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Gallant Precision Machining Co., Ltd.

Annual Report 2024

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I. Letter to Shareholders

Dear Shareholders: :

First of all, we would like to thank you for your continuous and unwavering support to Gallant Precision Machining Co., Ltd. ("GPM" or "the Company"). Hereafter is the financial performance of 2024.

1. 2024 Business Report

The parent company operating income of GPM in 2024 was NT\$1,854,131 thousand, representing an increase of 2.39% from the preceding year. The consolidated operating income of the Group was NT\$4,434,928 thousand, representing an increase of 43.55% from the preceding year. In terms of profit, the parent company only net profit after tax of GPM was NT\$296,749 thousand, representing an increase of 45.68%. The gross margin decreased by 8.96% from the preceding year, and the net profit per share was NT\$1.82.

1.1 The overview of receipt/expense and profitability of Gallant Precision Machining Group ("GPM Group"):

Financial analysis data		2024
Debt to asset ratio (%)	(%)	44.25
Long-term Fund to Property, Plant and Equipment (%)	(%)	683.11
Return on total assets	(%)	4.66
Return on Equity Attributable to Shareholders of the Parent (%)	(%)	8.39
Percentage of paid-in capital (%)	Operating profit	20.14
	Pre-tax net profit	36.04
Net profit margin	(%)	10.67
Earnings Per Share	(NT\$)	1.82

1.2 Products that have been developed by the Company in 2024

	Product
R&D accomplishments (Technology)	Wafer 2D+3D AOI
	Wafer Inner defect Inspection
	Strip Grinder
	μ -LED G4.5 Reattachment laminating Equipment
	Intelligent AMR Dispatch Management & Simulation System
	Wafer & Reel to Wafer & Reel Inspection Sorter
	Wafer PBI System
	Wafer Sorter
	Wafer to Tray Cassette Sorter
	High Throughput and High Accuracy Fully Automatic Fan-Out Die Bonder
	High Throughput and High Accuracy Fully Automatic Flip Chip Die Bonder
	IGBT LEADFRAME AUTO STAMPING System
	Larger Panel Roate Tester

2.Future Plans

2.1 Operating Policy in 2025

2.1.1 Business Activities

- Refine, combine, focus and innovate semiconductor industry.
 - Differentiation, diversification, expansion next generation display industry.
 - Extend, promote and branding intelligent automation industry.
- (1) The Company adopts “ethics” as its core and adheres to the corporate culture of “teamwork, innovation, responsibility, and learning” to focus on the automated optical testing, measurement, grinding, polishing, and other core technologies in the long run with the attitude of constant advances and continuous innovations so as to provide advanced packaging and recycled wafer smart solutions for the semiconductor industry and provide high-quality equipment and excellent services with customer-first as the philosophy in order to create values for customers.
 - (2) We focus on core semiconductor technology, innovation and connection of international research and development resources. We understand Taiwan semiconductor market and provide customers with process solutions. Quality is the priority to us. We improve the overall competitiveness and grasp the market trends in order to improve customer competitiveness and differentiation.
 - (3) To provide high-quality equipment and services to customers and improve the information security protection ability of tools, we introduced the SEMI E187 compliance development in the stage of product design. In 2023, we successfully passed the certification by Bureau Veritas, a third-party notarization department, and expanded the applications to equipment related to semiconductors. In 2023, we were commended by the Administration for Digital Industries, and we promoted information security awareness within the supply chain of the industry through benchmark learning.
 - (4) Through technology introduction/cooperation and the connection to the requirements of partners and customers, we forcefully entered the advanced testing technology development and innovation in the front end of the semiconductor industry and developed the testing, measurement, grinding, polishing, and other procedure equipment in the mid-to-back-end packing procedures to improve the product performance in the existing advanced packaging, wafer recycling, and IC substrate fields so as to focus on the product lines and expand customer groups.
 - (5) The foundation of the company is the research and development technology of the existing display equipment. The foreign technical cooperation, focus and deeply development of FPD next generation high value-added equipment drive the company to diversify and manage in a sustainable way in order to expand the future in the display industry innovation and progress.
 - (6) Continue to allow the differentiation of existing products (i.e., the introduction of AI and energy conservation technologies) and optimize cost strategies to improve product competitiveness and profits. Continue to upgrade the existing core technologies and expand into the next-generation display market (i.e., Micro/Mini-LED) to extend the niche in the next-generation display market.
 - (7) We take profit as the priority and master the current key advanced technology. Based on our electromechanical and software integration technology and QDTCSS, the intelligent production management system is the backbone to build a quality production system in the smart factory, intelligent logistics and intelligent dynamic process equipment. We continue to expand the results of intelligent automation, and pool our resources to provide strategic partners and key industry representative customers with intelligent automation integration solutions to help them achieve their smart manufacturing goals.
 - (8) For smart logistics, improve developing potential customers and promote to customers for their other requirements. Strengthen the promotion of AI system products for various industries, introduce key industrial equipment, and provide AOI + AI service solutions to improve our brand image and customer value.
 - (9) We have passed the ISO 9001 (Quality Management System), ISO 45001 (Occupational Health and Safety Management Systems), ISO 27001 (Information Security Management System) and ISO 14064 (greenhouse gas management system) certifications to accurately comply with international management procedures and standards, protect customers’ interests with a higher

level of standard for the quality management, overall safety and occupational management of plants, and information security management, regulate employees' behaviors and execution capacity, and provide for the overall quality of suppliers.

- (10) We use the company's professional manufacturing brand image and popularity, and through effective management, to develop OEM/ODM services, win international orders, reduce the impact of industrial cycle, promote customer alliance to other industrial areas and expand revenue sources.
- (11) We make good use of the existing after-sales service mechanism, deepen the relationship with customers, help improve the production efficiency of the factory, achieve long-term business opportunities with value-added services, and seek a win-win strategy for customers and companies.
- (12) Continue to expand and have cross-industry alliances with top-notch companies worldwide to become their long-term cooperation partners, accelerate the R&D of new products, assist the customers in the fast launches and entrance into new markets of new products, and build a long-term, stable, and profitable system.
- (13) For our sustainable development, we make arrangements in three major aspects of environmental, social, and governance. GPM adheres to the sustainable operating philosophy and aims at realizing sustainable corporate operations, long-term partnerships with customers and communities, and the performance of responsibilities as a corporate citizen. We established solar power generation systems, made use of green energy for energy saving and carbon dioxide reduction, and applied for the ISO 14064 (Greenhouse Gases Management System) to further align ourselves with the goal of "Carbon Neutral & Net Zero Emission." Meanwhile, we established the Corporate Sustainability Committee in charge of the promotion of matters related to corporate social responsibility (CSR) and ethical corporate management. GPM will continue focusing on sustainable operations and implementing its responsibilities as a corporate citizen and grow together with its employees by emphasizing people-oriented ideas to jointly create maximum value for the Company, customers, and shareholders.
- (14) The company has strengthened internal information security by establishing a cybersecurity committee to promote and implement security operations. Additionally, it has obtained ISO 27001 international information security certification and SEMI E187 cybersecurity certification. These measures effectively mitigate the risks of external intrusion and internal data breaches, safeguarding the interests of all employees and protecting R&D confidentiality.

2.1.2 R&D Aspect

Develop the in-depth core technologies (equipment & procedures), including (1) au-tomated optical testing technology, (2) automated optical measuring technology, (3) grinding technology, (4) polishing technology, (5) smart automation technology, and (6) AI technology and other core technologies.

Expand the core technologies into the integrated applications and development of cross-field products and their value-added applications in the fields of semiconductor procedure and testing equipment, IC substrate, next-generation display procedure equipment, smart factories, and smart logistics.

The Company's plans to develop following products in 2025 :

R&D Project (Technology)	Product
	High Speed 3D Metrology for Advanced Package
	Panel Polisher
	Glass Substrate Grinder
	Intelligent Quality Prediction System for Grinder Process Control
	Multiple Tape Reel Unloader Module

	Wafer ID/Reference Marking System for OHT
	Die Bonder with Laser Assisted
	Panel Level Face Down Die Bonder
	High Accuracy & Cleanliness Chip Sorter
	Hybrid Die Bonder
	High Accuracy Larger Panel O/S Tester for 64K
	High Accuracy Automatic Tester for IC Carrier

2.2 The Company's forecast on sales volume and its basis for 2025:

Main products	unit: set
	2025 budget
Semiconductor Process Equipment	420
Display Process Equipment	36
Intelligent automation equipment	-

Note: The forecast is based on the customers' forecast and taking into account the market conditions.

2.3 Important production and marketing policies

1. Integrating operations, talent, and resources across the Taiwan Strait, we aim to strengthen customer management, sales, and efficiency integration to maximize overall effectiveness and expand into markets in mainland China, the United States, Japan, and Southeast Asia.
2. Conduct strategic alliance with industry-university-research units and end customers, continuously improve system integration capability and develop new products and technologies in new fields such as display, semiconductor and intelligent automation, to improve marketing efficiency and achieve differentiated niche.
3. Strengthen product cost control mechanism, together with design improvement, efficiency improvement and supply chain management, increase orders of high-gross margin products, and ensure reasonable profit of products.
4. Continuously promote the intelligence, modularization and standardization of major products, simplify the manufacturing process, improve product function and reliability, and reduce costs.
5. Collecting the Company's various real-time production data, analyzing and integrating it with the internal system, and providing information to the decision-making supervisors as a reference for performance.
6. To meet the customer demand for fast delivery, effectively control quantity and amount of raw materials and inventory, reduce inventory turnover days and reduce loss on inventory falling price.
7. Accelerate installation and acceptance efficiency, improve after-sales service quality to ensure customer satisfaction, establish a win-win service system with customers and continuously strengthen accounts receivable and cash flow management.
8. We introduced energy policies related to green energy and carbon emission reduction. We built a solar farm in our plant to sell the power generated to Taipower and establish the energy-saving and environmental image of the Company, making contributions to the sustainability and renewal of the earth.

3.Strategies for Future Development

- (1) Adopt innovation transformation, market extension, sustainable development as the guiding principle of development strategy.
- (2) Business Aspect
 - Deepen promotion of development of the Semiconductor industry, display industry and intelligent automation industry.
 - Extend related products to other foreign markets for business promotion.
 - Enhancing the business opportunities of Taiwanese businessmen returning and decentral-ized production by international manufacturers.
 - Deeply cultivate the after-sales service market of equipment and components, and grow together with customers.
- (3) Product Aspect
 - Deeply develop core technologies (equipment & processes).
 - Extend core technology for cross-industrial product integration application development.
- (4) Internationalization strategy of diverse talents cultivation
- (5) GPM formed a G2C business strategic alliance with its partners, C. Sun and GMM, to provide one-stop services for smart production. By integrating the human resources, material resources, and technical resources of multiple companies, we established a robust supply chain system and customer service system that connect all production equipment from upstream to downstream to assist customers in creating maximum value, and in turn, achieving the common belief of price fortification by securing costs, joint creation through mutual efforts, harmony and sharing, and long-term partnerships.

4.Impact from Competition, Legislation and Overall Business Environment

4.1 The impact of the external competitive environment

However, the rapidly changing industrial operating environment, influenced by factors such as the war in Ukraine, conflicts in the Middle East, US-China trade tensions, the COVID-19 pandemic, and geopolitical shifts, has led to diverse changes in market and product application trends. Facing the global display industry's expansion slowdown, intensified external competition, and China's promotion of domestic equipment manufacturing, our company's traditional mainstay, the display industry, is facing increasingly fierce competition and challenges, testing the adaptability of our team. GPM will continue to strengthen its proprietary product technology, complemented by the introduction of advanced foreign technologies, to enhance product functionality, quality, and sophistication, thereby moving away from price-based competition. Additionally, we will explore opportunities in industries such as semiconductors, Micro/Mini LED, and smart manufacturing, while expanding into international markets. In response to changes in the industry and operating environment, we will demonstrate stability, precision, and rapid response capabilities, while establishing a diversified business layout and development goals for the industry.

4.2 Regulatory Environment:

Integrity is deep rooted in the Company's core culture. As a result, the Company has been complying with legal norms, honest, and self-disciplined in its business. In addition to collecting information concerning external regulatory changes at any time for the

management's reference, the Company is establishing, reviewing, updating and adjusting its internal management and operational rules and regulations in order to actively respond to various changes in the regulatory environment.

4.3 Overall Business Environment:

- (1) The machinery industry in Taiwan secured a seat in the global semiconductor equipment market. In recent years, emerging drivers have been brought by the rapid development of smart robots, drones, Digital Twin, and generative AI technologies. According to IEK, ITRI, regarding the semiconductor equipment industry, the global semiconductor market is likely to record booming results for two consecutive years with the uprising requirements for AI computing, HBM, and equipment in Mainland China. According to the estimates of SEMI, the global semiconductor market in 2024 is estimated to grow by 3%, with a production value breaking through USD billions. It will continue to grow by 16.5% in 2025 to US\$127 billion. As governments of different countries encourage chip autonomy and have been building fabs, 185 wafers commenced the operation or construction worldwide from 2022 to 2024, and over 50% of them are in Mainland China, Taiwan, and the U.S.. In particular, Mainland China expands investment in mature procedures while facing the restriction of export control for advanced equipment; the changes in the policy for trade between the U.S. and Mainland China in the following are closely related to the development of the equipment market.

According to IEK, ITRI, AI will be the main pushing force for the growth in the semiconductor market in the following decade, and relevant applications will bring about the heterogeneous integration of the front-end wafer manufacturing and the back end (i.e., CoWoS procedures, TSV, RDL, and other equipment requirements for advanced packaging). It is estimated that the advanced packaging market will achieve US\$786 billion by 2028. The silicon photon technology with high speed and low energy consumption will start to develop, which will also bring challenges to manufacturing and packaging. The Company will keep abreast of relevant equipment requirements, grasp relevant business opportunities, and allow diversified business order-taking and flexible manufacturing speed to welcome the challenges through the combination of its forceful internal production and marketing functions and the long-term external supplier chain system so as to create a greater future.

- (2) According to the “2025 Economic Outlook of Taiwan” of the Taiwan Research Institute, the economic growth in countries worldwide recorded different trends, with the differentiated trends offset mutually, and the global economic growth showed a slow recovery due to lacking main momentum. With the reinitiation of unilateralism and the policy for inward-looking industry by the Trump government, it is estimated that the global trade, investment, and supply chain will have enormous fluctuations in 2025. The professionalism and the continuous geopolitical situations will cause spillover effects on the global economy; the global economic

growth in 2025 is estimated to be full of variables and challenges. Benefiting from the global AI trend and the robust demand for cybersecurity products, the export recorded performance more favorable than expected regarding the economic performance in Taiwan in 2024. In terms of domestic demand, AI business opportunities were feverish worldwide; companies increased their investments in the expansion of production capacity, private investment recovered, and the overall economic environment improved as compared to that in June 2024. The Taiwan Research Institute made an upward adjustment of 0.64% to the economic growth rate throughout 2024 to 4.21%.

Looking into 2025, the consumption in terms of domestic demand recovered to the normal standard, and the private investment momentum is likely to continue. The international AI business opportunities are booming with prosperous export sales, and the growth in the international commodity trade is recovering; however, the risk of uncertainties for the new policies of Trump is relatively high. The Taiwan Research Institute estimates that the economic growth in Taiwan in 2025 shall be viewed with caution, and it is estimated that the economic growth throughout 2025 will be 3.16%. In recent years, GPM has constantly and actively been investing in R&D and joint creations with partners, and it is expected to make achievements in the semiconductor industry, display industry, and smart auto industry. The waves of changes are expected to facilitate the growth and development of GPM's high technology equipment and make it an important role in the equipment supply chain of customers.

- (3) Geopolitics and the US-China trade war made partial enterprises in Mainland China move out, return to Taiwan, or choose to establish plants in Southeast Asian countries to separate risks. However, Southeast Asian countries have insufficient technicians and rising labor costs have become inevitable in the region. With the requirements of local manufacturing plants for constant improvement in the overall quality, smart auto systems and equipment are required in place of labor production. Leveraging the long-term development in the equipment manufacturing field and the advantageous position of Taiwan in the wave of supply chain readjustment, Taiwanese businesses and large-scale international companies will choose GPM as the cooperating partner.
- (4) GPM, C.Sun, and GMM joined hands and formed the G2C alliance in 2020 for joint creation. The companies have their own expertise in the equipment for semiconductor procedures; through technological connection and integration, the alliance becomes a material force to drive the continual advances in wafer production, allowing the outstanding performances recorded by the Company in terms of its operating income.
- (5) In addition, AI, 5G, AR/VR, Metaverse, IoT, and Big Data facilitated a more comprehensive smart auto application. GPM possesses technologies for the solutions of automated equipment application procedures that span across diverse technology industries. In recent years, GPM joined forces with a world-renowned manufacturer in major industries and gained substantial achievements in terms of the integration of smart auto solutions.
- (6) GPM adheres to the spirit of corporate sustainability, gradually entering the ESG field and establishing future sustainability goals for GPM based on the United Nations

SDGs in the categories of Environment, Social, and Governance. GPM has completed the ISO14064-1:2018 verification and hopes to collaborate with partners worldwide to address the challenges of climate change, particularly in key areas such as greenhouse gas and carbon management. Looking ahead, with an excellent management team and professional technical capabilities, GPM is confident that it can achieve its goals and attain the best operational results through the concerted efforts of all employees.

