers also requires to sign a confidentiality agreement and compliance with information security regulations to implement the Company's requirements for information security.

The company evaluates its information security policy annually, and according to the needs of different job categories, conducts information security education, training, and promotion at least once a year, regularly updates passwords, updates antivirus software, and prohibits unauthorized information transfer to external hard drives and other measures to ensure the effectiveness of information security software. Regarding server room security, equipment is securely fixed, important entrances/exits are equipped with surveillance systems, temperature and humidity within the server room are controlled, and an uninterruptible power system provides emergency backup power for contingency operations. Additionally, equipment maintenance vendors must also register and be approved when entering and exiting the server room, thereby ensuring the effectiveness of physical information security measures.

Focusing on the key points of information security control, mainly regarding the effectiveness review of information security, such as Company information access should be approved, information system recovery test, system exception handling, off-site backup operations, computer room equipment inspection, and regular inventory. Up to the date of publication of the annual report, no major defects have been found that affect the Company's information security.

In terms of information security risk assessment, although the Company has a complete network and computer security protection system to control or maintain the Company's operations and financial accounting and other important business operations, it still cannot guarantee that its computer system can completely avoid any third parties malicious network attacks, social engineering attacks, and service providers' failure to perform or strictly follow relevant obligations lead to the theft of Company confidential information or interference with Company operations. These attacks can pose the Company to harden its cybersecurity environments and systems causing the cost of remedial and improvement measures has increased, and the responsibility for related legal cases or regulatory investigations may also increase due to leakage of confidentiality obligations to customers or third-party information. However, up to the date of publication of the annual report, the Company has not discovered any major cyber attacks or events that have or may have a material adverse impact on the Company's business and operations and has not been involved in any legal cases or regulatory investigations related to this.

- (2) Losses suffered due to major information security incidents in the most recent fiscal year and up to the printing date of the annual report, possible impacts, and response measures:
No such incidents occurred.

7. Important Contracts

Supply and sales contracts, technical cooperation contracts, engineering contracts, long-term loan contracts, and other important contracts that could affect shareholders' equity that are still valid up to the printing date of the annual report or that expired in the most recent fiscal year

Type of Contract	Party	Contract Duration	Contract Content	Restrictions
Raw material supply	Company A	2024.01.01~2024.12.31 2025.02.01~2025.12.31	Copper Wire Raw material supply	—
Raw material supply	Company B	2024.01.01~2024.12.31 2025.02.01~2025.12.31	Copper Wire Raw material supply	—
Raw material supply	FORMOSA COPPER	2024.01.01~2024.12.31 2025.02.01~2025.12.31	Copper Wire Raw material supply	—
Raw material supply	Company D	2024.01.01~2024.12.31 2025.02.01~2025.12.31	Copper Wire Raw material supply	—
Raw material supply	Company E	2024.01.01~2024.12.31 2025.02.01~2025.12.31	Copper Wire Raw material supply	—
Lease contract	LCY Chemical Corp.	2018.11.01~2028.10.31	Land lease	—
Lease contract	LEE CHANG YUNG COMPANY, LTD.	2022.01.01~2024.12.31 2025.01.01~2025.12.31	Office lease	—

V. Review and Analysis of Financial Position and Financial Performance, and Listing of Risks

1. Financial Position

Unit: NT\$ thousand

Item \ Year	2023	2024	Difference	
			Amount	%
Current Assets	2,133,484	1,771,687	(361,797)	(16.96)
Property, Plant, and Equipment	410,525	368,162	(42,363)	(10.32)
Intangible Assets	4,277	3,566	(711)	(16.62)
Other Assets	245,382	277,566	32,184	13.11
Total Assets	2,793,668	2,420,981	(372,687)	(13.34)
Current Liabilities	477,099	372,577	(104,522)	(21.91)
Non-current Liabilities	112,506	109,037	(3,469)	(3.08)
Total Liabilities	589,605	481,614	(107,991)	(18.31)
Capital Stock	1,377,765	1,377,765	-	-
Capital Surplus	323,671	324,530	859	0.26
Retained Earnings	468,716	163,488	(305,228)	(65.12)
Other Equity	33,911	73,584	39,673	116.99
Total Equity	2,204,063	1,939,367	(264,696)	(12.00)

1. Prepared on consolidated financial statement information of the Company and its subsidiaries.
2. Explanation of major changes: (the change is over 20%, and the amount of change is over NT\$10 million)
 - (1) Current liabilities: Mainly due to the decrease in purchases in 2024, resulting in a decrease in accounts payable.
 - (2) Retained earnings: Mainly due to losses in 2024, resulting in a decrease in retained earnings.
 - (3) Other equity: Mainly due to the impact of financial asset valuation, resulting in an increase in other equity.