Last but not least, we wish our shareholders health and success!

A handwritten signature in black ink that reads "Jason Chen". The signature is written in a cursive, flowing style.

Jason Chen
Chairman

II. Corporate Governance

1. Directors and Management Team

1.1 Information Regarding Board Members

As of April 5, 2025.;Unit:Shares

Title/Name	Nationality or Registry	Date Elected	Gender Age	Term (Yrs)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Selected Education & Experiences	Selected Current Positions at GPM and Other Companies
						Shares	%	Shares	%	Shares	%	Shares	%		
Chairman Junpeng Investment Co., LTD. Represented by: Jason Chen (Note 1)	R.O.C.	2023/06/19	Male 61	3	2023/06/19	500,000	0.3%	500,000	0.3%	0	0%	0	0%	Master of Mechanical Engineering, National Sun Yat-sen University Director of Design Department, Chunghwa Picture Machinery Works Vice General Manager of Gallant Precision Machining Co., Ltd. Legal director representative of Gallant Micro. Machining CO., Ltd.	Chairman and General Manager of Gallant Precision Machining Co., Ltd. Director of C SUN Mfg., Ltd. Director of Shinyu Light Co., LTD. Chairman of Apex-I International Co., Ltd. Chairman of Gallant-Rapid Corporation Limited Chairman and General Manager of Gallant Precision Industries (Suzhou) CO., Ltd. Chairman of Junpeng Investment Co., LTD. Director of ESGWD Vice Chairman of TEEIA Vice Chairman of TAIROA Independent Director of TONGTAI MACHINE & TOOL CO., LTD.

Title/Name	Nationality or Registry	Date Elected	Gender Age	Term (Yrs)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Selected Education & Experiences	Selected Current Positions at GPM and Other Companies
						Shares	%	Shares	%	Shares	%	Shares	%		
Vice Chairman C SUN MFG. LTD. Represented by: FRANK, LIANG	R.O.C.	2023/06/19	Male 48	3	2014/06/20	44,758,827	27.1%	44,733,827	27.08%	0	0%	0	0%	Class 40, Department of Business Administration, National Chengchi University Being granted the degree of Master of Business Administration (MBA), Washington State University (WSU) Being granted the degree of Master of Laws, Northwestern University Completed the Business Administration Courses at Northwestern University Chairman and Director of GALLANT MICRO. MACHINING CO., LTD. Special assistant to the Chairman, C SUN Mfg., Ltd. Chairman of Suzhou Chuangfeng Optoelectronic Technology Co., LTD. Chairman of Wat Sun Intelligent Technology Co., Ltd. Director and Supervisor of VIEWMOVE TECHNOLOGIES, INC.	Vice Chairman and CEO of Gallant Precision Machining Co., Ltd. Chairman and CEO of GALLANT MICRO. MACHINING CO., LTD. General Manager of C SUN Director of TPCA. Supervisor of Guangxin Venture Capital Co. Ltd. Director of UTRON TECHNOLOGIES CORP. Chairman of TOP CREATION MACHINES CO., LTD. Chairman of POWER EVER ENTERPRISES LIMITED, TAIWAN BRANCH (SAMOA) Director of Suzhou Top Creation Machines Co., Ltd. Chairman of Good Team International Enterprise Limited Director of Nantong Top Creation Photoelectric Equipment Co., Ltd. Legal director representative of Phoenix Silicon International Corporation. Independent Director of Contrel Technology Co., Ltd. Chairman of Navigation Technology Co., Ltd.

Director Hsu, Hung-Ming	R.O.C.	2023/06/19	Male 57	3	2017/06/16	1,000	0.00%	1,000	0.00%	0	0%	0	0%	Graduated from Department of Electronic Engineering Technology, National Taiwan University of Science and Technology Director of Quality Assurance Department, Director of Engineering Department, GALLANT PRECISION MACHINING CO., LTD. General Manager of GALLANT MICRO. MACHINING CO., LTD. Director of GALLANT MICRO. MACHINING CO., LTD.	Director of Gallant Micro. Machining (Suzhou) Co., Ltd. Director of Gallant Micro Machining (M) Sdn. Bhd. Chairman of UTRON TECHNOLOGIES CORP.
Independent Director MA, CHIEN-YUNG	R.O.C.	2023/06/19	Male 67	3	2023/06/19	0	0%	0	0%	0	0%	0	0%	Doctors of metallurgy, Universität Stuttgart Chief of National ChungShan Institute of Science&Technology General Manager of TOUCH MICRO-SYSTEM TECHNOLOGY CORP. General Manager / Chairman of SOLAR APPLIED MATERIALS TECHNOLOGY CORP. Director / Chairman of HTC & SOLAR TECH SERVICE LIMITED	Director of SOLAR APPLIED MATERIALS TECHNOLOGY CORP. Chairman of FORCERA MATERIALS CO., LTD. Director of Solar International Technology (HK) Limited Director of SOLAR APPLIED MATERIALS USA, INC. Director of YU TAY VACUUM CO., LTD. Director of HIGHLIGHT TECH CORP. Independent Director of Sino-American Silicon Products Inc. Independent Director of ADVANCED WIRELESS SEMICONDUCTOR COMPANY Director of EASY FIELD CORPORATION
Independent Director TSANG, KWOK-AH	R.O.C.	2023/06/19	Male 64	3	2023/06/19	0	0%	0	0%	0	0%	0	0%	Bachelor of Accountancy, National Chengchi University Executive Master of Business Administration, National Chiao Tung University Auditing department, Partner accountant of PwC Taiwan	Partner accountant of Sunwise CPA Firm Independent Director of SIGURD MICROELECTRONICS CORP.

Independent Director Lo, Wei	R.O.C.	2023/06/19	Male 67	3	2020/06/17	0	0%	0	0%	0	0%	0	0%	PhD in Management Science, National Chiao Tung University Supervisor of ZYTPE COMMUNICATIONS CORPORATION Representative of Zyxel Networks Corporation Independent Director of TAI-TECH Advanced Electronics Co., Ltd.	Senior Vice General Manager /Financial Accounting Supervisor/Spokesperson of Unizyx Holding Corporation Senior Vice General Manager /Financial Accounting Supervisor of Zyxel Communications Corp. Senior Vice General Manager /COO/Financial Accounting Supervisor of MitraStar Technology Corp. Legal representative of Wuxi Alliance Network Technology Co., LTD. Representative of Bluebell Overseas Ltd. Supervisor of Wuxi Yanqin Information Technology Co., LTD Representative of MitraStar Technology Corp. Legal representative of Shanghai Montenke Communication Equipment Trading Co., LTD. Representative of MitraStar Technology Corp. Supervisor of Beijing Huaqin Tiandi Technology Co., LTD. Representative of Wuxi Yanqin Information Technology Co., LTD. Vice Chairman of Zyxel (Türkiye) Communications Corp. Representative of Zyxel Communications Corp. Director of Heguan Investment Co., LTD. Representative of Zyxel Communications Corp. Supervisor of Ardopus Networks Corporation Representative of ZYFX TECHNOLOGIES INC. Director of Black Cat Incorporation. Representative of Unizyx Holding Corporation Director/Senior Vice President/Financial Accounting Supervisor of Zyxel Networks Corporation
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Independent Director Chen, Yi-Mei	R.O.C.	2023/06/19	Female 75	3	2020/06/17	0	0%	0	0%	0	0%	0	0%	Master of Computer Science, University of Oregon President of American Guifen International Enterprise Co., LTD. President of the United States Texas Win-Win Credit Brokerage Company and Xun'an Credit Audit Document Review Company CEO of Credit Branch, Wells Fargo, Austin, Texas Instructor (Adjunct) of National Tsing Hua University Co-Founder and President of StarFab Accelerator Independent Director of TALIANG TECHNOLOGY COMPANY LIMITED	Distinguished Researcher of ITRI
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Remarks:

Note 1: If the chairman of the Board of Directors and the general manager or the equivalent person (the top manager) are the same person, spouses or first-degree relatives, the reasons, rationality, necessity and countermeasures (such as increasing the number of independent directors, and more than half of the directors should not serve as employees or managers, etc.) should be explained:

The chairman of the Company is also the general manager, in order to improve the operational efficiency and decision-making execution, but in order to strengthen the independence of the Board of Directors, the Company has actively trained suitable candidates; In addition, the chairman usually communicates closely with all directors about the company's operating conditions and planning guidelines to implement corporate governance. Currently, the Company has had the following details measures:

1. The currently four independent directors are specialized in industrial fields and can effectively play their supervisory functions.
2. Arrange each director to attend the professional director courses of external institutions every year to improve the operational efficiency of the Board of Directors.
3. Independent directors can fully discuss and put forward knowledge in functional committees for the reference of the Board of Directors to implement corporate governance.
4. More than half of the board members are part-time employees or managers.

Major shareholders of institutional shareholders

Names of institutional shareholders	Main shareholders of the institutional shareholders
C SUN Mfg., Ltd.	Gallant Precision Machining Co., Ltd. (12.73%) Haihsing Investment Co. (11.31%) Pinchin Investment Co. (7.85%) Mao-Chung Liang (4.65%) Treasury Share Special Account of C Sun(3.82%) Mao-Sheng Liang (2.92%) Citibank Manages Investment Accounts at the Norwegian Central Bank(2.34%) Chin-Tu Chien (1.79%) Zhen Sheng Co., Ltd.(1.23%) FRANK, LIANG(1.23%) Standard Chartered Entrusted with the SPDR Profile Emerging Market ETF Special Account (1.03%)

Note 1: Data is based on March 29, 2025, the book closure date of the Company.

Major Shareholders of Institutional Shareholders

Name of corporate shareholders	Major shareholders of institutional shareholders
Haihsing Investment Co.	Liang, Pi-Chen, Liansheng Co., Ltd. (19.53%) Chun-Mei Tsou (16.67%) Mao-Sheng Liang (16.67%) Liang,Pi-Ju, Pinchin Investment Co. (12.79%) Mao-Chung Liang (9.68%) Liang,Yeh-Chin-Chih (9.68%) Chang Liang,Hsiu-Chieh (5.22%) Fu Liang, Hsiu-Hung (5.22%) Liang,Yu-Wen (1.35%) Chen Liang,Chin-Jung (1.18%)
Pinchin Investment Co.	Pi-Ju Liang (33.33%) Liang,Pi-Yin (33.33%) Liang,Yu-Wen (33.33%)
Zhen Sheng Co., Ltd.	Liang Bi-zhen (25.00%) Leung Ching Man (25.00%) Liang You-yuan (25.00%) Liang You-feng (25.00%)

1.2 Directors' Professional Qualifications and Independent Directors' Independence Status

Criteria Name	Professional Qualification and Experience	Independent Directors' Independence Status	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Jason Chen	<p>For Directors' professional qualification and experience, please refer to "Information Regarding Board Members" on page 9-13 of this Annual Report.</p> <p>None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law.</p>	Not Applicable	1
Frank Liang			1
Hsu, Hung-Ming			0
MA, CHIEN-YUNG		<p>All of the following situations apply to each and every of the Independent Directors:</p> <ol style="list-style-type: none"> 1. Satisfy the requirements of Article 14-2 of "Securities and Exchange Act" and "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by Taiwan's Securities and Futures Bureau 2. Independent Director (or nominee arrangement) as well as his/her spouse and minor children do not hold any shares 3. Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years, and the service provided is either an "audit service" or a "non-audit service" 	2
TSANG, KWOK-AH			1
Lo, Wei			0
Chen, Yi-Mei			0

Diversity and independence of the Board of Directors:

(1) In addition to the Company's articles of association, the Company has also established the "Standard Procedure for Accepting Shareholders' Proposals and Reviewing Director Nominations" that clearly specifies the qualifications for directors; Board of Directors shall pass the Procedure and submit it to the shareholders' meeting for directors selection. The association of the Board of Directors should consider the diversification, and set proper diversification policy according to the operation, running type and development needs of Board of Directors, which should include but not limited to the following two aspects:

A. Basic conditions and values: Gender, age, nationality and culture, etc.

B. Professional knowledge and skills: Professional background (law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

The Company's current board members are specialized in the areas of financial accounting, law, electronics and electrical, and chemistry. Among the board members, there is one female director, accounting for 14% of all directors; one director is age under 50 years old, 5 directors are 50-70 years old, and 1 directors are over 70 years old.

Name	Diversified core projects	Gender	Age Under 50	Age 50-70	Age Over 70	Operational judgments	Accounting and financial analysis	Management administration	Conduct crisis management	Knowledge of the industry	International market perspective	Lead	Law
Junpeng Investment Co., LTD. Represented by: Jason Chen		Male		✓		✓	✓	✓	✓	✓	✓	✓	
C SUN MFG. LTD. Represented by: FRANK, LIANG		Male	✓			✓	✓	✓	✓	✓	✓	✓	✓
Hsu, Hung-Ming		Male		✓		✓		✓	✓	✓		✓	
MA, CHIEN-YUNG		Male		✓		✓		✓	✓	✓	✓	✓	
TSANG, KWOK-AH		Male		✓			✓	✓	✓	✓	✓	✓	
Lo, Wei		Male		✓			✓	✓	✓		✓	✓	
Chen, Yi-Mei		Female			✓		✓	✓	✓	✓	✓	✓	

C. The Company's current board of directors consists of seven directors. The specific management objectives and achievements of its board diversity policy are as follows:

(a) No less than one-third of the seats shall be held by independent directors.

(b) An independent director may not serve for more than three consecutive terms.

(c) The board of directors shall include at least one director of a different gender.

D. If the number of directors of the listed company's board of directors of any gender does not reach one-third, state the reasons and measures planned to be taken to improve the gender diversity of the board of directors: The term of office of the current board of directors is from June 19, 2023 to June 18, 2026. In order to cooperate with the company in promoting gender diversity in the board of directors and strengthen the corporate governance mechanism, it is planned to include "the proportion of directors of any gender less than one-third" as a discussion topic during the next board of directors election as one of the considerations for director nomination

and composition, so as to promote the diversity and balance of the board of directors' member structure.

(2) Independence of the Board of Directors:

There are currently 7 board directors in the Company's Board of Directors, including 4 independent directors (accounting for 57.14% of all directors and more than 1/2 of the seats of Board of Directors) and 3 directors with employee status (accounting for 42.86% of all directors); The four independent directors have been the independent director for less than 6 years. All independent directors comply with the regulations of the Securities and Futures Bureau, Financial Supervisory Commission for independent directors, and there is no case for the directors and independent directors stipulated in Items 3 and 4, Article 26.3 of the Securities and Exchange Act, and they have no internal kinship including spouse or second-level relatives.