2. Financial Performance

(1) Comparative analysis of operating results for the past two fiscal years

Unit: NT\$ thousand

Item \ Year	2023	2024	Difference	
			Amount	%
Operating Revenue	3,557,969	2,993,614	(546,355)	(15.86)
Operating Costs	3,598,751	3,246,752	(351,999)	(9.78)
Gross Profit	(40,782)	(253,138)	(212,356)	(520.71)
Operating Expenses	140,729	155,008	14,279	10.15
Operating Income	(181,511)	(408,146)	(226,635)	(124.86)
Non-operating profit and expense	15,020	99,391	84,371	561.72
Income before Tax	(166,491)	(308,755)	(142,264)	(85.45)
Income Tax Expense	(32,726)	(3,527)	29,199	89.22
Net Income	(133,765)	(305,228)	(171,463)	(128.18)

1. Prepared on consolidated financial statement information of the Company and its subsidiaries.
2. Explanation of major changes: (the change is over 20%, and the amount of change is over NT\$10 million)
 - (1) Gross profit from operations, net operating income: Mainly due to decreased market demand in 2024 and increased operating costs.
 - (2) Non-operating income and expenses: Mainly due to foreign currency exchange gains in 2024.
 - (3) Net income before tax, net income for the period: Mainly due to decreased market demand in 2024 and increased operating costs.

- (2) Sales volume forecast and the basis therefor, and the possible effect on the Company's future financial operations and plans in response

The Company estimates the 2025 full-year operating targets based on industry trends, business prospects of major customers, market demand forecasts, and technical production capabilities. However, there is no financial forecast announced, so it is not applicable.

3. Cash flows

(1) Cash Flow Analysis

Unit: NT\$ thousand

Cash at Beginning of Year	Net Cash Flows from Operating Activities	Other Cash Flows for the Year	Cash Surplus (Inadequacy)	Expected Remedial Measures for Cash Inadequacy	
				Investment Plan	Financial Plan
558,512	(194,132)	70,558	434,938		

Changes in Cash Flow Analysis:

1. Operating activities: Net outflow of NT\$194,132 thousand, mainly due to decreased revenue.
2. Investing activities: Net outflow of NT\$6,479 thousand, mainly due to the purchase of operational equipment.
3. Financing activities: Net inflow of NT\$62,668 thousand, mainly due to an increase in short-term borrowings.

(2) Liquidity Analysis for the Coming Year

Unit: NT\$ thousand

Cash at Beginning of Year (1)	Expected Net Cash Flows from Operating Activities (2)	Expected Other Cash Flows for the Year(3)	Expected Cash Surplus (Inadequacy) (1) + (2) - (3)	Expected Remedial Measures for Cash Inadequacy	
				Investment Plan	Financial Plan
434,938	(442,095)	331,426	324,269		

Changes in Cash Flow Analysis for the Coming Year:

1. Operating activities: The company expects to adjust the proportion of high-end products in 2025, driving growth in operating revenue and reducing cash outflow.
2. Investing activities: The company expects to increase equipment purchases in the coming year.
3. Financing activities: Mainly bank working capital loans.

4. Effect on Financial Operations of Any Major Capital Expenditures during the Most Recent Fiscal Year

No Major Capital Expenditures for the Most Recent Fiscal Year.

5. Reinvestment Policies for the Most Recent Year, the Main Reasons for Profit or Loss, and Remedy and Investment Plans for the Coming Year

(1) Reinvestment Policy

The Company's reinvestment policy is based on the consideration of sustainable operation and operational growth, and under the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" stipulated by the competent authority, the Company has formulated the "Regulations Governing the Acquisition and Disposal of Assets" as the basis of the Company's reinvestment to master the relevant business and financial position; in addition, to enhance the supervision management of the reinvested company, the Company has formulated monitoring management measures for subsidiaries in the internal control system, targeting at its information disclosure, finance, business, inventory, and relevant regulations concerning financial control, so that the Company's reinvestment business can maximize impact.

(2) Main Reasons and Improving Plans for Profits/Losses Generated Thereby Re-investment for the Most Recent Fiscal Year

Unit: NT\$ thousand

Investee	Principal business activities	Investment gains (losses) recognized in 2024	Main Reasons for Profits/Losses	Improving Plans
LCYT Holdings Corp.	General Investment	—	—	Since no major losses have occurred, there is no need for an improvement plan.
KAO HSIUNG COGEN CO., LTD.	Cogeneration System, Environmental Protection, Engineering Plan, Design and Procurement	24	—	

(3) Investment Plans for the Coming Year: None.