1.3 Management Team :

As of April 5, 2025.;Unit:Shares

Title/Name	Nationality or Registry	Date Elected	Gender	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Selected Education & Experiences	Selected Current Positions at GPM and Other Companies	Managers Who are Spouses or within Second-degree Relative of Consanguinity to Each Other		
				Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman & President Jason Chen	R.O.C.	2006/10/01	Male	786,146	0.48%	173,000	0.10%	500,000	0.3%	Master of Mechanical Engineering, National Sun Yat-sen University Director of Design Department, Chunghwa Picture Machinery Works Vice General Manager of Gallant Precision Machining Co., Ltd. Legal director representative of Gallant Micro. Machining CO., Ltd.	Chairman and General Manager of Gallant Precision Machining Co., Ltd. Director of C SUN Mfg., Ltd. Director of Shinyu Light Co., LTD. Chairman of Apex-I International Co., Ltd. Chairman of Gallant-Rapid Corporation Limited Chairman and General Manager of Gallant Precision Industries (Suzhou) CO., Ltd. Chairman of Junpeng Investment Co., LTD. Director of ESGWD Vice Chairman of TEEIA Vice Chairman of TAIROA Independent Director of TONGTAI MACHINE & TOOL CO., LTD.			None
Vice Chairman and CEO FRANK, LIANG	R.O.C.	2025/01/10	Male	0	0%	0	0%	0	0%	Class 40, Department of Business Administration, National Chengchi University Being granted the degree of Master of Business Administration (MBA), Washington State University (WSU) Being granted the degree of Master of Laws, Northwestern University Completed the Business Administration Courses at Northwestern University Chairman and Director of GALLANT MICRO. MACHINING CO., LTD. Special assistant to the Chairman, C SUN Mfg., Ltd. Chairman of Suzhou Chuangfeng Optoelectronic Technology Co., LTD. Chairman of Wat Sun. Intelligent Technology Co., Ltd. Director and Supervisor of VIEWMOVE TECHNOLOGIES, INC.	Vice Chairman and CEO of Gallant Precision Machining Co., Ltd. Chairman and CEO of GALLANT MICRO. MACHINING CO., LTD. General Manager of C SUN Director of TPCA. Supervisor of Guangxin Venture Capital Co. Ltd. Director of UTRON TECHNOLOGIES CORP. Chairman of TOP CREATION MACHINES CO., LTD. Chairman of POWER EVER ENTERPRISES LIMITED, TAIWAN BRANCH (SAMOA) Director of Suzhou Top Creation Machines Co., Ltd. Chairman of Good Team International Enterprise Limited Director of Nantong Top Creation Photoelectric Equipment Co., Ltd. Legal director representative of Phoenix Silicon International Corporation. Independent Director of Contrel Technology Co., Ltd. Chairman of Navigation Technology Co., Ltd.			None

Title/Name	Nationality or Registry	Date Elected	Gender	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Selected Education & Experiences	Selected Current Positions at GPM and Other Companies	Managers Who are Spouses or within Second-degree Relative of Consanguinity to Each Other		
				Shares	%	Shares	%	Shares	%			Title	Name	Relation
Senior Associate Vice President Mufa Chien	R.O.C.	2013/07/01	Male	273,105	0.17%	11,000	0.01%	0	0%	Master's graduate. Senior engineer, Chungghwa Picture Tubes Ltd. Associate Vice President, Gallant Precision Machining Co., Ltd.	President, SuZhou Gallant Precision Intelligence Technology Co., Ltd Legal director representative of Gallant Micro-Machining CO., Ltd. Legal director representative of Ohmplus Technology Inc.	None		
Senior Associate Vice President H.M. Lee	R.O.C.	2013/07/01	Male	241,447	0.15%	0	0%	0	0%	Master's graduate. Engineer, Chungghwa Picture Tubes Ltd. Associate Vice President, Gallant Precision Machining Co., Ltd.	Director, Apex-I International Co., Ltd. Director, Gallant Precision Industries (Suzhou) Co., Ltd. Legal director representative of OPXION Technology Inc.	None		
Associate Vice President Roger Lin (Note 1)	R.O.C.	2010/10/01	Male	171,336	0.10%	0	0%	0	0%	Master's graduate. Manager, Walton Advanced Engineering, Inc. Associate Vice President, Gallant Precision Machining Co., Ltd.	None	None		
Associate Vice President Chen- Shun Hsu	R.O.C.	2018/07/01	Male	100,000	0.06%	0	0%	0	0%	Master's graduate. Supervisor, Lingsen Precision Industries ,Ltd. Associate Vice President, Gallant Precision Machining Co., Ltd.	None	None		
Associate Vice President Shu-Sheng Chang	R.O.C.	2021/07/01	Male	205,887	0.12%	0	0%	0	0%	Master of National Centry University Director, Gallant Precision Machining Co., Ltd. YU JING TECHNOLOGY CO., LTD., Assistant Manager Grand Process Technology Corp., R&D Engineer	None	None		
Chief Financial Officer Chia-Ju Tseng (Note 1)	R.O.C.	2019/07/22	Female	48,436	0.03%	0	0%	0	0%	Bachelor's degree. Senior Associate, Former Partners of Tiaoho & Co. Administrator, Opto Tech Corporation. Administrator, Etron Technology, Inc. Deputy Manager, Gallant Precision Machining Co., Ltd.	Director, Gallant Precision Industries (Suzhou) Co., Ltd. Chief Corporate Governance, Gallant Precision Machining Co., Ltd.	None		
Chief Financial Officer Sheng-Hung, Huang (Note 1)	R.O.C.	2024/08/07	Male	1,000	0%	0	0%	0	0%	Department of Finance and Accounting, Tunghai University Assistant vice president, PwC Taiwan Special assistant to the president, Xu Yuan Packaging Technology Co., Ltd. Special assistant, Gallant Precision Machining Co., Ltd.	Representative of the corporate director, Ohmplus Technology Inc. Corporate Governance Officer of the Company	None		

Note 1 : Assistant Vice President Qinlin Lin resigned on December 31, 2024. Chief financial and accounting officer Jiuru Tseng had a duty adjustment on August 7, 2024, and the new chief financial and accounting officer, Shenghong Huang, assumed his office on August 7, 2024.

2. Remunerations Paid to Directors, President and Vice President

2.1 Remunerations Paid to Directors

Unit: NT\$ thousands/%

Title/Name	Remunerations Paid to Directors								Total Compensation (A+B+C+D) & a % of 2022 Net Income		Employees' Profit Sharing Bonus								(A+B+C+D+E+F+G) & % of Net Income		Other Compen sations from nonsu bsidia ry affilia tes
	Salary (A)		Severance Pay and Pensions (B)		Compensatio n to Directors (C)		Allowances (D)				Salary, Bonus, etc. (E)		Severance Pay and Pensions (F)		Employee Compensation (G)						
	From GPM	From All Consoli dated Entities	From GPM	From All Consoli dated Entities	From GPM	From All Consoli dated Entities	From GPM	From All Consolidat ed Entities	From GPM	From All Consolidat ed Entities	From GPM	From All Consolidat ed Entities	From GPM	From All Consolidat ed Entities	From GPM		From All Consolidated Entitie		From GPM	From All Consolidat ed Entitie	
															Cash	Stock	Cash	Stock			
Chairman Junpeng Investment Co., LTD. Represented by: Jason Chen																					
Vice Chairman C SUN MFG. LTD. Represented by: FRANK, LIANG	1,472	1,472	0	0	2,766	7,735	108	162	4,346	9,369	5,254	9,810	14	14	1,783	0	2,283	0	11,397	21,476	0
Director Hsu, Hung-Ming									1.46%	3.16%									3.84%	7.24%	
Independent Director Lo, Wei																					
Independent Director Chen, Yi-Mei	0	0	0	0	3,792	3,792	144	144	3,936	3,936	0	0	0	0	0	0	0	0	3,936	3,936	0
Independent Director MA, CHIEN-YUNG									1.33%	1.33%									1.33%	1.33%	
Independent Director TSANG, KWOK-AH																					

1. Please specify the policies, programs, standards, and structure of the remuneration payment of the independent directors, and relate the amount of remuneration to the responsibilities, risks, time invested, and other factors:

(1) The Company's policies, programs, standards, and structure of the performance evaluation and remuneration payment of the directors and managers are formulated and reviewed regularly by the Remuneration Committee. It will be submitted to the Board of Directors for discussion.

(2) The remuneration to directors and independent directors is paid in accordance with the Company's Articles of Association and regulations. It positively correlates with the operating performance and is adjusted properly according to the potential risks.

2. Other than disclosure in the above table, Directors remunerations earned by providing services (i.e. non-employee consulting services) to companies which are listed in financial reports in 2024: None.

Remunerations Paid to Directors

Range of Remuneration	Name of Directors			
	Compensation Paid to Directors (A+B+C+D)		Total Compensation Paid to Directors (A+B+C+D+E+F+G)	
	From GPM	From All Consolidated Entities	From GPM	From All Consolidated Entities
NT\$0 ~ NT\$1,000,000	Jason Chen / Hsu, Hung-Ming/C SUN MFG. LTD/ Junpeng Investment Co., LTD./ Lo, Wei/ Chen, Yi-Mei/ MA, CHIEN-YUNG/ TSANG, KWOK-AH	Jason Chen/ Hsu, Hung-Ming / C SUN MFG. LTD/ Junpeng Investment Co., LTD./ Lo, Wei/ Chen, Yi-Mei/ MA, CHIEN-YUNG/ TSANG, KWOK-AH	Hsu, Hung-Ming / C SUN MFG. LTD/ Junpeng Investment Co., LTD./ Lo, Wei/ Chen, Yi-Mei/ MA, CHIEN-YUNG/ TSANG, KWOK-AH	Hsu, Hung-Ming/C SUN MFG. LTD/ Junpeng Investment Co., LTD./ Lo, Wei/ Chen, Yi-Mei/ MA, CHIEN-YUNG/ TSANG, KWOK-AH
NT\$1,000,001 ~ NT\$2,000,000	Frank Liang		Frank Liang	
NT\$2,000,001 ~ NT\$3,500,000				
NT\$3,500,001 ~ NT\$5,000,000		Frank Liang		
NT\$5,000,001 ~ NT\$10,000,000			Jason Chen	Jason Chen / Frank Liang
NT\$10,000,001 ~ NT\$15,000,000				
NT\$15,000,001 ~ NT\$30,000,000				
NT\$30,000,001 ~ NT\$50,000,000				
NT\$50,000,001 ~ NT\$100,000,000				
Over NT\$100,000,000				
Total	9(Contains 2 legal entities)	9(Contains 2 legal entities)	9(Contains 2 legal entities)	9(Contains 2 legal entities)

2.2 Remuneration of the President and Vice President

Unit: NT\$ thousands/%

Title	Name	Salary (A)		Severance Pay and Pensions (B)		Salary, Bonus, etc. (C)		Employees' Profit Sharing Bonus (D)				(A+B+C+D) & % of Net Income		Other Compensations from nonsubsidiary affiliates		
		From GPM	From All Consolidated Entities	From GPM	From All Consolidated Entities	From GPM	From All Consolidated Entities	From GPM		From All Consolidated Entities		From GPM	From All Consolidated Entities			
								Cash	Stock	Cash	Stock					
President	Jason Chen	5,652	6,300	430	430	3,251	3,305	2,132	0	2,132	0	11,465	12,167	0		
Senior Assistant Vice President	Mufa Chien														3.86%	4.10%
Senior Assistant Vice President	H.M. Lee															

Compensation Paid to President & CEO and Vice Presidents

Range of Remuneration	Name of President and Vice President	
	From GPM	From All Consolidated Entities
NT\$0 ~ NT\$1,000,000		
NT\$1,000,001 ~ NT\$2,000,000		
NT\$2,000,001 ~ NT\$3,500,000	Mufa Chen/ H.M. Lee	Mufa Chen/ H.M. Lee
NT\$3,500,001 ~ NT\$5,000,000		
NT\$5,000,001 ~ NT\$10,000,000	Jason Chen	Jason Chen
NT\$10,000,001 ~ NT\$15,000,000		
NT\$15,000,001 ~ NT\$30,000,000		
NT\$30,000,001 ~ NT\$50,000,000		
NT\$50,000,001 ~ NT\$100,000,000		
Over NT\$100,000,000		
Total	3	3

2.3 Employees' Profit Sharing Bonus Paid to Management Team :

Unit: NT\$ thousands/%

Title	Name	Stock (Fair Market Value)	Cash Total Employees' Profit Sharing Bonus	Cash Total Employees' Profit Sharing Bonus	Cash Total Employees' Profit Sharing Bonus(%)
President	Jason Chen	0	3,279	3,279	1.10%
Senior Assistant Vice President	Mufa Chien				
Senior Assistant Vice President	H.M. Lee				
Associate Vice President	Chen- Shun Hsu				
Associate Vice President	Shu-Sheng Chang				
Chief Financial Officer	Sheng-Hung, Huang				

2.4 Comparison of Remuneration for Directors, Supervisors, Presidents and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, Presidents and Vice Presidents

Year	Ratio of total remuneration paid to directors to net income (%)		Ratio of total remuneration paid to presidents and vice presidents to net income (%)	
	From GPM	From All Consolidated Entities	From GPM	From All Consolidated Entities
2023	3.47%	4.22%	5.29%	5.63%
2024	2.79%	4.49%	3.86%	4.10%

Note 1: The above remuneration to directors and supervisors includes salary, remunerations and allowances (excluding compensations earned as employee of GPM or of GPM Affiliates); The remuneration to president and vice president includes salary, bonus, pension, and employee compensation.

1. In accordance with Article 30 (1) of the Articles of Association, the Company shall allocate remuneration to employees and directors based on the profit in the current year not less than one percent and not more than twelve percent, provided that, any accumulated losses of the Company shall be covered.

Compensation may be in the form of stock or cash, which may include employees of affiliated companies who meet certain conditions.

The profit in the current year as mentioned under Paragraph 1 refers to the profit in the current year before deducting the compensation of employees and directors.

The remuneration of the employees and the remuneration of the directors shall be distributed by the Board of Directors with a resolution of more than two-thirds of the directors present and with the consent of a majority of the directors present and reported to the shareholders' meeting.

2. The remuneration of directors of the Company shall be assessed in accordance with the Organizational Regulations of the Remuneration Committee and the Guidelines on Compensation and Remuneration of Directors. Performance evaluation and compensation shall be based on the usual compensation level across the industry, and consider the rationality of the correlation with individual performance, company performance and future risks. The relevant performance assessment and compensation rationality are reviewed by the compensation committee and the Board of directors, and the compensation system, standard and structure are reviewed at any time according to the actual business situation, future risks and relevant laws and regulations, so as to strike a balance between the Company's sustainable operation and risk control.

3. The remuneration paid to the General Manager and Deputy General managers shall include salary, bonus, employee compensation and mid- and long-term incentives for talent retention. Among them,

the remuneration shall be decided by the Compensation Committee by considering the scope of power and responsibility of the title, rank, responsibility and other positions as well as the contribution to the Company's operating objectives, as well as the Company's annual operating performance, future risks and the industry level. Bonus and compensation are mainly linked to managers' performance evaluation items, including financial indicators (such as profitability, operating profit, annual strategy and other standard attainment rate, etc.) and enterprise ESG sustainable operation related indicators (such as corporate governance, risk management construction, environmental resources, supply chain management and talent development and care). In addition, remuneration system shall be reviewed timely and from time to time based on the actual business situation, future risks and relevant laws and regulations. The remuneration of the Company's managers shall be reviewed by the Remuneration Committee and submitted to the Board of directors for resolution.

Remuneration of Senior Managers and the Policy on the Linkage to ESG-related

Performance Evaluation

To encourage senior managers to attach attention to long-term comprehensive performance for the achievement of sustainable management, nine material topics were identified among sustainability issues in 2022 to be linked to the long-term incentive remuneration of the Chairman, who is concurrently the President. The weights of the sustainable development performance indicators are as follows:

Performance indicator (weight)	Implementation method
Financial performance (30%)	The financial performance of the Company and the comparison with the performance level of peers (i.e., budget achievement rate, total assets, and operating income performance)
Strategy and management (40%)	<ol style="list-style-type: none"> 1. Targets commenced for the mid-to-long-term strategies in the future (i.e., digital transition, achievement of sustainability commitments, and adaptation behaviors in response to material topics) 2. Talent development and occupational safety and health promotional behaviors
Sustainability and internal control (30%)	Strive to implement the three major sustainability commitments, value ethical corporate management, legal compliance, and risk control, and realize ESG highlight works (including focusing on climate risks and promoting net zero behavior indicators to 10%)

3. Corporate Governance Report :

3.1 Operation of the Board

3.1.1 Board of Directors' Meeting Status :

The Company's shareholders elected the 16th Board of Directors in Annual General Meeting on June 19, 2023, effective immediately. (From June 19, 2023 to June 18, 2026)

The Board of Directors held 6 sessions in 2024. The attendance of the Directors is shown in the following table:

Title	Name	Attendance in Person	By Proxy	Attendance Rate in Person (%)	Notes
Chairman	Junpeng Investment Co., LTD. Represented by: Jason Chen	6	0	100%	
Vice Chairman	C SUN MFG. LTD. Represented by: Frank Liang	6	0	100%	
Director	Hsu, Hung-Ming	6	0	100%	
Independent Director	Lo, Wei	6	0	100%	
Independent Director	Chen, Yi-Mei	6	0	100%	
Independent Director	MA, CHIEN-YUNG	6	0	100%	
Independent Director	TSANG, KWOK-AH	6	0	100%	

Other Required Notes for the Board Meetings:

- (1) Items listed in Article 14-3 in Securities and Exchange Act or Board resolutions independent directors have dissenting opinions or qualified opinions with notes in minutes of the directors meetings:
- A. The Company has set up audit committee, therefore, Article 14-3 in Securities and Exchange Act is not applicable. Regarding Article 14-5 in Securities and Exchange Act, please refer to "Audit Committee Meeting Status" on page 28 of this Annual report.
- B. Besides items listed in Article 14-3 in Securities and Exchange Act, board resolutions that independent directors have dissenting opinions or qualified opinions with notes in minutes of the directors meetings: None.
- (2) For execution status regarding matters bearing on the personal interests and recusal of directors due to conflict of interests, the name of the director, proposal, the reason for recusal and board resolution shall be stated:

Date	Name of Director	Agenda	Reason for recusal	Voting results	Resolution
2024.01.16	Jason Chen	Year-end bonus distribution for managers	Also be the Company's manager	Did not vote	Other attending directors agreed accordingly
2024.05.08	Jason Chen	Remuneration of directors, high-level managers and employees	Also be the Company's manager	Did not vote	Other attending directors agreed accordingly
2024.08.07	Jason Chen	Manager salary adjustment	Also be the Company's manager	Did not vote	Other attending directors agreed accordingly
2024.08.07	Jason Chen	Proposal for the liquidation of Suzhou Gallant Precision	Chairman simultaneously serving as	Did not vote	Other attending directors agreed accordingly

		Intelligence Technology Co., Ltd.	Director of the target company		
2024.12.19	Jason Chen	Year-end bonus distribution for managers	Also be the Company's manager	Did not vote	Other attending directors agreed accordingly

- (3) The TWSE/TPEX listed companies shall disclose the cycle, period, scope, and methods of the self- (or peer-) evaluation of the Board of Directors. The information about the evaluation of the Company is provided in Attachment 1
- (4) For the most recent fiscal year and during the current fiscal year up to the date of publication of the annual report, Measures taken to strengthen the functions of the Board (such as setting up Audit Committee, improve information transparency) and the results:
- A. The Company is endeavoring to improve the transparency of information. GPM discloses real-time information MOPS website to maintain shareholder equity.
 - B. The Company set up Remuneration Committee on December 22, 2011. Remuneration Committee is in charge of assisting Board Meeting in reviewing the performance evaluation and remuneration policy, standard, system and framework for board of directors and officers.
 - C. Four of the Seven Directors are Independent Directors. The Independent Directors have expertise in different areas, in accordance with the policy of diversification.
 - D. The Company voluntarily set up Audit Committee. The Audit Committee's primary duty is to supervisor the fair presentation of financial statement, the hiring, dismissal, independence and performance review of the independent auditor, effectiveness of internal control, compliance of law and regulations, and risk control of existing or potential risk factors.
 - E. The Company set up Corporate Sustainability Committee in 2016 August. Corporate Sustainability Committee is in charge of promoting CSR, ethical management and corporate governance affairs and reports to Board of Directors periodically.