6. Risk Issues

(1) Effect on the Profit (Loss) of Interest and Exchange Rate Fluctuations and Changes in the Inflation Rate, and Response Measures to Be Taken in the Future

1. Rate changes

The company's cash inflow from operating activities has been stable in recent years, and capital expenditures can mostly be funded by its own operating funds. The bank financing in 2024 is mainly for planned funding needs, with stable repayment capability. Additionally, in 2024, as global interest rate increases continue, Taiwan has followed with a rate increase of only 0.125 percentage points. The company has been closely monitoring various interest rate changes and trends, while maintaining good relationships with banks to obtain preferential rates. The company also evaluates potential interest rate risks for all interest-bearing liabilities in a timely manner. Therefore, interest rate fluctuations should not have a significant impact on the company.

2. Exchange Rate Changes

The company constantly monitors exchange rate fluctuations to evaluate foreign exchange positions in daily operations. The net foreign exchange gains/losses for 2023 and 2024 were NT\$-4,144 thousand and NT\$67,074 thousand respectively, accounting for (0.12)% and 2.24% of annual net operating revenue. The impact on the company's profit and loss is limited. The Company adopts foreign currency assets and liabilities balance of payments, with derivative financial product transactions and income and payment currency adjustments to hedge against risks. In general, fluctuations in exchange rates do not have a significant impact on the Company.

3. Inflation

Inflation has a synchronous offsetting effect on the collection and payment of the company's sales and transactions, and will not affect the company's profit; in addition, the company implements the budget system and internal control to effectively control operating costs and expenses. The expenditure is within a reasonable range, so the company has not been significantly affected by inflation.

(2) During the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report, Policy regarding High-risk Investments, Highly Leveraged Investments, Loans to Other Parties, Endorsements/Guarantees, and Derivatives Transactions, Main Reasons for the Profit (Loss) Generated Thereby, and Response Measures to Be Taken in the Future

1. Policy regarding High-risk Investments, Highly Leveraged Investments, Main Reasons for the Profit (Loss) Generated Thereby, and Response Measures to Be Taken in the Future

The Company focuses on operating its own business. Based on conservative and prudent operating principles, it has not engaged in high-risk and high-leverage investments during the most recent fiscal year and during the current fiscal year up to the date of publication of the annual report.

2. Policy regarding Loans to Other Parties, Endorsements/Guarantees, and Derivatives Transactions, Main Reasons for the Profit (Loss) Generated Thereby, and Response Measures to Be Taken in the Future

During the most recent fiscal year and during the current fiscal year up to the date of publication of the annual report, the Company has not engaged in loaning funds to others, and endorsements/guarantees. Based on operational risk considerations, if the Company intends to engage in loan funds to others and endorsement/guarantees in the future, it will be handled under the Company's "Operational Procedures for Loaning Funds to Others" and "Operational Procedures for Endorsements/Guarantees". In addition, the derivatives transactions that the Company engages in are based on the "Procedures Governing Derivatives Trading" formulated by the Company, and all transactions are based on the principle of natural hedging.

- (3) R&D Work to Be Carried Out in the Future and Further Expenditures Expected for R&D Work

The current trend in consumer electronic products is toward lighter, thinner, smaller designs with comprehensive functional improvements. With the rapid development of Internet of Things (IoT) and cloud-related products, requirements for high-speed transmission with fine line widths and high-frequency interference issues have become more stringent. In response to these demands, copper foil substrates, as raw materials, need to be thinner with lower roughness. To address this trend, the company will continue to utilize its established independent large-scale copper foil testing equipment and independent large-scale post-processing testing equipment to focus on reducing signal loss, producing fine circuit lines, and lowering costs, thereby enhancing product competitiveness, diversity, and differentiation.

1. The development plan for niche copper foil is expected to continue in 2024 as follows:

Expected Development Items	Development Progress as of March 31 of the Current Year
Mass production of extremely low roughness ($R_z < 2.0\mu\text{m}$) reverse copper foil	Successfully verified by customer's production line engineering. LCYT continues to increase in mass production.
RTF3 grade reverse-treated copper foil ($R_z < 2.0\mu\text{m}$) BR-HTE-3RT development	Under customer verification testing

2. Further Expenditures Expected for R&D Work

The company's research and development expenses are allocated progressively based on the development schedule of new products and technologies. To ensure and enhance our competitive advantage, the company continues to invest human and material resources in new product development, and adjusts these investments according to operational conditions and requirements. This approach ensures that while maintaining a strong competitive advantage, we also maintain the flexibility to adapt to market changes, strengthening our new product development output to meet the needs of our research and development plans.

- (4) Effect on the Financial Operations of Important Policies Adopted and Changes in the Legal Environment at Home and Abroad, and Measures to Be Taken in Response

The Company operates under the relevant laws and regulations at home and abroad, and pays attention to the development trend of domestic and foreign policies and changes in regulations anytime, to fully master the changes in the market environment and proactively propose countermeasures timely. Up to the date of publication of the annual report, the Company has had no major events of financial business due to the impact of important domestic and foreign policy and legal changes.