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Aspect
Annual	January 2024 - December 2024	Performance Assessment of Board of Directors and Individual Director Members	Internal Self-Assessment of Board of Directors, Self-Assessment of Director Members	Performance Assessment Content of Board of Directors: Participation in the company's operations, improving the decision-making quality of the Board of Directors, composition and structure of the Board of Directors, selection and continuing education of directors, internal control, etc. Performance Assessment Content of Individual Director Members: Mastering the company's objectives and tasks, directors' responsibilities, participation in the company's operations, internal relations management and communication, directors' professional and continuing education, internal control, etc.
Once every three years		External Performance Evaluation of the Board of Directors	Engage an external professional and independent institution to distribute evaluation questionnaires to all Directors for completion and select Board members to carry out interviews.	Include five major aspects of the level of participation in the Company's operations, improvement in the quality of the decision-making of the Board, Board composition and structure, selection and continuing education of Directors, and internal control. The Board performance evaluation is performed based on the following four major aspects: The professional functions of the Board, the level of attention attached to the internal control and monitoring by the Board, the decision-making function of the Board, and the attitude of the Board toward sustainable management.

Attachment 2 The directors' attendance status for 2024

V: Attendance in Person © : By Proxy

2024	The first meeting	The second meeting	The third meeting	The fourth meeting	The fifth meeting	The sixth meeting
Lo, Wei	V	V	V	V	V	V
Chen, Yi-Mei	V	V	V	V	V	V
MA, CHIEN-YUNG	V	V	V	V	V	V
TSANG, KWOK-AH	V	V	V	V	V	V

3.2 Operation of Audit Committee

3.2.1 Audit Committee Meeting

The Audit Committee held 6 sessions in 2024. The attendance of the Independent Directors is shown in the following table:

Title	Name	Attendance in Person	By Proxy	Attendance Rate in Person (%)	Notes
Independent Director	Lo, Wei	6	0	100%	
Independent Director	Chen, Yi-Mei	5	0	83%	
Independent Director	MA, CHIEN-YUNG	6	0	100%	
Independent Director	TSANG, KWOK-AH	6	0	100%	

Other Required Notes for Audit Committee Meeting

1. Any action regulated by Securities and Exchange Act 14-5, or any resolution not approved by the Audit Committee but approved by two thirds or more of all directors instead:
 - (1) Any action regulated by Securities and Exchange Act 14-5: Audit Committee's opinion or resolution on material items, please see Attachment 1.
 - (2) There was no other resolution which was not approved by the Audit Committee but was approved by two thirds or more of all directors in 2024.
2. Any recusal of Independent Directors due to conflicts of interests: None
3. Descriptions of the communications between the independent directors, the internal auditors, and the independent auditors (which should include the material items, channels, and results of the audits on the corporate finance and/or operations, etc.):
 - (1) The Company convenes Audit Committee regularly and invites external auditors, chief internal auditor and relevant person in charge if necessary.
 - (2) According to annual internal audit plan, the internal auditor officer reports to Audit Committee periodically.
 - (3) The member of Audit Committee make periodic communications regarding quarterly review or audit of financial statements and other discussion required by laws and review the selection and independence of independent auditor.
 - (4) For the communication history between audit committee, external auditor, and internal audit supervisor, please visit the Company's website.
4. Annual work key-points:
 - (1) Regularly communicating the audit report results with the internal audit supervisor according to the annual audit plan.
 - (2) Reviewing the financial report.
 - (3) Assessing the effectiveness of internal control system.
 - (4) Independence assessment of certified accountants.
 - (5) Reviewing the amendment of the Company's "Procedure for Acquiring or Disposing of Assets", "Procedure for Endorsement and Guarantees", and "Procedures for Lending Money to Others".
 - (6) Compliance with laws and regulations.

Attachment 1: Any action regulated by Securities and Exchange Act 14-5: Audit Committee's opinion or resolution on material items

The date of Audit Committee meeting	Proposals and Follow-up Actions	Any resolution not approved by the Audit Committee but approved by two thirds or more of all directors instead
5 th Meeting of the 4 th Audit Committee	1. Approval of the amendment to the 2024 budget of the Company. Resolution: Adopted by all attending members of the Audit Committee. Action taken by GPM in response to the Audit Committee's resolution: After being proposed in the Board meeting for discussion, the resolution was adopted by all attending directors.	None
6 th Meeting of the 4 th Audit Committee	1. Approval of 2023 examination on effectiveness of internal control system and Statement of Internal Control System. 2. Approval of the distribution of directors' remuneration of 2023. 3. Approval of the 2023 Business Report and Financial statements. 4. Approval of the 2023 Annual Earnings Distribution Proposal. 5. Increasing the Company's investment in securities. 6. Proposal for Issuance of Restricted Stock Rewards to Employees. 7. Proposal for the Regulations for the Issuance and Subscription of the First Employee Stock Warrants in 2024 of the Company. Resolution: Adopted by all attending members of the Audit Committee. Action taken by GPM in response to the Audit Committee's resolution: After being proposed in the Board meeting for discussion, the resolution was adopted by all attending directors.	None
7 th Meeting of the 4 th Audit Committee	1. 2024 Q1 consolidated financial statements. 2. Establishment of matters related to the base day for the cash dividend distribution of the Company for 2024. 3. Increasing the Company's investment in securities. Resolution: Adopted by all attending members of the Audit Committee. Action taken by GPM in response to the Audit Committee's resolution: After being proposed in the Board meeting for discussion, the resolution was adopted by all attending directors.	None
8 th Meeting of the 4 th Audit Committee	1. 2024 Q2 consolidated financial statements. 2. Proposal for the appointment of the new chief accounting and financial officer of the Company. 3. Proposal for the liquidation of Suzhou Gallant Precision Intelligence Technology Co., Ltd. 4. The 2023 Sustainability Report of the Company. 5. Proposal for the acquisition transaction of properties in Tai Yuen Hi-Tech Industrial Park Phase IX. Resolution: Adopted by all attending members of the Audit Committee. Action taken by GPM in response to the Audit Committee's resolution: After being proposed in the Board meeting for discussion, the resolution was adopted by all attending directors.	None
9 th Meeting of the 4 th Audit Committee	1. 2024 Q3 consolidated financial statements. 2. Approval of the provided endorsement guarantee for the subsidiary "Apex-I International Co., Ltd." 3. Proposal for the internal control system of the "management of sustainability information". 4. Proposal for the amendments to the "Rules of Procedure for Board meetings". 5. Proposal for the amendments to the "Audit Committee Charter". 6. The "Operating Procedures for Related Party Transactions." 7. To revise the Procedures for Acquisition and Disposal of Assets. 8. Proposal for the first repurchase of the Company's shares in 2024. 9. Increasing the Company's investment in securities. Resolution: Adopted by all attending members of the Audit Committee. Action taken by GPM in response to the Audit Committee's resolution: After being proposed in the Board meeting for discussion, the resolution was adopted by all attending directors.	None
10 th Meeting of the 4 th Audit Committee	1. Transfer of shares of common stock bought back by the Company to employees. 2. Approval of 2025 internal audit plan. 3. Increasing the Company's investment in securities. 4. Approval of 2025 annual budget. 5. Amendments to the Regulations for the First Repurchase of Shares for Transfer to Employees in 2020 of the Company.	None

	<p>6. Amendments to the Regulations for the First Repurchase of Shares for Transfer to Employees in 2024 of the Company.</p> <p>7. Appointment of corporate governance director.</p> <p>8. The assessment of the independence and suitability of accountants (including AQIs indicators) and appointment.</p>	
<p>Resolution: Adopted by all attending members of the Audit Committee.</p>		
<p>Action taken by GPM in response to the Audit Committee's resolution: After being proposed in the Board meeting for discussion, the resolution was adopted by all attending directors.</p>		

3.3 Taiwan Corporate Governance Implementation as Required by Taiwan Financial Supervisory Commission

Evaluation Item	Implementation Status			Reasons for the Deviations from "Corporate Governance Best Practice Principles for TWSE/TPE x Listed Companies"
	Yes	No	Brief Description	
Does the Company establish and disclose the corporate governance best practice in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPE x Listed Companies"?	√		The Company have established the "Corporate Governance Best Practice" on June 17, 2015, and disclosed it on the Company's website: https://www.gpmcorp.com.tw/about_governance_regulations.php	None
Shareholding Structure and Shareholders' equity		√	The Company has established the "Corporate Governance Best Practice" and a spokesperson system in accordance with the regulations. The affairs are assigned to the stock affair specialists and agencies and the contact person is disclosed on the Company's website.	None
Does the Company retain a list of the main shareholders who possess the controlling power, and the persons who have the ultimate control over the said shareholders?	√		The company announces the shareholdings of the insiders every month in accordance with the regulations and has the changes in hand to maintain a list of the main shareholders who possess the controlling power, and the persons who have the ultimate control.	None
For the affiliates, does the Company establish and implement a risk control and firewall mechanism?	√		For the affiliates, the Company has established the "Procedures for Related Party Transactions", "Regulations Governing the Management and Operation of Subsidiaries", etc. to set up a risk control and firewall mechanism. The implementation of the above-mentioned regulations is audited by the audit unit once a year in accordance with the audit plan.	None
Does the Company establish an internal regulation to forbid the insider to use undisclosed information on the market in marketable securities exchange?	√		The Company has set up the "Procedures for Processing the Internal Major Information and Preventing Insider Trading" to prohibit the insiders from using unpublished information on the market in marketable securities exchange. It is available on the Company's internal website and website. The promotion course is provided once a year as needed.	None

Evaluation Item	Implementation Status			Reasons for the Deviations from "Corporate Governance Best Practice Principles for TWSE/TPE x Listed Companies"
	Yes	No	Brief Description	
The composition and responsibilities of the Board of Directors	√		<p>Our company has established the "Corporate Governance Best Practice Principles," which stipulate that the composition of the Board of Directors should consider diversity. Currently, all members of our Board possess operational judgment, management, leadership, decision-making abilities, accounting, financial analysis skills, international market perspective, and industry knowledge. They have diverse expertise from various industry backgrounds. For example:</p> <p>Lo Wei, Independent Director, serves as the CFO of Zyxel and holds a Ph.D;</p> <p>Chen Yi-Mei, Independent Director, was specially appointed by the ITRI;</p> <p>Ma Chien-Yung, Independent Director, has experience as an industry board member/chairman and holds a Ph.D;</p> <p>Tseng Guo-Hua, Independent Director, has a background as a certified public accountant.</p> <p>This diversity in our Board of Directors is in line with the principles of corporate governance. For more details on the educational and professional backgrounds of our board members, please refer to pages 9-13 of this annual report.</p> <p>https://www.gpmcorp.com.tw/about_governance_boardofdirectors.php</p>	None
In addition to the Remuneration Committee and Audit committee established in accordance with the laws, does the Company voluntarily set up other types of functional committees?	√		<p>In addition to setting up the Remuneration Committee in accordance with the laws, the Company also voluntarily established an Audit Committee, and both committees are composed of all independent directors. Furthermore, the Company's Enterprise Sustainability Committee consisted of the management personnel reports to the Board of Directors from time to time on the implementation status and results. For the responsibilities of the Enterprise Sustainability Committee, please refer to page 102 of this annual report.</p>	None

	<p>Does the Company formulate the rules and methods for evaluating the performance of the Board of Directors, implement regular evaluation and report the results to the Board of Directors for reference and being used as the basis when evaluating the remuneration and considering the nomination of the individual directors?</p>	√	<p>The Company has established the "Measures for the Performance Evaluation of the Board of Directors" and the "Measures for Directors' Remuneration and Remuneration Payments" to regularly evaluate the performance of the Board of Directors every year. The measurement items of the performance evaluation on the Board of Directors of the Company include the following five aspects:</p> <ol style="list-style-type: none"> 1. Participating degree on the Company's operations 2. Improving the decision-making quality of the Board of Directors 3. Board composition and structure 4. Selection of directors and continuing education 5. Internal Control <p>The measurement items for the performance evaluation on the individual directors of the Company include the following six aspects:</p> <ol style="list-style-type: none"> 1. Mastering the Company's goals and tasks 2. Awareness of directors' responsibilities 3. Participating degree on the Company's operations 4. Management and communication on internal relationship 5. Professional and continuing education for directors 6. Internal Control <p>The measurement items of the performance evaluation on the audit committee of the Company include the following four aspects:</p> <ol style="list-style-type: none"> 1. Participating degree on the Company's operations 2. Awareness of the responsibilities of the audit committee 3. Improving the decision-making quality of the audit committee 4. Internal Control <p>The evaluation process is completed after the end of the evaluation year and before the latest board meeting; the scoring and performance evaluation results are reported to the Board of Directors, and are used as a reference for individual directors' remunerations and nomination for re-appointment, in the perspective of improving the functions of operations of Board of Directors. The Company has completed the performance evaluation of the Board of Directors in February 2025 and reported to the Board of Directors on February 26, 2025.</p> <p>The measurement items for the content of the external evaluation: Professional functions of the Board, decision-making functions of the Board, the level of attention attached to internal control and monitoring by the Board, and the attitude toward sustainable management. The external evaluation report for 2024 was issued after the implementation by the Taiwan Institute of Ethical Business on December 31, 2024, and the report was made at the Board meeting on February 26, 2025.</p> <p>https://www.gpmcorp.com.tw/about_governance_boardofdirectors.php</p>	None
<p>The composition and responsibilities of the Board of Directors</p>	<p>Does the Company regularly assess the independence of the certifying accountant?</p>	√	<p>Our company has established the "Regulations for the Appointment and Review of Certifying Accountants." Each year, the Audit Committee and the Board of Directors evaluate the independence and suitability of the current accountants. Before appointing accountants, the accountants must provide an "Independence Declaration" and "Audit Quality Indicators (AQIs)." The company's finance department confirms that the certifying</p>	None

		<p>accountants, apart from fees for certification and tax cases, have no other financial interests or business relationships. The company's shareholding agency is also asked to confirm the accountants' shareholding status. Once the finance department has verified the accountants' independence and suitability, the Audit Committee reviews and submits the findings to the Board of Directors for resolution. The most recent accountant review and evaluation report was submitted to the Audit Committee and Board of Directors on December 19, 2024. The key criteria for evaluating the independence and suitability of accountants are as follows:</p> <ul style="list-style-type: none"> ➤ The accountant or their spouse and minor children do not have any investment or financial interest sharing relationship with the company. ➤ The accountant or their spouse and minor children do not have any loan relationships with the company, except for normal business relationships with financial institutions. ➤ The accounting firm does not issue assurance service reports on the design or effective operation of financial information systems. ➤ The accountant or audit service team members have not served as a director, manager, or held a significant position influencing the audit case at the company within the past two years. ➤ Non-audit services provided to the company do not directly impact significant audit items. ➤ The accountant or audit service team members do not promote or broker the company's issued stocks or other securities. ➤ Except for legally permissible services, the accountant or audit service team members do not represent the company in legal cases or other disputes with third parties. ➤ The accountant or audit service team members do not have a marital, direct blood relative, direct in-law, or close relative relationship within two degrees with the company's directors, managers, or significant persons influencing the audit case. ➤ Within one year of leaving their position, co-practicing accountants do not serve as directors, managers, or hold significant positions influencing the audit case at the company. ➤ The accountant or audit service team members do not receive significant gifts or special favors from the company, directors, managers, or major shareholders. ➤ The accountant is not currently employed by the client or the entity being audited, receiving a regular salary or serving as a director or supervisor. <p>The accountant has not provided audit services to the company for seven consecutive years.</p>	
<p>Does the TWSE/TPEX listed company deploy qualified and sufficient management personnel and appoint directors to handle governance-related matters (including but not limited to providing directors and supervisors with the necessary information to perform their duties, assisting</p>	<p>√</p>	<p>The board of directors appointed the financial and accounting supervisor of the Company as the director of corporate governance, and set up the corporate governance team under the Corporate Sustainability Committee to promote corporate governance related matters, which are supervised by the senior manager, including handling the relevant matters of the board of directors and shareholders' meetings in accordance with</p>	<p>None</p>

Evaluation Item	Implementation Status			Reasons for the Deviations from “Corporate Governance Best Practice Principles for TWSE/TPE x Listed Companies”
	Yes	No	Brief Description	
directors and supervisors complying with laws and regulations, handling matters related to the holding of board and shareholder meetings according to law, and preparing minutes for board and shareholder meetings, etc.)?			the law, making the proceedings of the board of directors and shareholders' meetings, handling the Company registration and change registration, and arranging the directors' training courses. Please refer to attachment 2 for the training of corporate governance supervisor in 2024. The Company has established "Standard Operating Procedure for Handling Directors' Requests" to assist directors in complying with laws and responding to directors' questions.	
Does the Company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.), set aside a stakeholder area on the Company's website, and properly respond to the issues concerning corporate social responsibility in which the stakeholders may have a stake?	√		The Company has set aside a stakeholder area on the website, and, according to the type of stakeholders (employees, customers, suppliers, investors, government and society, etc.), disclosed and listed the communication channels and the issues concerning the performance of corporate social responsibility.	None
Does the Company appoint a professional stock affair agency to handle the matters related to the holding of the shareholders meeting?	√		The Company has appointed a professional stock affair agency - the stock agency department of President Securities Corporation, to handle the matters related to the stocks and holding of the shareholders meeting.	None
Information disclosure Does the Company set up a website to disclose information about financial business and corporate governance?	√		The company has disclosed information about financial business and corporate governance on the Company's website (https://www.gpmcorp.com.tw/index.php).	None

Evaluation Item	Implementation Status			Reasons for the Deviations from “Corporate Governance Best Practice Principles for TWSE/TPE x Listed Companies”
	Yes	No	Brief Description	
Does the Company adopt other approaches to disclosing information (e.g. setting up an English website, designating a person dedicated to the collection and disclosure of the Company's information, implementing a spokesperson system, publishing the proceedings of investor conferences on the Company's website, etc.)?	√		<p>1. Disclosure of financial information On the website, the Company has set aside a stakeholder area (https://www.gpmcorp.com.tw/investors_finance.php) on which the Company's financial information in Chinese, English, and Japanese is regularly updated for investors' reference.</p> <p>2. Disclosure of business information The web pages of the company profile, product introduction, and core competency provide the public with up-to-date information about the products, operations, and activities in Chinese and English.</p> <p>3. Disclosure of corporate governance The Company has disclosed important internal regulations, such as the organization and operation of internal audits, the Articles of Association, the procedures for acquiring/disposing of assets, the operating procedure for endorsement and fund lending, and the organic rules of the Audit Committee and Remuneration Committee on the website, implemented a spokesperson system, and designated a person responsible for collection and disclosure of the information and the announcement of the disclosure in accordance with the regulations.</p>	None
Does the Company announce and report the annual financial statements within two months of the end of the fiscal year, and announce and report the first, second, and third-quarter financial statements and the monthly operating results ahead of time and within the specified time limit.	√		The Company announced and declared its annual financial report for 2024 on February 26, 2025, and declared its quarterly financial report and operating situation before the prescribed deadline. For disclosure of the foregoing information, please refer to the Public Information Observatory.	None

<p>Does the Company provide other important information to facilitate the understanding of the corporate governance (including but not limited to employee rights, employee welfare, investor and supplier relations, stakeholder rights, retraining courses for directors and supervisors, the implementation of risk management and customer policies, and risk measurement standards, the purchase of liability insurance for directors and supervisors, etc.)?</p>	√	<p><u>Employee rights and employee welfare</u> Our company values the rights and future development of our employees. We have established various welfare plans and set up an Employee Welfare Committee to implement diverse employee welfare measures. Additionally, we have created the "Education and Training Quality Manual" to provide employees with various training and skills development opportunities, as well as the "Sexual Harassment Prevention Measures and Disciplinary Guidelines." We prioritize employee communication and work-life balance, organizing a variety of physical and mental well-being activities. For more information, please refer to the "Career Life" and "Corporate Sustainability - Friendly Workplace" sections on our company's website: https://www.gpmcorp.com.tw/index.php</p> <p><u>Investor relationship</u> Refer to the "Investor Zone" on our website.</p> <p><u>Supplier relationship</u> The Company has established the "Supplier Management Procedure" and "Contractor Management Measure" to restrict the business behavior of suppliers and the Company, avoiding damage to the reputations and interests of both parties. Non-Disclosure Agreements (NDA) are signed to protect the rights and obligations of both parties. And propagandize the sustainable concepts and goals of GPM in four aspects: The quality improvement, cost reduction, delivery assurance, and sustainable performance.</p> <p>The Company regularly holds agreement organization meetings for contractors, conducts two-way communication and coordination, and signs a " Letter of Undertaking for Safety, Health, Sustainability, and Information Security by Contractor " with the contractors to ensure and specify the contractor's construction safety at the client and factory sites.</p> <p>Refer to the "Corporate Sustainability - Sustainable Supply Chain" zone on our website.</p> <p><u>Rights of stakeholders</u> The Company provides various communication channels for various stakeholders, regularly discusses the feedback and improvement of stakeholders internally, and has established a "Contract Review Procedure" to protect the Company's interests and take into account the rationality of the contracts; and will also report to the Board of Directors on the results of communication with various stakeholders. Refer to "Corporate Sustainability - Stakeholders Zone" on our website.</p> <p><u>Directors' training</u> The directors of the Company continue to study in accordance with the "Measure Driving the Training for Directors and Supervisors of Listed OTC Companies". The training status is announced on the Open Information Observatory Station and disclosed in Attachment 1.</p> <p><u>Implementation of risk management policies and risk measurement standard</u> Refer to page 102 of this Annual Report.</p> <p><u>Implementation of Customer Policy</u> The Company usually maintains close contact with customers, and builds a professional customer service team and perfect sales service system to provide full-scale and high-quality services to help customers improve their competitiveness and create higher added value.</p>	None
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Evaluation Item	Implementation Status		Brief Description	Reasons for the Deviations from “Corporate Governance Best Practice Principles for TWSE/TPE x Listed Companies”
	Yes	No		
			<p>Purchase of liability insurance for directors</p> <p>The Company has bought the directors, supervisors and managers liability insurance for all directors to reduce and disperse the risk of serious damage to the Company and shareholders caused by the wrong or negligent behavior made from the directors, and has announced it on the Open Information Observatory Station. The respective insurance was reported to the Board of Directors on February 26, 2025.</p>	
<p>Based on the results of the most recent corporate governance evaluation conducted by the Corporate Governance Center, Taiwan Stock Exchange Co., Ltd, please describe the improvement has been made and the priority of and the measures for items to be improved.</p> <p>In the 10th governance evaluation, the Company was evaluated as the top 6%~20% of the entries by the Corporate Governance Center, Taiwan Stock Exchange Co., Ltd.</p> <p>The Company sticks to the concept of sustainable operation, and, in order to develop a sustainable business, build a long-term partnership with customers and social communities, and fulfills the corporate citizenship responsibilities, an Enterprise Sustainability Committee is set up in 2016 to take the responsibilities and attain ethical corporate management. The implementation and results would be reported to the Board of Directors every year.</p> <p>For the results of corporate governance evaluation, the intended corrections and measures for items to be improved are described as below:</p> <p>The company has implemented the following measures to address the areas for improvement identified in the corporate governance evaluation:</p> <ul style="list-style-type: none"> ➤ The establishment of written specifications related to financial businesses with related parties shall include the management procedures for purchases/sales and the acquisition or disposal of assets, and material transactions shall be submitted to the Board for resolution and approval and submitted to the shareholders’ meeting for consent or reporting. ➤ The Company uploaded the uninterrupted audio and video of the full course of the shareholders’ meeting after the meeting. ➤ The Regulations for the Performance Evaluation of the Board established by the Company were approved by the Board; it is specified that an external evaluation shall be implemented at least once every three years; the evaluation was implemented for the year under the evaluation, and the implementation status and evaluation results were disclosed on the Company’s website or in the annual report. ➤ The Company uploaded its Sustainability Report in English to MOPS and its website. ➤ The Company disclosed the governance, strategy, risk management, indicators, targets, and other information related to climate-related risks and opportunities to enterprises based on the TCFD framework. ➤ The Company disclosed the policy for the linkage between the remuneration of senior managers and ESG-related performance evaluation. ➤ The Sustainability Report prepared by the Company was submitted to and approved by the Board. ➤ The Company disclosed the annual emissions of GHG in the past two years. 				

Attachment 1: Training Record of Directors and Independent Directors in 2024

Title	Name	Date of Training	Organized by	Name of Course	Training Hours	Total Training Hours in 2024
Chairman	Jason Chen	2024.03.18	Digital Governance Association	Operating Trends and Strategies for Board of Directors in 2024	3	24
		2024.05.02	Taiwan Institute of Directors	How to Realize Corporate Growth Through Strategic M&As]	3	
		2024.06.19	Taiwan Institute of Directors	Explore the International Competitiveness of Enterprises in Taiwan under Global Competition	3	
		2024.07.31	Digital Governance Association	Sustainability Prospect: Comprehensively Explain Corporate Transition Challenges and Trends	1.5	
		2024.07.31	Digital Governance Association	Practical Analysis: Pomote the Way to Successful Sustainability from Theories to Practices	1.5	
		2024.08.02	Digital Governance Association	New Applications of AI Faced by Enterprises	3	
		2024.08.23	Digital Governance Association	How Does AI Help Corporate Transition and Smart Service Upgrades	3	
		2024.08.30	Digital Governance Association	Forward-looking Thinking of Talents under Twin Transition	3	
		2024.10.31	Taiwan Corporate Governance Association	Trends and Risk Management of Digital Technology and AI	3	
Vice Chairman	Frank Lian	2024.06.19	Taiwan Institute of Directors	Explore the International Competitiveness of Enterprises in Taiwan under Global Competition	3	6
		2024.10.31	Taiwan Corporate Governance Association	Trends and Risk Management of Digital Technology and AI	3	
Director	Hsu, Hung-Ming	2024.03.08	Taiwan Corporate Governance Association	Crisis Management and Communication of Enterprises	3	12
		2024.04.16	Taiwan Corporate Governance Association	Overall Corporate Reformation through Five Major Aspects	3	
		2024.04.26	Taiwan Corporate Governance Association	How to Understand Financial Statements – A Lesson for Directors and Supervisors with No Financial Backgrounds	3	
		2024.05.28	Taiwan Corporate Governance Association	New Trends of ChatGPT Overturning the Industry	3	
Independent Director	TSANG, KWOK-AH	2024.10.29	Taiwan Corporate Governance Association	Business Management Practices: New Knowledge of AI Transition for the Manufacturing Industry	3	6
		2024.10.29	Taiwan Corporate Governance Association	Taxation Issues of Enterprises and Major Shareholders	3	
Independent Director	MA, CHIEN-YUNG	2024.07.03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit	6	6
Independent Director	Lo, Wei	2024.01.11	Accounting Research and Development Foundation	Common Internal Management Deficiencies of Enterprises and Case Analysis	6	24

		2024.01.25-2024.01.26	Accounting Research and Development Foundation	Continuing Education Courses for Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	12	
		2024.03.21	Accounting Research and Development Foundation	Legal Responsibility of Fraud by Employees and Internal Control and Internal Audit Practices	6	
Independent Director	Chen, Yi-Mei	2024.03.26	Taiwan Corporate Governance Association	Ethical Corporate Management Best Practice Principles and How to Avoid Stepping on the Red Line for the Responsibility of Directors and Supervisors	3	6
		2024.10.18	Taiwan Investor Relations Institute	Brand Communication and Stakeholder Management	3	

Attachment 2: Training Record of Chief Corporate Governance in 2024

Title	Name	Date of Training	Organized by	Name of Course	Training Hours	Total Training Hours in 2024
Chief Corporate Governance	Chia-Ju Tseng(Note1)	2024.10.08	Taipei Exchange	2024WIW: Digital Finance and Sustainable Finance Seminar under AI Trends	3	6
		2024.11.26	Taiwan Corporate Governance Association	Analysis of Unethical Corporate Management Responsibility and Illegal Securities Cases	3	

Note1 : Corporate Governance Officer Jiaru Tseng had a duty adjustment on December 19, 2024, and the new Corporate Governance Officer Shenghong Huang assumed his office on December 19, 2024.

3.4 Operation of the Company's Remuneration Committee

3.4.1 Information Regarding Compensation Committee Members

March 31, 2025

Title/Name		Criteria	Professional Qualification and Experience	Independent Directors' Independence Status	Number of Other Taiwanese Public Companies Concurrently Serving as a Compensation Committee Member	Notes
Independent directors	TSANG, KWOK-AH (Chairperson)	GPM's Compensation Committee is comprised of all three independent directors. For members professional qualification and experience, please refer to "Information Regarding Board Members" on page 9-13 of this Annual Report.		All the Compensation Committee members meet any of the following situations: 1. Satisfy the requirements of Article 14-6 of "Securities and Exchange Act" and the requirements of "Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" issued by Taiwan's Securities and Futures Bureau	1	
Independent directors	Chen, Yi-Mei				0	
Independent directors	Lo, Wei				0	

Independent directors	MA, CHIEN-YUNG		2.Independent Director (or nominee arrangement) as well as his/her spouse and minor children do not hold any GPM shares 3.Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years, and the service provided is either an “audit service” or a “non-audit service“	1	
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3.4.2 Remuneration Committee Meeting Status

The tenure of the Company’s 5th remuneration committee is from June 29, 2023 to June 18, 2026. The convener, Mr. TSANG, KWOK-AH held five meetings in 2024 and the attendance of members is shown in the following table:

Title	Name	Attendance in Person	By Proxy	Attendance Rate in Person (%)	Notes
Independent Director	TSANG, KWOK-AH	5	0	100%	
Independent Director	Chen, Yi-Mei	4	0	80%	
Independent Director	Lo, Wei	5	0	100%	
Independent Director	MA, CHIEN-YUNG	5	0	100%	

- (1) In cases the Board doesn’t adopt or revise Remuneration Committee’s proposals, the Company shall list date/number of the Board meeting, agenda, the Board’s resolution and the Company’s response to Remuneration Committee’s proposal: Attachment 1.
- (2) In cases Remuneration Committee members have dissenting opinions or qualified opinions against the resolution and recorded with notes in paper, the Company shall list date, number of the Remuneration Committee meeting, agenda, all members’ opinion and the follow-up of the members’ opinion: None.

Attachment 1: Remuneration Committee's Resolutions on Major Proposals and Action Taken by GPM in Response to the Remuneration Committee's Resolutions

The date of remuneration committee Meeting	Proposals and Follow-up Actions
The 2 ^{ed} time of the 5 th session	1. Proposal for the review and discussion of the 2023 year-end bonus distribution for managers.
	Resolution Result: The company's handling of the opinions of the remuneration committee; After being submitted to the board of directors for discussion, it was approved by all the directors present.
The 3 rd time of the 5 th session	1. Employees' remuneration and directors' remuneration of the Company in 2023 are submitted for deliberation. 2. Proposal for the review and discussion of the remuneration adjustment due to changes in the duties of managers.
	Resolution Result: Cases were passed without objection, except those members and senior managers who did not participate in the discussion and voting according to law.
	The company's handling of the opinions of the remuneration committee; After being submitted to the board of directors for discussion, it was approved by all the directors present.
The 4 th time of the 5 th session	1. Submitted to review the distribution of directors' remuneration and managers' remuneration of the Company in 2023.
	Resolution Result: Cases were passed without objection, except those members and senior managers who did not participate in the discussion and voting according to law.
	The company's handling of the opinions of the remuneration committee; After being submitted to the board of directors for discussion, it was approved by all the directors present.
The 5 th time of the	1. To request the review on the Company's adjustment to manager' salary in 2024.