- (5) Impact of technological and industrial changes (including information and communication security risks) on the Company's finance and business and corresponding measures:

The Company produces copper foil. Currently, all electronic components need to use copper foil, and there is no substitute product. In response to changes in technology and industry that have a major impact on the Company's financial business, The Company has an Information Security Oversight Committee, which is coordinated and driven by the Information Department in accordance with information security management guidelines. The Company places emphasis on the cultivation of research and development talents and

the development of product technologies, ensuring a constant grasp of the pulse of the technology industry.

(6) Effect on the Crisis Management of Changes in the Corporate Image, and Measures to Be Taken in Response

Since its establishment, the Company has complied with relevant laws and regulations, proactively enhanced internal management, and maintained harmonious labor relations to maintain a good corporate image. During the most recent fiscal year and during the current fiscal year up to the date of publication of the annual report, the Company has not had any incidents that have affected the corporate image or suffered any crisis.

(7) Expected Benefits and Possible Risks Associated with Any Mergers and Acquisitions, and Measures to Be Taken in Response

During the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report, The Company did not engage in any mergers and acquisitions.

(8) Expected Benefits and Possible Risks Associated with Any Plant Expansion, and Measures to Be Taken in Response

During the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report, The Company did not engage in any plant expansion.

(9) Risks Associated with Any Consolidation of Sales or Purchasing Operations, and Measures to Be Taken in Response

1. Net Sales

Among them, the printed circuit board customers are quite diversifying, but the copper foil substrate customers are relatively concentrated. Therefore, in addition to maintaining a stable supply chain relationship, the Company is also actively developing new customers to diversify business volume, to avoid over-reliance on a single customer, there are no concerns about excessive concentration of sales.

2. Net purchase

The main raw material for the production of electrolytic copper foil is copper wire. To reduce the risk of centralized procurement and ensure a safe supply of raw materials, the Company purchases raw materials from different suppliers. Coupled with the international copper price market's open and transparent information, the source of

supply is still sufficient, and no shortage or interruption of supply affects the Company's business.

- (10) Effect on and Risk to the Company in the Event a Major Quantity of Shares Belonging to a Director, Supervisor, or Shareholder Holding Greater than a 10% Stake in the Company Has Been Transferred or Has Otherwise Changed Hands, and Measures to Be Taken in Response

Up to the date of publication of the annual report, no major quantity of shares belonging to a director and shareholder holding greater than a 10% stake in the Company was transferred or changed hands.

- (11) Effect on and Risk to the Company Associated with Any Change in Governance Personnel or Top Management, and Measures to Be Taken in Response

Kohlberg Kravis Roberts & Co. LP (KKR), an international investment institution, through its affiliated enterprise Carlton (Luxembourg) Holdings S.a.r.l. in July 2018, paid NT\$56 per share (including NT\$2.89924571 in cash dividends in 2018) in cash to under the Business Mergers and Acquisitions Act. The consideration was to acquire 100% of the shares outstanding of LCY Chemical Corp. (hereinafter referred to as LCY Chemical), the legal person director of the Company and the major shareholder holding more than 10% of the shares. LCY Chemical was converted into privatized on January 30, 2019, and delisted from the TWSE, and the Company became an investment company indirectly held by KKR. Up to the date of publication of the annual report, LCY Chemical has not reduced its shareholding in the Company, the Company's major shareholder structure is stable, and there is no risk of change of management rights.

- (12) Litigation or non-litigation events

1. Litigation, non-litigation, or administrative disputes, either concluded with final judgments or still pending, within the past two years and up to the printing date of the annual report, that might significantly impact shareholders' equity or securities prices:

None.

2. If there has been any material impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving a company director, supervisor, general manager, actual person in charge, or major shareholder with a stake of more than 10%, and the matter was finalized or remained pending during the most recent fiscal years or during the current fiscal year up to the annual report publication date.

Our corporate director and major shareholder with over ten percent ownership, LCY Chemical Corp., has the following pending litigation, non-litigation, or administrative disputes:

Civil procedure				
Plaintiff (appellant)	Defendant (appellee)	Cause of action/Case No.	Target amount	Note
National Health Insurance Administration, MOHW	1. Fubon Insurance Co., Ltd. 2. The First Insurance Co., Ltd. 3. Shinkong Insurance Co., Ltd. 4. Cathay Century Insurance Co., Ltd. 5. MSIG Mingtai Insurance CO., LTD. 6. SOUTH CHINA INSURANCE CO., LTD. 7. China General Terminal & Distribution Corporation 8. LCY Chemical Corp.	Compensation for Damages/2018 Zhong Shang Zi NO. 130	NT\$ 35,022,538	1. Intervener: CPC Corporation, Taiwan, Lin ○ Chuang, Chin ○ Ming, Tien ○ Sheng, Fan ○ Ta, Lai ○ Lu, Chiao ○ Lai, and Wang ○ Liang 2. Both parties have appealed the second instance judgment, and the case is currently under review by the Supreme Court.
(1) Taiwan Power Company Kaoping Power Supply Branch (2) Taiwan Power Company Southern Power Plant	1. LCY Chemical Corp., Li ○ Wei, Wang ○ Chou, Tsai ○ Chien, Li ○ Lin, Huang ○ Ming, and Shen ○ Hsiu, a total of 6 persons 2. China General Terminal & Distribution Corporation and its legal agent Chang ○ Chang, employees Chen ○ Heng, Huang ○ Fa, and Hung ○ Lin, a total of 4 persons	Compensation for Damages/2020 Zhong Shang Zi NO. 93	(1) NT\$ 132,582,707 (2) NT\$ 33,695,263	1. Participant: Kaohsiung City Government Water Resources Bureau 2. Intervener: CPC Corporation, Taiwan, Lin ○ Chuang, Chin ○ Ming, Tien ○ Sheng, Fan ○ Ta, Lai ○ Lu, Chiao ○ Lai, and Wang ○ Liang 3. Both parties have appealed the second instance judgment, and the case is currently under review by the Supreme Court.

Civil procedure				
Plaintiff (appellant)	Defendant (appellee)	Cause of action/Case No.	Target amount	Note
(1) Taiwan Power Company Kaohsiung District Operations Office (2) Taiwan Power Company Fengshan District Business Office	1. LCY Chemical Corp., Li ○ Wei, Wang ○ Chou, Tsai ○ Chien, Li ○ Lin, Huang ○ Ming, and Shen ○ Hsiu, a total of 6 persons 2. China General Terminal & Distribution Corporation and its legal agent Chang ○ Chang, employees Chen ○ Heng, Huang ○ Fa, and Hung ○ Lin, a total of 4 persons	Compensation for Damages/2022 Zhong Shang Zi NO. 93	(1) NT\$ 84,025,598 (2) NT\$ 15,518,054	1. Participant: Kaohsiung City Government Water Resources Bureau 2. Intervener: CPC Corporation, Taiwan, Lin ○ Chuang, Chin ○ Ming, Tien ○ Sheng, Fan ○ Ta, Lai ○ Lu, Chiao ○ Lai, and Wang ○ Liang 3. Both parties have appealed the second instance judgment, and the case is currently under review by the Supreme Court.
KAOHSIUNG MASS RAPID TRANSIT	1. LCY Chemical Corp., Li ○ Wei, Wang ○ Chou, Tsai ○ Chien, Li ○ Lin, Huang ○ Ming, and Shen ○ Hsiu, a total of 6 persons 2. China General Terminal & Distribution Corporation and its employees Chen ○ Heng, Huang ○ Fa, and Hung ○ Lin, a total of 3 persons 3. CPC Corporation, Taiwan	Compensation for Damages/2018 Zhong Shang Zi NO. 116	NT\$ 7,184,838	1. Intervener: Lai Mou Lu, Chiao Mou Lai, and Wang Mou Liang 2. After the plaintiff appealed the second instance judgment, the case is currently under review by the Supreme Court.
CPC Corporation, Taiwan	1. LCY Chemical Corp., Li ○ Wei, Wang ○ Chou, Tsai ○ Chien, Li ○ Lin, Huang ○ Ming, and Shen ○	Compensation for Damages/2018 Zhong Shang Zi NO. 101	NT\$ 94,082,749	—

Civil procedure				
Plaintiff (appellant)	Defendant (appellee)	Cause of action/Case No.	Target amount	Note
	Hsiu, a total of 6 persons			
LCY Chemical Corp.	CPC Corporation, Taiwan, Lin ○ Chuang, HSU ○ SUNG, KO ○ TSUNG, Chin ○ Ming, Tien ○ Sheng, Fan ○ Ta, Lai ○ Lu, Chiao ○ Lai, and Wang ○ Liang	Compensation for Damages/2024 Zhong Shang Zi NO. 1995	NT\$ 611,665,004	After the plaintiff appealed the second instance judgment, the case is currently under review by the Supreme Court.
SHIN KAO GAS CO., LTD.	1. LCY Chemical Corp., Li ○ Wei, Wang ○ Chou, Tsai ○ Chien, Li ○ Lin, Huang ○ Ming, and Shen ○ Hsiu, a total of 6 persons 2. China General Terminal & Distribution Corporation and its employees Chen ○ Heng, Huang ○ Fa, and Hung ○ Lin, a total of 3 persons	Compensation for Damages/2018 Zhong Shang Zi NO. 273	NT\$ 25,398,049	—
Chunghwa Telecom Kaohsiung Operations	1. LCY Chemical Corp., Li ○ Wei, Wang ○ Chou, Tsai ○ Chien, Li ○ Lin, Huang ○ Ming, and Shen ○ Hsiu, a total of 6 persons 2. China General Terminal & Distribution Corporation and its employees Chen ○ Heng, Huang ○ Fa, and Hung ○	Compensation for Damages/2018 Zhong Shang Zi NO. 266	NT\$ 149,052,847	Intervener: CPC Corporation, Taiwan, Lin ○ Chuang, Chin ○ Ming, Tien ○ Sheng, Fan ○ Ta, Lai ○ Lu, Chiao ○ Lai, and Wang ○ Liang