5 th session	<p>2. Proposal for the review and discussion of the remuneration of the new chief accounting and financial officer.</p> <p>Resolution Result: The chairperson had made inquiries with all attending members for Proposal 1, and the proposal for the adjustments to the salary of managers in 2024 became valid on July 1, 2024. Apart from managers who recused themselves from the discussion and voting according to the law, the remaining attending members (including proxies) approved the proposal as proposed. Cases 2 were passed without objection after the chairman consulted all the members present.</p> <p>The company's handling of the opinions of the remuneration committee; After being submitted to the board of directors for discussion, it was approved by all the directors present.</p>
The 6 th time of the 5 th session	<p>1. Proposal for the review and discussion of the appointment and remuneration of the new CEO. 2. Proposal for the review of the transfer of treasury shares to managers. 3. Proposal for the review and discussion of the 2024 year-end bonus distribution for managers. 4. Proposal for the review and discussion of the changes in the duties of managers and the application for the settlement of the seniority under the old system of the Labor Standards Act. 5. Proposal for the review and discussion of the amendments to the "Regulations for the Performance Evaluation of the Board."</p> <p>Resolution Result: All attending members approved Proposal 1, and the proposal is temporarily not discussed and is to be discussed at the upcoming Remuneration Committee meeting. Apart from managers who recused themselves from the discussion and voting according to the law, the remaining attending members (including proxies) approved Proposal 2 and Proposal 3 as proposed. The chairperson had made inquiries with all attending members for Proposal 4 and Proposal 5, and they were approved as proposed.</p> <p>The company's handling of the opinions of the remuneration committee; After being submitted to the board of directors for discussion, it was approved by all the directors present.</p>

3.5 Sustainable Development Implementation Status as Required by the Taiwan Financial Supervisory Commission :

Assessment Item		Implementation Status			Non-implementation and Its Reason(s)
		Yes	No	Summary	
Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with Board of Directors authorization for senior management, which is reviewed by the Board of Directors?		√		GPM has established a dedicated Corporate Sustainability Committee to drive its sustainability initiatives, chaired by President Jason Chen. Under this committee, several sub-committees have been formed: Corporate Governance Committee Risk Management Committee Environmental Sustainability Committee Sustainable Supply Chain Committee Social Inclusion Committee The responsibilities of the Integrity Management Committee have been integrated into the Corporate Governance Committee, and the Information Security Committee has been incorporated into the Risk Management Committee. The Corporate Sustainability Committee reports to the Board of Directors annually on its performance and outcomes. The 2024 performance report was presented at the Board meeting on December 19, 2024. For more information, please visit the "Corporate Sustainability - Sustainability Management" section on our company website. Sustainability Management and Strategy.	None
Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operation, and establish risk management related policy or strategy?		√		The company has set up a "Corporate sustainability Committee" as a full-time unit to promote corporate sustainability, and its risk assessment boundary covers all the GPM Factory. We will launch a mentoring program for sustainable reports and select nine major topics based on the principle of significance, including corporate governance, energy management and labor relations. In addition, risk assessment is carried out for each major subject, and improvement measures are proposed. Details regarding the Board of Directors' supervision and strategic objectives for sustainable development are disclosed on the company website under "Corporate Sustainability - Sustainability Management."	None
Environmental Topic	Does the company establish an appropriate environmental management system according to its industrial characteristics?	√		Implement green supply chain management, improve energy efficiency, and reduce the harm to the environment during operation. Wastewater generated from the process is properly treated by wastewater treatment facilities, which meets the discharge water standard. The Company takes "waste reduction and resource recovery" as its goal, and the packaging materials used take resource recovery as the priority treatment method, so as to improve the efficiency of waste management and reduce the environmental impact caused by waste treatment. The rest wastes are incinerated in consideration of their nature, and they are cleared and disposed of or recycled by qualified manufacturers. For manufacturers of general wastes, the compliance of laws and regulations shall be audited when signing contracts or as appropriate.	None

Assessment Item		Implementation Status			Non-implementation and Its Reason(s)
		Yes	No	Summary	
Environmental Topic	Does the Company commit to improving the utilization efficiency of various resources and using recyclable materials with low impact on the environment?	√		When designing, the Company chose smaller power transmission components to lighten the machine and high-efficiency power supply components (e.g. converter) to save energy; the cooling water source configuration is adopted for the water circulation system, the designing of shared filters for multiple machines can incorporate one manufacturing process with another and reuse the water resource by repouring the water filtered by the cleaner back to the system, and in turn to save up to 60% of water.	None
Environmental Topic	Does the company assess the potential risks and possibility of climate change and its impact on the Company now and in the future, and take corresponding measures to address the said issues?	√		As the issue of extreme weather emerges, the issue of greenhouse gases is getting more and more attention, and it is also the issue that mankind must work together to reduce. In order to avoid the risk of entering into extreme climate, the Company had accepted the guidance for greenhouse gas inventory under ISO14064-1: 2018 since 2021, and officially introduced greenhouse gas inventory in 2022, set up low-carbon emission policies to achieve carbon neutrality first, aiming at net zero emissions ultimately. The Company passed the external GHG inventory verification for 2022 & 2023&2024.Please refer to the "Corporate Sustainability - Environmental Sustainability" section on our website. In response to the impact of climate change, the Company implements green supply chain management to improve energy efficiency and reduces environmental damage during operations, and actively drives greening works inside and outside the plant. The Company is dedicated to the effective use of chemicals, hydropower resources consumed in the process. The wastewater generated in the process is properly treated by wastewater treatment facilities, which meet the effluent standards. The generated waste is legally discharged after being treated by complete pollution prevention and control equipment.	None

Assessment Item		Implementation Status			Non-implementation and Its Reason(s)
		Yes	No	Summary	
Environmental Topic	Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set greenhouse gas emissions reduction, water usage reduction and other waste management policies?	√		<p>In the face of climate change, the Company has accepted the guidance for greenhouse gas inventory under ISO14064-1: 2018 since 2021, and officially introduced into ISO14064-1:2018 in 2022 and passed the external examination for greenhouse gas inventory in 2022, and will conduct greenhouse gas inventory annually, and make review and improvement based on the inventory results. The greenhouse gas s covered by the inventory include carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), nitrogen trifluoride (NF3), sulfur hexafluoride (SF6), hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs). The inventory falls under Categories I, II and III, and the base year is 2021. In addition, the Company has set up energy-saving efficiency improvement programs, such as: lighting management, energy management, water resources management and waste management, monthly reviews electricity and water consumption and implements improvement measures, and publishes the water consumption, electricity consumption and waste volume in the recent three years on the official website. Please refer to "Annual Report - V. Operations Overview - (V) Information on Labor Relations - Corporate Sustainability in Performance "and "Corporate Sustainability - Environmental Sustainability" on the company website.</p> <p><u>Carbon reduction program</u></p> <p>In respect of energy saving and carbon reduction management, the Company is committed to use of power-efficient lamps to reduce the consumption of fossil fuels.</p> <ul style="list-style-type: none"> • In 2024, the total amount of purchased electricity was 2,614,264 kWh, and the CO2 emissions were 1,291,446kg. • The electricity consumption increased by 64,532kWh in 2024 from 2023. • In 2024, we invested approximately NT\$25,290 in replacing traditional lighting with LED lighting and reduced a total of 12,355.2 kWh of power consumption and approximately 6,103.47kg of CO2 emissions. <p><u>Waste control</u></p> <p>The Company takes "waste reduction and resource recovery" as the management goal, and puts priority to waste recycling to improve the management efficiency of waste and reduce the impact of waste treatment on the environment. In 2024, there was an decreased of 14.31 tons of waste compared to 2023. Details on the handling and execution of waste management measures are disclosed on the company's website.</p>	

Assessment Item		Implementation Status			Non-implementation and Its Reason(s)
		Yes	No	Summary	
Social Topic	Does the Company formulate relevant management policies and procedures in accordance with applicable regulations and the "International Bill of Human Rights"?	√		The Company duly observes relevant labor regulations and respects basic labor human rights principles that are internationally recognized to protect the legal rights and interests of employees and implement the employment policy with fairness and no differentiated treatment, and the Company has established appropriate management systems for supervision and management. In 2024, the promotion of human rights policies was performed during the education and training for new employees, with a total of 11 participations, to allow employees to understand their human rights interests; please refer to the "human rights management" section on the Company's website: https://www.gpmcorp.com.tw/enterprise_human_rights.php	None
Social Topic	Does the Company formulate and implement reasonable employee welfare measures (including remuneration, vacation, and other benefits), and appropriately reflect the operating performance or results in the employee's remuneration?	√		Pursuant to Article 30-1 of the Articles of Association of the Company, the Company shall distribute employee remuneration within a range between 1% and 12% of the annual profit, formulate a competitive salary and compensation policy, and give priority to a human resources strategy of retaining talents. The Company conducts the industry salary survey once a year to formulate a reasonable and competitive salary system as well as varies the distributed amount based on the employee's operating performance and actual contribution. The Company also provide the employee incentives, such as innovation research bonus, proposal improvement bonus, outstanding team performance bonus, and outstanding employee bonus to arouse the employees' enthusiasm for work and teamwork and share the fruits of hard work with every member. Furthermore, a reward and punishment system is established to impose the punishment according to the seriousness of the violation. The Company purchases the employees the labor and health insurance, life insurance, accident insurance and disease, cancer, and disability insurance, and provides a retirement pension. Refer to "Information on Employer-Labor Relations - Employee welfare measures" on page 88 of this annual report	None

Assessment Item		Implementation Status			Non-implementation and Its Reason(s)
		Yes	No	Summary	
Social Topic	Does the Company create a safe and healthy working environment for employees, and regularly provide safety and health education courses for the staff?	√		<ul style="list-style-type: none"> The Company provides comfortable and worry-free workplaces that comply with the Occupational Safety and Health Act, has introduced and obtained the ISO 45001:2018 occupational safety and health management system certification, and the valid date of the certification is from January 2, 2024 to January 1, 2027. The Company carries out hazard risk assessments each year and continues to make improvements to minimize environmental risks while organizing occupational safety and health education and training courses and health improvement activities. GPM has regularly organized occupational safety and health education, specific emergency response drills (include: emergency response, comprehensive fire drills, chemical response drills,) health seminars, and a series of health promotion activities to maintain a healthy, safe, and high-quality work environment. Provide premium working environments: (1)Continue to provide friendly workplaces: To improve the safety of the environment for wastewater treatment facilities, the initial plastic pedals were changed to solid wood boards in 2024. (2)Working environment: We continue to carry out the operational environment monitoring every six months to evaluate personal exposure to serve as the basis for improvements in workplace environments. In 2024, there were disabling injuries that occurred to employees and contractors, and the frequency-severity indicator (FSI) was 0.06%. Fire Safety: In 2024, GPM reported no fire incidents, and therefore, no casualties or injuries occurred. <p>For more detailed information, please refer to page 92 of the annual report under "Labor Relations Information - Employee Work Safety and Health" and visit the "Corporate Sustainability - Friendly Workplace - Occupational Safety and Health" section on our company website.</p>	None
Social Topic	Does the Company establish effective career development training programs for employees?	√		The Company has created a good environment for facilitating the career development of employees and established effective career development training programs. For the implementation of the education and training, please refer to page 90 of this annual report	None

Assessment Item		Implementation Status			Non-implementation and Its Reason(s)
		Yes	No	Summary	
Social Topic	When providing products and services, does the company pay attention to customers' health, safety, and privacy, conduct the marketing and labeling in accordance with relevant regulations and international standards, and formulate policies and grievance procedures to protect consumers' rights?	√		<p>The Company conducts the marketing and labeling in accordance with relevant regulations and international standards without any deceptive, misleading, fraudulent, or other behavior that may undermine customers' trust or damage customers' rights and interests.</p> <p>For many years, Gallant sticks to our quality policy - "Quality First, Customer Foremost, Keep Improving and Creating Value" to build a professional customer service team and a comprehensive sales and service system. To provide quality services, we have set up a 24 hours hotline - 0800-387-387 and disclosed the dedicated mailboxes of the business center and customer service center on the website, through the said channels, the complaint about the products and services can be appropriately and explicitly addressed. The personal data provided by customers will be handled in accordance with the Company's "Measures for Personal Data Management" and applicable regulations to protect customers' privacy.</p>	None
Social Topic	When providing products and services, does the company pay attention to customers' health, safety, and privacy, conduct the marketing and labeling in accordance with relevant regulations and international standards, and formulate policies and grievance procedures to protect consumers' rights?	√		<p>The Company is responsible for our products and services. We pay much attention to marketing ethics and does not engage in any form of unfair business activities. Through the stages of research and development, procurement, production, operation, and service, the transparency and safety of information about products and services are always kept in our mind. In order to prevent consumers' rights from being damaged by the products or services and help customers to enhance competitiveness and increase the added value, the Company has formulated and disclosed the customer right policy, and implement it in the daily operation.</p>	None

Assessment Item		Implementation Status			Non-implementation and Its Reason(s)
		Yes	No	Summary	
Social Topic	Does the Company formulate and implement supplier management policies, by which the suppliers are required to follow relevant regulations on environmental protection, occupational safety and health or labor human rights?	√		<p>The Company has established a supplier evaluation system based on the "Procedures for Supplier Management" to dispatch an evaluation team to conduct on-site inspections and evaluations. Through the "Supplier On-site Evaluation Form", the information about supplier's production capacity, quality system, R&D capabilities, etc is obtained. During the annual supply chain conference, in addition to conveying the sustainability philosophy and goals of Gallant Precision Machining Co., Ltd, we also express our admiration for outstanding suppliers in four aspects (quality improvement, cost reduction, reliable delivery, and sustainable performance).</p> <p>In addition to the transaction status and product quality, the reputation of the supplier (for environmental protection, safety, and health, etc) is also incorporated in the evaluation items and taken into consideration when ranking and scoring. If the Company finds that the supplier violated the corporate social responsibility policy and the violation has a significant impact on the environment and society during the actual evaluation, the business transactions will be suspended or terminated. The company also actively helps suppliers to improve and enhance product quality and promulgate our philosophy of green procurement and environmental protection. According to the "Procedures for Supplier Management", a confidentiality agreement must be signed between the supplier and the Company for the cooperation to define the rights and obligations of both parties. The Company reserved the right to take legal action for possible infringement.</p> <p>The Company's suppliers are required to sign the "Social Responsibility, Probity and Integrity Commitment". If the supplier violates the commitment and the violation has a significant adverse impact on the environment and society, the Company may terminate or cancel the contract at its sole discretion.</p>	None
	?Does the Company refer to international reporting rules or guidelines to publish Sustainability Report to disclose non-financial information of the Company? Has the said Report acquire third party verification or statement of assurance?	√		<p>The Company prepared its 2024 Sustainability Report in accordance with the GRI Standards, and the assurance from a third-party certification department is estimated to be obtained in 2025. For more details, please refer to the "Corporate Sustainability - Sustainable Management - Sustainability Report" section on our company website.</p>	None
<p>If the Company has established its sustainable development code of practice according to "Listed Companies Sustainable Development Code of Practice," please describe the operational status and differences.</p> <p>The Company has established a "Standards for Corporate Social Responsibility", and there is no significant deviation from the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies". It is available on the Company's website or Market Observation Post System. For the performance of corporate social responsibilities, please refer to this annual report or Company's website.</p>					

Other important information to facilitate better understanding of the Company's implementation of sustainable development:

(1) Environmental Sustainability

- The general domestic water equipment in the plants adopts water-saving appliances to reduce the waste of water resources, and the lighting devices in the plants are replaced to power-saving type to reduce CO2 emissions.
- Replaced 220 traditional recessed lights with LED recessed lights: Achieved an annual reduction of 12,355.2 kWh in electricity consumption and reduced CO2 emissions by 6,103.4688 kg annually.
- Continue to promote office greening and green plant coverage in each factory area.