Civil procedure				
Plaintiff (appellant)	Defendant (appellee)	Cause of action/Case No.	Target amount	Note
	Lin, a total of 3 persons 3. Chiu ○ Wen, Yang ○ Jen, and Chao ○ Chiao			
TAIWAN WATER CORPORATION	1. LCY Chemical Corp., Li ○ Wei, Wang ○ Chou, Tsai ○ Chien, Li ○ Lin, Huang ○ Ming, and Shen ○ Hsiu, a total of 6 persons 2. China General Terminal & Distribution Corporation and its employees Chen ○ Heng, Huang ○ Fa, and Hung ○ Lin, a total of 3 persons 3. Chiu ○ Wen, Yang ○ Jen, and Chao ○ Chiao	Compensation for Damages/2023 Zhong Shang Zi NO. 86	NT\$ 28,642,664	Intervener: CPC Corporation, Taiwan, Lin ○ Chuang, Chin ○ Ming, Tien ○ Sheng, Fan ○ Ta, Lai ○ Lu, Chiao ○ Lai, and Wang ○ Liang
Kaohsiung City Government	1. LCY Chemical Corp., Li ○ Wei, Wang ○ Chou, Tsai ○ Chien, Li ○ Lin, Huang ○ Ming, and Shen ○ Hsiu, a total of 6 persons 2. China General Terminal & Distribution Corporation and its employees Chen ○ Heng, Huang ○ Fa, and Hung ○ Lin, a total of 3 persons 3. CPC Corporation, Taiwan, Lin ○ Chuang, Wang ○	Compensation for Damages/2025 Zhong Shang Zi NO. 288	NT\$ 173,621,528	Both parties have appealed the second instance judgment, and the case is currently under review by the Supreme Court.

Civil procedure				
Plaintiff (appellant)	Defendant (appellee)	Cause of action/Case No.	Target amount	Note
	Liang, Lai ○ Lu, Chiao ○ Lai, Chin ○ Ming, Fan ○ Ta, and Tien ○ Sheng			
Kaohsiung City Government	1. LCY Chemical Corp., Li ○ Wei, Wang ○ Chou, Tsai ○ Chien, Li ○ Lin, Huang ○ Ming, and Shen ○ Hsiu, a total of 6 persons 2. China General Terminal & Distribution Corporation and its employees Chen ○ Heng, Huang ○ Fa, and Hung ○ Lin, a total of 3 persons 3. CPC Corporation, Taiwan, Lin ○ Chuang, Wang ○ Liang, Lai ○ Lu, Chiao ○ Lai, Chin ○ Ming, Fan ○ Ta, and Tien ○ Sheng	Compensation for Damages/2024 Zhong Shang Zi NO. 2164	NT\$ 74,932,041	Both parties have appealed the second instance judgment, and the case is currently under review by the Supreme Court.
Kaohsiung City Government	1. LCY Chemical Corp., Li ○ Wei, Wang ○ Chou, Tsai ○ Chien, Li ○ Lin, Huang ○ Ming, and Shen ○ Hsiu, a total of 6 persons 2. China General Terminal & Distribution Corporation and its employees Chen ○ Heng, Huang ○ Fa, and Hung ○	Compensation for Damages/2018 Zhong Shang Zi NO. 99	NT\$ 69,987,564	Both parties have appealed the second instance judgment, and the case is currently under review by the Supreme Court.

Civil procedure				
Plaintiff (appellant)	Defendant (appellee)	Cause of action/Case No.	Target amount	Note
	Lin, a total of 3 persons 3. CPC Corporation, Taiwan, Lin ○ Chuang, Wang ○ Liang, Lai ○ Lu, Chiao ○ Lai, Chin ○ Ming, Fan ○ Ta, and Tien ○ Sheng			
Kaohsiung City Government	1. LCY Chemical Corp., Li ○ Wei, Wang ○ Chou, Tsai ○ Chien, Li ○ Lin, Huang ○ Ming, and Shen ○ Hsiu, a total of 6 persons 2. China General Terminal & Distribution Corporation and its employees Chen ○ Heng, Huang ○ Fa, and Hung ○ Lin, a total of 3 persons 3. CPC Corporation, Taiwan, Lin ○ Chuang, Wang ○ Liang, Lai ○ Lu, Chiao ○ Lai, Chin ○ Ming, Fan ○ Ta, and Tien ○ Sheng	Compensation for Damages/2025 Zhong Shang Zi NO. 383	NT\$ 69,545,137	Both parties have appealed the second instance judgment, and the case is currently under review by the Supreme Court.
Kaohsiung City Government	1. LCY Chemical Corp., Li ○ Wei, Wang ○ Chou, Tsai ○ Chien, Li ○ Lin, Huang ○ Ming, and Shen ○ Hsiu, a total of 6 persons 2. China General Terminal &	Compensation for Damages/2025 Zhong Shang Zi NO. 374	NT\$ 49,465,598	Both parties have appealed the second instance judgment, and the case is currently under review by the Supreme Court.

Civil procedure				
Plaintiff (appellant)	Defendant (appellee)	Cause of action/Case No.	Target amount	Note
	Distribution Corporation and its employees Chen ○ Heng, Huang ○ Fa, and Hung ○ Lin, a total of 3 persons 3. CPC Corporation, Taiwan, Lin ○ Chuang, Wang ○ Liang, Lai ○ Lu, Chiao ○ Lai, Chin ○ Ming, Fan ○ Ta, and Tien ○ Sheng			
Kaohsiung City Government	1. LCY Chemical Corp., Li ○ Wei, Wang ○ Chou, Tsai ○ Chien, Li ○ Lin, Huang ○ Ming, and Shen ○ Hsiu, a total of 6 persons 2. China General Terminal & Distribution Corporation and its employees Chen ○ Heng, Huang ○ Fa, and Hung ○ Lin, a total of 3 persons 3. CPC Corporation, Taiwan, Lin ○ Chuang, Wang ○ Liang, Lai ○ Lu, Chiao ○ Lai, Chin ○ Ming, Fan ○ Ta, and Tien ○ Sheng	Compensation for Damages/2018 Zhong Shang Zi NO. 110	NT\$ 152,376,836	Both parties have appealed the second instance judgment, and the case is currently under review by the Supreme Court.
Kaohsiung City Government	1. LCY Chemical Corp., Li ○ Wei, Wang ○ Chou, Tsai ○ Chien, Li ○ Lin, Huang ○	Compensation for Damages/2025 Zhong Shang Zi NO. 375	NT\$ 636,139,935	Both parties have appealed the second instance judgment, and the case is currently

Civil procedure				
Plaintiff (appellant)	Defendant (appellee)	Cause of action/Case No.	Target amount	Note
	Ming, and Shen ○ Hsiu, a total of 6 persons 2. China General Terminal & Distribution Corporation and its employees Chen ○ Heng, Huang ○ Fa, and Hung ○ Lin, a total of 3 persons 3. CPC Corporation, Taiwan, Lin ○ Chuang, Wang ○ Liang, Lai ○ Lu, Chiao ○ Lai, Chin ○ Ming, Fan ○ Ta, and Tien ○ Sheng			under review by the Supreme Court.
Kaohsiung City Government	1. LCY Chemical Corp., Li ○ Wei, Wang ○ Chou, Tsai ○ Chien, Li ○ Lin, Huang ○ Ming, and Shen ○ Hsiu, a total of 6 persons 2. China General Terminal & Distribution Corporation and its employees Chen ○ Heng, Huang ○ Fa, and Hung ○ Lin, a total of 3 persons 3. CPC Corporation, Taiwan, Wang ○ Liang and Chiao ○ Lai	Compensation for Damages/2016 Zhong Shang Zi NO. 287 —	NT\$ 1,686,105,781	—
Kaohsiung City Government	1. LCY Chemical Corp., Li ○ Wei, Wang ○ Chou, Tsai ○ Chien, Li	Compensation for Damages/2020 Shang Zi NO. 145	NT\$ 2,970,283	After the plaintiff appealed the second instance judgment, the case is currently under

Civil procedure				
Plaintiff (appellant)	Defendant (appellee)	Cause of action/Case No.	Target amount	Note
	○ Lin, Huang ○ Ming, and Shen ○ Hsiu, a total of 6 persons 2. China General Terminal & Distribution Corporation and its employees Chen ○ Heng, Huang ○ Fa, and Hung ○ Lin, a total of 3 persons 3. CPC Corporation, Taiwan, Lin ○ Chuang, Wang ○ Liang, Lai ○ Lu, and Chiao ○ Lai			review by the Supreme Court.

Note: The amount of the subject matter of litigation has changed due to appeal or reduction or expansion of the amount during litigation.