(2) Social co-prosperity

- Care for public welfare
 - * Totally 4 schools are sponsored: Including Taoshan Elementary School, Huayuan Elementary School, Wufeng Junior High School and Jianshi Junior High School. Student who meets the standard in elementary school will receive a subsidy of NT\$ 600 each, and student who meets the standard in the junior high school will receive a subsidy of NT\$ 1,000 each. There are 230 students in total under the subsidy; the greatest progress has been made. However, there were 27 students who did not meet the standard of progress in the semester, with a total of NT\$ 210,600 subsidy received.
 - * Held the activity of "Donating Invoices to Help the Public Welfare" and donated all the invoices to the "Creation Foundation" to take care of vegetative people.
 - * Donated to the "Love Without Borders Caring Association", joined the "Ailin New Seed Sponsorship Program" to support the education project for poor children in Burkina, West Africa, and cared for disadvantaged children, adopted two children, and spent NT\$ 36,000 in total.
 - * Sponsored the "ESG Global Citizenship Digital Governance Foundation", assisted listed companies in the incubation and training of directors, and provided propaganda for ESG, climate change, international planning concepts and activities, in the perspective of enhancing the concept of ESG in various companies; and spent NT\$ 200,000 in total.
 - * Support the "ESG World Citizens & Digital Governance Foundation - Million Elementary Students - World Citizen Competencies Education Plan" to improve the sense of recognition of Taiwanese people for their linkage to world citizens through promoting the concept of world citizen and K12 children literacy education. A total of NT\$90,000 was invested.
 - * Sponsored the "Ren Ching Community Service Association." The association has long been focusing on elderly care services in communities and continues to expand and penetrate through the interactive network in communities to promote community care services. A total of NT\$1,000,000 was donated.
 - * Sponsored the "House of Dreams Foundation." The foundation is committed to providing a second home for children, and it believes that warm environments cure children's hearts and help generate courage to chase their dreams. A total of NT\$1,000,000 was donated.
 - * GPM employees voluntarily donated coffee materials and packaging supplies, while other employees acted as volunteers to package the coffee into drip bags for sale. The initiative allows employees to enjoy coffee while contributing to charity. In 2024, approximately 1,710 packs of coffee were sold, with the proceeds donated to those in need.
 - * Encouraged employees to continue joining the line of volunteers. In 2024, three sessions of volunteer activities were organized, and one session of beach cleaning activity was called upon; a total of 89 persons participated.
- Incubation platform
 - * Sponsored the "Zhongping Junior Baseball Team" to drive character baseball, incubate young talents in Taiwan's baseball world; carry out a five-year long-term sponsorship plan with an annual sponsorship of NT\$ 20,000.
 - * Sponsored the "2024 Theater Creation Open Call Program of the NTU Center for the Arts" to provide a platform for youths to exhibit their talents and improve their confidence, expression ability, and understanding of art and culture. We hope to expand the University Players Theatre to serve as the base for experimental fields through experimental performances to facilitate the development of art and culture. A total of NT\$300,000 was invested.
- Industry-Academic Cooperation
 - * Supported the "23rd and 24th Seed Talent Program (STP) of CSR Action" to help excellent and hard-working university students learn the correct attitudes and methods to treat others and handle affairs and provide free student training and practical opportunities to work on projects in cooperation with enterprises. A total of NT\$200,000 was invested.
 - * To encourage top-notch professors in Taiwan to continue to make breakthroughs in the academic field, we donated to the "Young Researcher Achievement Award" and "Dean's Award" for the College of Engineering, NTU, while building a connection between teachers and corporate R&D. A total of NT\$320,000 was donated.
 - * To strengthen recruitment and retention of top domestic and international talent, the company donated NTD 300,000 to the College of Engineering for the "Academic Endeavor Youth Lectures." This initiative aims to

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Summary	
<p>bridge new faculty members with corporate R&D, addressing the talent crisis in universities.</p> <p>* Joined the GOLF Learning and Use Integration Alliance, initiated the driving of practical training through the cloud learning platform, and promoted students to integrate with the industry early through industry-university cooperation via online professional course prerequisites and offline corporate internship visits; a total of NT\$ 50,000 was spent.</p> <p>* G2C organized a technology-themed summer camp named DIT Robotics Summer Camp at National Tsing Hua University. The camp aimed to attract and cultivate employees' children who are interested in technology, grooming them for future corporate needs. The total expenditure for the camp was NTD 156,067.</p> <p>* Sponsored the work of 2023 thematic practice competition in Chung Yuan University, with a total spending of NT\$ 20,000.</p> <p>*Through the donation of parts and components, we hope to provide practicing opportunities to students to help them further understand the applications of the knowledge they learn and hope that students can be familiarized with the industrial applications early. To jointly cultivate excellent talent and promote the combination of knowledge and practices, we donated a total of 57 pieces of parts and components with a market value of approximately NT\$441,904 to the Scientific Instrument Center at NTHU and National Cheng Kung University.</p> <p>*Providing internship opportunities for students in school, using the characteristics and abilities of young people to increase the vitality and creativity of the organization; meanwhile, supplementing the human resources of enterprises in the short term to explore future talents, total of 10 people.</p> <p>* College visits: Two rounds of visits was held to provide a detailed introduction of equipment to help students and enterprises understand the equipment industry, arrange production line supervisors to take students to visit the on-site working environment, and promote industry-university cooperation.</p> <p>*To encourage domestic college students to invest in the cross-field design and practical implementation of intelligent automation, and to inherit the spirit of the original Ministry of Education's incubation program on industrial state-of-the-art equipment and talents, the Company hosted the Intelligent Automation Creation Award to assist college youths in the field of smart manufacturing, to incubate outstanding smart manufacturing talents and design energy for the country and enhance industrial competitiveness, with a total spending of NT\$ 1,472,499.</p> <p>(3) Accolades</p> <ul style="list-style-type: none"> • Won the 14th place for Excellence in Corporate Social Responsibility Award under the Rising Star Team • Won the Commonwealth Talent Sustainability Award • Won the CHR Corporate Health Responsibility Silver Award • Won the Health Labor Sustainability Leading Enterprise Award from the Ministry of Labor • Won the 2024 Excellent Occupational Safety and Health Department from the Central Taiwan Science Park Bureau • Won the “Promotion of Workplace Equality” Excellent Business Evaluation Excellence Award from the Central Taiwan Science Park Bureau • Won the Eco-friendly Promotion Enterprises – Eco-friendly Fleet Certification from the Hsinchu County Environmental Protection Bureau 				

Climate-Related Information for Listed Companies

Climate-Related Information Implementation Status

Item	Implementation Status
1.Oversight and Governance of Climate-Related Risks and Opportunities by the Board and Management	GPM’s highest climate governance body is the Board of Directors. The Board is responsible for setting the company's climate-related strategic direction, regularly proposing comprehensive response strategies and targets for key climate risks, and delegating the Corporate Sustainability Committee to implement various action plans. Climate governance and sustainable development oversight are ensured through annual sustainability performance reports to the Board.
2.Explanation of How Identified Climate Risks and Opportunities Affect Business, Strategy, and Financials (Short, Medium, and Long Term)	The Corporate Sustainability Committee convenes relevant executive units to assess and identify four key climate risks and opportunities: changes in precipitation (water) patterns and extreme climate variations, changes in customer behavior, costs of transitioning to low-carbon technologies, and the development and/or expansion of low-carbon products and services.

Aspects	Climate Risks / Opportunities	Affected Schedules	Financial Impacts	Strategies and Management Responses
Physical Risks	Precipitation (water) pattern changes and extreme climate variations	Mid-term (3-10yrs)	<ul style="list-style-type: none"> ■ Rising raw material costs cause higher operational costs ■ Higher electrical consumption cause higher operational costs ■ A lack of employee attendance, water and power supply, and material, etc. disrupt operations and lower revenues 	<ol style="list-style-type: none"> 1. To address drought, GPM regularly holds joint meetings across plants to review water supply priorities, minimizing the impact on production lines. 2. GPM plans to develop solar power plants for self-use, creating a secondary power source. This initiative aims to reduce power outages due to climate impacts and enhance the stability of electricity supply while achieving energy-saving and carbon reduction goals. 3. Supply Chain Adjustments and Alternative Raw Materials <ul style="list-style-type: none"> • Processing Parts: If central regions experience water restrictions, the backup supply chain will be activated, shifting processing to the northern regions. • Procurement Parts: Develop alternative raw materials and source from overseas or other local brands to avoid operational disruptions due to material shortages. 4. In response to the power outage, adopt shifting for handling in the short run to reduce the impacts on shipping/delivery terms.
Transformation Risks	Changes in customer behavior	Mid-term (3-10yrs)	<ul style="list-style-type: none"> ■ Failure to satisfy customer needs causes lower market sales and lower revenues ■ R&D investment leads to higher operational costs 	<ol style="list-style-type: none"> 1. When developing products and equipment, GPM evaluates the consumption of energy resources (water and electricity) alongside cost estimates to enhance product competitiveness and market share. 2. GPM establishes two-way communication channels with customers, providing feedback mechanisms to understand customer requirements for product specifications, enabling design adjustments accordingly. 3. Improve technologies, products, and product and service quality through cross-industry cooperation. 4. Provide comprehensive products and services and improve order-securing abilities through the help of the G2C+ Strategic Alliance to further expand operating income.
Transformation Risks	costs of transitioning to low-carbon technologies	Mid-term (3-10yrs)	<ul style="list-style-type: none"> ■ R&D materials and human resources contribute to higher operational costs ■ A failed transformation 	<ol style="list-style-type: none"> 1. GPM aims to reduce product carbon footprint through digitization and intelligent manufacturing. This includes introducing IDMS for equipment health diagnostics and troubleshooting, enhancing energy efficiency.

			loses orders, lowers market shares, and contributes to lower revenues	<p>2. Through regular R&D meetings, Junhao focuses on:</p> <ul style="list-style-type: none"> Improving processing methods for higher efficiency Multifunctional equipment capabilities Increasing machines' energy efficiencies Utilizing smart operation control's automatic detection to reduce standby time and minimize waste <p>GPM's finished development projects in recent years include:</p> <ul style="list-style-type: none"> ➤ Cooling Water Recycling: Implementing a dual system that uses a collection tank to mix cooling liquid, filters and recycles cooling water to save water. ➤ Green Idle Control: Automatically reducing equipment frequency during non-production periods to save energy. <p>3. 3R Concept in Product Design: Incorporating recyclable and reusable materials in procurement, and reusing by-products in production processes.</p>
Opportunities	the development and/or expansion of low-carbon products and services.	Mid-term (3-10yrs)	<ul style="list-style-type: none"> Provide low-carbon products to increase competitiveness, market share, and raise revenue 	<p>1. GPM adopts the following measures to reduce product carbon footprint:</p> <ul style="list-style-type: none"> Prioritize domestically produced raw materials (localization). Integrate GPM-exclusive designs to accurately list commonly-used materials, monitor material levels continuously, and reduce transportation carbon emissions. <p>2. IDMS Smart Monitoring: During equipment testing, IDMS and electricity meters capture energy consumption data, aiding R&D in design decisions.</p> <p>3. Actively seek raw materials with features of energy conservation, carbon reduction, or energy storage to optimize procedures or achieve the development of low-carbon products. In 2024, we invited eight renowned suppliers (including air pressure/motor/variable-frequency drive/PLC and other components) to visit our plants to share energy conservation and carbon reduction products.</p> <p>4. GPM fosters transparent and shared information with suppliers, aiming for a green supply chain and mutual business opportunities.</p>
3. Detail how extreme climate events and transition actions affect the company's financials.		GPM evaluates the timing of climate change risks and opportunities, considering the likelihood and impact on the company. This process identifies key climate change risks and opportunities and analyzes their potential operational and		

	financial impacts, as detailed in point 2.
4. Explain how the processes for identifying, assessing, and managing climate risks are integrated into the company's overall risk management framework.	The Risk Management Committee conducts an annual review following TCFD guidelines, industry reports, and international trends to gather relevant climate issues for GPM. They collect annual climate risk response information from various facilities and departments. Interviews are conducted with relevant units to assess the impact and likelihood of climate issues, identifying GPM's annual key climate risks and opportunities. The committee then establishes mitigation measures. This process and its results are reported to the Corporate Sustainability Committee and presented to the Board of Directors annually.
5. If scenario analysis is used to assess resilience to climate change risks, explain the scenarios, parameters, assumptions, analysis factors, and major financial impacts used.	Under planning
6. If there are transition plans for managing climate-related risks, describe the content of these plans and the indicators and targets used to identify and manage physical and transition risks.	Under planning
7. If internal carbon pricing is used as a planning tool, explain the basis for setting the price.	Under planning
8. If climate-related goals are set, explain the activities covered, the scope of greenhouse gas emissions, the planning period, annual progress, and other relevant information. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these goals, explain the sources and quantities of offsets and RECs.	Under planning
9. GHG Inventory and Assurance, Reduction Targets, Strategies, and Action Plans.	(Detailed in 1-1 and 1-2)

1-1 The Company's GHG inventory and assurance statuses for the last two years

1-1-1 GHG Inventory Data

Statement of GHG emissions, intensity, and their data coverages for the last two years		
Since 2021, GPM has established a GHG inventory mechanism in accordance with the ISO 14064-1:2018 standard issued by the International Organization for Standardization (ISO). This mechanism involves the annual verification of greenhouse gas emissions from the company's individual entities and obtaining third-party assurance. The greenhouse gas emissions, intensity, and data coverage for GPM's individual entities over the past two years are detailed in the table below:		
	2023	2024
Scope 1 Emissions (tons CO ₂ e)	86.88	83.61
Scope 2 Emissions (tons CO ₂ e)	1,273.16	1,234.02
Total	1,360.04	1,317.63
Revenue (million NTD)	1,810	1,854
Intensity (tons CO ₂ e per NT\$ million)	0.75	0.71
Data Coverage	GPM Individual Company 100%	GPM Individual Company 100%

1-1-2 GHG Assurance

Description of assurance status for the most recent two years as of the annual report printing date, including assurance scope, assurance institute, and assurance opinion.
As of the publication date of the annual report, the Company, as an entity, has obtained the assurance opinion with a reasonable level for 2023 issued by the BSI according to the ISO 14064-3:2006 published by the International Organization for Standardization (ISO). The internal audit for the GHG data will be completed in 2024, and the assurance is estimated to be performed by the BSI on May 2-25; the complete assurance information will be disclosed in the Sustainability Report.

Note 1: This should be handled according to the schedule prescribed by the order in Article 10, Paragraph 2 of these guidelines. If the company does not obtain a complete greenhouse gas assurance opinion by the printing date of the annual report, it should be noted that "complete assurance information will be disclosed in the sustainability report." If the company does not prepare a sustainability report, it should be noted that "complete assurance information will be disclosed on the Market Observation Post System," and complete assurance information should be disclosed in the annual report of the following year.

Note 2: The assurance institution should comply with the relevant regulations on assurance institutions for sustainability reports set by the Taiwan Stock Exchange Corporation and the Taipei Exchange.

Note 3: Disclosure content can refer to the best practice reference examples on the Taiwan Stock Exchange Corporate Governance Center website.

1-2 GHG Reduction Goals, Strategies, and Specific Actions

Description of the GHG reduction base year and its data, reduction goals, strategies, specific actions, and the goal achievement process.
To plan for the GHG reduction strategy, GPM set 2021 (in which the first inventory was completed) as the base year for GHG reduction (total of Scope 1 and Scope 2: 1,527.02 tCO ₂ e) and set the target of a reduction of 5% by 2026 from the base year, a reduction by 10% by 2028 from the base year, and the net zero emissions by 2050. It will continue to promote various energy conservation measures and formulate the self-generation and self-consumption of solar power to examine the reduction results and target achievements of the Company and fulfill the reduction targets.

Note 1: This should be handled according to the schedule prescribed by the order in Article 10, Paragraph 2 of these guidelines.

Note 2: The base year should be the year in which the inventory is completed within the scope of the consolidated financial report. For example, according to the order under Article 10, Paragraph 2 of these guidelines, companies with capital of over 10 billion NTD must complete the inventory for the consolidated financial report of the 2024 fiscal year by 2025. Therefore, the base year is 2024. If a company completes the inventory of the consolidated financial report earlier, that earlier year can be used as the base year. Additionally, the data for the base year can be calculated based on a single year or an average of multiple years.

Note 3: Disclosure content can refer to the best practice reference examples on the Taiwan Stock Exchange Corporate Governance Center website.