Non-litigious				
Plaintiff (or creditor or petitioner)	Defendant (or debtor or counterparty)	Cause of action/Case No.	Amount	Note
TAIWAN WATER CORPORATION	LCY Chemical Corp.	Debit Deposit Order/2017 Si Zhi Quan Chou Zi No. 169	NT\$ 25,603,200	—
(1) Taiwan Power Company Kaoping Power Supply Branch (2) Taiwan Power Company Southern Power Plant	LCY Chemical Corp.	1. Advanced Security to Avoid Provisional Seizure/2015 Cun Zi No. 1651 2. Advanced Security to Avoid Provisional Seizure/2015 Cun Zi No. 1650	(1) NT\$ 128,248,323 (2) NT\$ 32,858,075	For the benefit of all debtors (i.e., LCY Chemical Corp., China General Terminal & Distribution Corporation) to provide guarantee

LCY Chemical Corp., the corporate director of our company and a major shareholder holding more than ten percent of shares, has, regarding the 2014 Kaohsiung gas explosion incident, already advanced payment of relevant compensation to some of the bereaved families, and signed settlement agreements with some claimants. As for the aforementioned pending lawsuits, the relevant liabilities are still subject to court investigation, and attorneys have been appointed to handle these cases and actively respond to the litigation.

Based on the capital and business scale of LCY Chemical Corp., the corporate director of the Company and a major shareholder holding more than ten percent of shares, the amount of the above-mentioned litigation subject matter will not have a significant impact on it; moreover, the above-mentioned cases are not related to our company, and the results of the litigation will not have a significant adverse impact on our company's finances, operations, shareholders' equity, or securities prices.

(13) Other Important Risks and Measures to Be Taken in Response

To ensure the safety of collection, processing, transmission, storage, and flow of Company information, the information department coordinates and promotes related matters under information security management standards, formulates relevant information security policies, maintains computer system security, network security, system access control management, physical and operating environment security, personnel management, information security education and training, and sensitive information protection management, etc., based on the principles of confidentiality, integrity, and availability, allows the Company's personnel to follow and abide by. Besides, the service contract with third-party manufacturers also requires to sign a confidentiality agreement and compliance with information security regulations to implement the Company's requirements for information security.

The Company evaluates the information security policy every year, and according to the needs of the job category, conducts information security education training and publicity at least once a year, regularly reminds colleagues to update accounts, anti-virus software, and prohibit information access to external hard drives without approval, and other measures, to ensure the effectiveness of information security software; In addition, in terms of computer room security, the equipment is fixed and secure, important entrances and exits are equipped with monitors, temperature and humidity control in the computer room is maintained, and emergency backup power is equipped with an uninterruptible power system protective measures such as emergency response operations for supporting; moreover, equipment maintenance manufacturers also need to register and approve when entering and leaving the computer room, and off-site backup operations, etc., to ensure the effectiveness of information security entities.

Focusing on the key points of information security control, mainly regarding the effectiveness review of information security, such as Company information access should

be approved, information system recovery test, system exception handling, off-site backup operations, computer room equipment inspection, and regular inventory. Up to the date of publication of the annual report, no major defects have been found that affect the Company's information security.

In terms of information security risk assessment, although the Company has a complete network and computer security protection system to control or maintain the Company's operations and financial accounting and other important business operations, it still cannot guarantee that its computer system can completely avoid any third parties malicious network attacks, social engineering attacks, and service providers' failure to perform or strictly follow relevant obligations lead to the theft of Company confidential information or interference with Company operations. These attacks can pose the Company to harden its cybersecurity environments and systems causing the cost of remedial and improvement measures has increased, and the responsibility for related legal cases or regulatory investigations may also increase due to leakage of confidentiality obligations to customers or third-party information. However, up to the date of publication of the annual report, the Company has not discovered any major cyber attacks or events that have or may have a material adverse impact on the Company's business and operations and has not been involved in any legal cases or regulatory investigations related to this.

7. Other Important Matters

None.

VI. Special Disclosure

1. Information on Affiliates

Please check on the Market Observation Post System (MOPS) by following this path: MOPS Market Observation Post System > Single Company > Electronic Document Download > Related Enterprise Three Statements Area > (Enter our company stock code) 4989 > Click "Search". Or enter the URL https://mopsov.twse.com.tw/mops/web/t57sb01_q10 > (Enter our company stock code) 4989 > Click "Search".

2. Private Placement of Securities during the Most Recent Fiscal Year and the Current Fiscal Year Up to the Date of Publication of the Annual Report

None.

3. Other Supplementary Information

None.

4. Recent annual and up to the printing date of the annual report, events as specified in Paragraph 3, Subparagraph 2, Article 36 of the Securities and Exchange Act that have significant impact on shareholders' equity or securities prices

None.