3.6 Taiwan Corporate Conduct and Ethics Implementation as Required by the Taiwan Financial Supervisory Commission :

Evaluation Item	Implementation Status			Reasons for the Deviations from "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"	
	Yes	No	Brief Description		
Formulating policies and plans for ethical management	Does the Company formulate an ethical corporate management policy approved by the Board of Directors, and specify the policies and practices of ethical management and the Board of Directors and top executives' commitment to actively implement the policies in the regulations and external documents?	√		The Company established the "Rules for Ethical Corporate Management" and "Code of Conduct" to incorporate the provisions must be followed by the Company and employee on December 17, 2014 and carried out the promotion activities from time to time. For the year 2024, the implementation of the rules and provisions were reported to the Board of Directors on December 19, 2024 and disclosed on the Company's website.	None

Evaluation Item	Implementation Status			Reasons for the Deviations from "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Brief Description	
	√		<p>The "Rules for Ethical Corporate Management" of the Company specifies the precautionary measures for dishonesty, such as providing illegal political contributions, offering or accepting inappropriate gifts, services, and other improper benefits, and infringing business secrets and intellectual property rights.</p> <p>Employees are required to sign a "Non-Disclosure and Digital Data Authorizing Agreement" to prevent business secrets. In addition to the "Rules of Ethical Corporate Management", the Company also formulate the "Procedures for Acquisition or Disposal of Assets", "Procedures for Endorsement and Guarantee", "Procedures for Loan to the Third Party", "Procedures for Related Person Transaction", etc...</p>	None
	√		<p>The company has formulated a "Regulations for Reporting and Handling Illegal, Unethical or Dishonest Behavior" and regularly reports to the Board of Directors on the implementation every year. For the year 2024, the implementation of the rules and provisions were reported to the Board of Directors on December 19, 2024 and disclosed on the Company's website.</p>	None
Implementing ethical management	√		<p>The Company sticks to the commitment to fairness and transparency when engaging in business activities. Before entering into a partnership, we will carefully investigate the counterparty to avoid cooperating with a company engaging in dishonest activities.</p> <p>When entering into a commercial contract with the counterparty, the terms and conditions will be reviewed by the legal unit to avoid cooperating with a company engaging in dishonest activities. For the course for employees on ethical management, please refer to page 55 of this annual report.</p> <p>The Company's suppliers are required to sign the "Social Responsibility, Probity and Integrity Commitment". If the supplier violates its commitment of ethical conduct, it will be subject to a penalty for the bribery and improper benefit, and, in this case, the Company has the right to terminate, suspend or cancel the transaction at its sole discretion.</p>	None

Evaluation Item	Implementation Status			Reasons for the Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”
	Yes	No	Brief Description	
	√		<p>The Company's Enterprise Sustainability Committee is responsible for the implementation of ethical management, and an audit office subordinate to the Board of Directors is established to detect the internal and external violations.</p> <p>Serious violations will be reported to the Board of Directors in accordance with relevant laws and procedures. The implementation will be reported to the Board of Directors once a year (during the fourth quarter). For the year 2024, the implementation was reported to the Board of Directors on December 19, 2024.</p>	None
	√		<p>The internal regulations and employee code of conduct is disclosed on the Company's internal website, and the staff will be notified of any revision. Externally, a stakeholder area is set aside on the website of the Company (https://www.gpmcorp.com.tw/enterprise_stakeholder_contact.php).</p>	None
Implementing ethical management	√		<p>The company has established an internal control system, detailed rules of internal audit, accounting system, and various management regulations, the above-mentioned regulations are implemented and help the Company to attain ethical management. A report produced by the annual internal audit of implementation will be delivered to each independent director before the end of the following month, and the results will be regularly reported to the Audit Committee and the Board of Directors.</p>	None

Evaluation Item	Implementation Status			Reasons for the Deviations from "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	Brief Description	
Does the Company regularly carry out internal and external education and training on ethical management?	√		The Company regularly carries out relevant education and training of ethical management. In 2024, the Company carried out relevant internal and external education and training of ethical management for employees (including courses on laws and regulations of ethical management, legal practice, advanced financial management, laws and regulations of insider trading and returning rights, accounting system, and internal control). The total class hours and number of participants of the course are 558 students and 850 class hours respectively. Relevant operating procedures and guidelines have been published on the company's internal website.	None
Implementation of the reporting system of the Company	√		The Company has formulated the "Regulations for Handling the Reported Illegal and Unethical or Dishonest Behaviors" established reporting and complaint channels, such as reporting hotline and e-mail address and related disciplinary measures. The channels will be regularly reviewed and revised in order to enable effective and full communication of and quick response to the issues, and promptly assign appropriate personnel to investigate the alleged perpetrator.	None
	√		The Company has formulated the reporting procedures and provided a "complaint channel for violation of professional ethics" and an address on the Company's website for reporting the violations. The identity of the informer and content of the report will be treated as strictly confidential. The investigation results will be provided through E-mail.	None
	√		The Company is responsible for the confidentiality of the informer and has taken measures to informer from improper treatment or reprisal.	None
Enhance information disclosure Does the Company disclose the content of the "Rules of Ethical Corporate Management" and information about the implementation on the website and the web page of the Market Observation Post System?	√		The "Rules of Ethical Corporate Management" of the Company has been uploaded to the web page of the Market Observation Post System and disclosed on the Company's website https://www.gpmcorp.com.tw/enterprise_honesty.php	None

Evaluation Item	Implementation Status		Reasons for the Deviations from "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"
	Yes	No	
<p>If the Company has formulated its code of ethical corporate management based on the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please specify the implementation and its deviations from the official requirements:</p> <p>The Company acts in compliance with the domestic laws and regulations and requests the employees to comply with relevant internal regulations. The implementation of ethical management is grounded on the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies".</p>			
<p>Other important information that helps to understand the implementation of ethical management : (such as reviewing and revising the code of ethical management):</p> <ol style="list-style-type: none"> 1. The Company has established the "Procedures for Handling Internal Material Information Preventing Insider Trading" to stipulate that, a natural person designated as the proxy according to Article 27 of the Company Act to exercise the directors and managers' duties and other persons exposed to material information due to his/her identity, occupation or control relationship, shall be loyal and on good faith and trust, and exercise the due care of a good administrator when conducting the business operation as well as sign a non-disclosure agreement. Directors, managers, and employees exposed to the Company's internal material information shall not reveal any information to the third party. 2. The Company's certifying accounting firm is PricewaterhouseCoopers Taiwan. The accountant does not serve as a director of the Company and maintains both professional and independence, which is reviewed by the Audit Committee and the Board of Directors every year and supported by a "Declaration of Independence" and "Audit Quality Indicators (AQIs)" presented by the accountant; the accountant is responsible for regularly auditing each major cycle and internal controls, and providing advice on the internal controls and accounting matters. 3. The Company's suppliers are required to sign the "Social Responsibility, Probity and Integrity Commitment" to specify its commitment concerning the working condition, morality and environment, such as anti-discrimination, prohibiting from hiring child labor, sticking to high moral standards, being prudent when handling the personal data of customers, protecting intellectual property rights, stating the metals used in the products or components are not banned by the procedures and standards for conflict minerals and waste management. If any violations, the supplier will be subject to a penalty for the bribery and improper benefit, and, in this case, the Company has the right to terminate, suspend or cancel the transaction at its sole discretion. 			

3.7 Other Important Corporate Governance Information

The Company established "Handling of Internal Material Information and Prevention of Insider Trading Management Procedure" as a reference for handling of material information and disclosure. Depending on situation, the above procedure is subject to review from time to time in matching current laws and management needs. This procedure is also available in the internal document management system for managers and employees.

3.8 Internal Control System Execution Status

3.8.1 Statement of Internal Control System

Gallant Precision Machining Co., Ltd.

Statement of Internal Control System

Date: February 26, 2025

Gallant Precision Machining Co., Ltd. has conducted internal audits in accordance with its Internal Control Regulations for the period ended December 31, 2024, and hereby declares the following:

1. The Company acknowledges and understands that the establishment, enforcement, and preservation of internal control systems are the responsibility of the Board and that the managers and the Company have already established such systems. The purpose is to reasonably ensure the effectiveness (including profitability, performance, and security of assets), the reliability, timeliness, transparency of financial reporting, and legal and regulation compliance.
2. Internal control systems have limitations, no matter how perfectly they are designed. As such, effective internal control systems may only reasonably ensure the achievement of the aforementioned goals. Further, the operation environment and situation may vary, and hence the effectiveness of the internal controls systems. The internal control systems of the Company feature certain self-monitoring mechanisms.
The company will take immediate corrective actions once any shortcomings are identified.
3. The Company judges the effectiveness of the internal control systems in design and enforcement according to the "Criteria for the Establishment of Internal Control Systems of Public Offering Companies" (hereinafter referred to as "the Criteria"). The Criteria is instituted for judging the effectiveness of the design and enforcement of internal control systems. There are five components for effective internal control as specified by the Criteria with which the procedures for effective internal controls are composed: (1) Control environment, (2) Risk evaluation, (3) Control operation, (4) Information and communication, and (5) Monitoring. Each of the elements in turn contains certain audit items, and the Criteria shall be referred to for details.
4. The Company has adopted the aforementioned internal control systems for an internal assessment of the effectiveness of internal control design and enforcement.
5. Based on the aforementioned audit findings, the Company holds that within the aforementioned period, its internal control procedures (including the procedures to monitor subsidiaries), effectiveness and efficiency of operations, reliability, timeliness, transparency of reporting, and compliance with relevant legal regulations, and design and enforcement of internal controls, are effective. The aforementioned goals can be achieved with reasonable assurance.
6. This statement of declaration shall form an integral part of the annual report and prospectus of the Company and shall be made public. If there is any fraud, concealment, or unlawful practices discovered in the content of the aforementioned information, the Company shall be liable to legal consequences under Article 20, 32, 171, and 174 of the Securities and Exchanges Act.
7. This statement of declaration has been approved by the Board on February 26, 2025 with all Directors in session under unanimous consent.

Gallant Precision Machining Co., Ltd.



Jason Chen
Chairman



Jason Chen
President

3.8.2 If CPA was Engaged to Conduct a Special Audit of Internal Control System, Provide Its Audit Report:None.

3.9 Major Resolutions of Shareholders' Meeting and Board Meetings

Meeting Title	Meeting Date	Important Resolutions and Implementation
Shareholders' Meeting	2024.06.18	<p>Important Resolution:</p> <ol style="list-style-type: none"> 1. Acknowledged the business report and financial statements in 2023. 2. Acknowledged the proposal for the distribution of 2023 earnings.. 3. Passed the proposal for Issuance of Restricted Stock Rewards to Employees. 4. Passed the removal of the Restrictions on Non-Competition against Directors and Their Representatives. <p>Implementation:</p> <ol style="list-style-type: none"> 1. On May 8, 2024, the Board of Directors decided to set June 26, 2024 as the base date of ex-dividend. The cash dividend of surplus distribution (NT \$1.2per share) were paid to shareholders on July 12, 2024. The amount of distribution is not different from the resolution of shareholders at the general meeting.

Name of meeting	Date of meeting	Important Resolutions
Board of Directors	2024.01.16	<ol style="list-style-type: none"> 1. Passed the 2023 year-end bonus distribution of managers of the Company.
Board of Directors	2024.02.27	<ol style="list-style-type: none"> 1. Passed the effectiveness assessment and declaration of internal control system of the Company in 2023. 2. Passed the submitted deliberation through the distribution of employees' remuneration and directors' remuneration in 2023. 3. Passed the 2023 annual financial report. 4. Passed the 2023 business report of the Company. 5. Passed the 2023 Annual Earnings Distribution Proposal. 6. Passed the securities investment increase plan adopted. 7. Proposal to issue restricted employee stock rights to employees, subject to shareholder approval. 8. Proposal to issue the 1st round of employee stock options for 2024, along with the issuance and subscription methods, subject to shareholder approval. 9. Passed the relevant matters of convening the 2024 Annual General Meeting and accept the relevant contents of shareholders' proposals.
Board of Directors	2024.05.08	<ol style="list-style-type: none"> 1. To report the consolidated financial report of the company in the Frist quarter of 2024 and the communication between accountants and corporate governance units. 2. Passed the relevant matters of cash dividend benchmark date of the Company in 2024. 3. Passed the securities investment increase plan adopted.
Board of Directors	2024.08.07	<ol style="list-style-type: none"> 1. Passed the consolidated financial report of the company in the second quarter of 2024 and the communication between accountants and corporate governance units. 2. Passed the resolution to change the finance and accounting officer. 3. Passed the proposal for the liquidation of Suzhou Gallant Precision Intelligence Technology Co., Ltd. 4. Passed the 2023 Sustainability Report of the Company. 5. Passed the proposal for the acquisition transaction of properties in Tai Yuen Hi-Tech Industrial Park Phase IX.
Board of Directors	2024.11.07	<ol style="list-style-type: none"> 1. Passed the consolidated financial report of the company in the third quarter of 2023 and the communication between accountants and corporate governance units. 2. Passed the provided endorsement guarantee for the subsidiary "Apex-I International Co., Ltd.". 3. Passed the proposal for the internal control system of the "management of sustainability information". 4. Passed the proposal for the amendments to the "Rules of Procedure for Board Meetings". 5. Passed the proposal for the amendments to the "Audit Committee Charter". 6. Passed the amendment to the "Operating Procedures for Related Party Transactions." 7. Passed the revise the Procedures for Acquisition and Disposal of Assets. 8. Passed the proposal for the first repurchase of the Company's shares in 2024. 9. Passed the securities investment increase plan adopted.
Board of Directors	2024.12.19	<ol style="list-style-type: none"> 1. Passed the first repurchase of ordinary shares to transfer to employees in 2020. 2. Passed the 2024 year-end bonus distribution of managers of the Company. 3. Passed the amendments to the "Regulations for the Performance Evaluation of the Board." 4. Passed the Company's 2025 audit plan. 5. Passed the securities investment increase plan adopted. 6. Passed the Company's 2025 annual budget. 7. Passed the amendments to the Regulations for the First Repurchase of Shares for Transfer to

Name of meeting	Date of meeting	Important Resolutions
		<p>Employees in 2020 of the Company.</p> <p>8. Passed the amendments to the Regulations for the First Repurchase of Shares for Transfer to Employees in 2024 of the Company.</p> <p>9. Passed the proposal for the appointment of the new Corporate Governance Officer of the Company.</p> <p>10. Passed the approval of the assessment of the independence and suitability of accountants (including AQIs indicators) and appointment.</p>
Board of Directors	2025.01.10	<p>1. Passed the proposal for the appointment and the remuneration of the new CEO.</p> <p>2. Passed the securities investment increase plan adopted.</p>
Board of Directors	2025.02.26	<p>1. Passed the effectiveness assessment and declaration of internal control system of the Company in 2024.</p> <p>2. Passed the submitted deliberation through the distribution of employees' remuneration and directors' remuneration in 2024.</p> <p>3. Passed the 2024 annual financial report.</p> <p>4. Passed the 2024 business report of the Company.</p> <p>5. Passed the proposal for the definition of non-executive employees and the amendments to the payroll and personnel cycle.</p> <p>6. Passed the Amendments to the Articles of Association.</p> <p>7. Passed the amendments to the Regulations for the First Repurchase of Shares for Transfer to Employees in 2020 of the Company.</p> <p>8. Passed the amendments to the Regulations for the First Repurchase of Shares for Transfer to Employees in 2024 of the Company.</p> <p>9. Passed the relevant matters of convening the 2025 Annual General Meeting and accept the relevant contents of shareholders' proposals.</p>
Board of Directors	2025.04.10	<p>1. Passed the 2024 Annual Earnings Distribution Proposal.</p> <p>2. Passed for the distribution of cash from the capital reserve.</p> <p>3. Passed the proposal for lifting the non-competition restriction on Directors and their representatives.</p> <p>4. Passed the proposal for the issuance of restricted stock awards to employees.</p> <p>5. Passed matters related to the convening of the 2025 annual shareholders' meeting.</p>

3.10 Major Issues of Record or Written Statements Made by Any Director Dissenting to Important Resolutions Passed by the Board of Directors: None.

4. Information Regarding GPM's Independent Auditors Report

Unit: NT\$ thousands

Accounting Firm	Name of CPA	CPA's Audit Period	Audit Fee	Non-audit Fee	Total	Remark
PricewaterhouseCoopers Taiwan	Wu, Wei-Hao	2024.01.01~2024.12.31	2,400	90	2,490	
	TSAI-YEN CHIANG	2024.01.01~2024.12.31				

Note 1: Audit remuneration is the amount paid by the Company to the contracted accountant for the audit of the annual financial statements and quarterly consolidated statements, the disclosure of IFRSs notes, the audit of income tax of profit-making undertakings and the review of the transfer valuation report.

Note 2: "Other" means consultation or study on Corporate Act or Securities and Exchange Act and integrated income tax system related service.

4.1 Non-audit fee paid to auditors, the audit firm and its affiliates accounted for more than one-fourth of total audit fee: None.

4.2 Replaced the audit firm and the audit fee paid to the new audit firm was less than the payment of previous year: Not applicable.

4.3 Audit fee reduced more than 10% year over year: None.

5. CPA's information

5.1 Former CPAs

Date of Change	January 1, 2023		
Reasons and Explanation of Changes	Due to its internal personal changes, PricewaterhouseCoopers Taiwan updated the audit partners for GPM from LI TIEN YI and TSAI-YEN CHIANG to Wu, Wei-Hao and TSAI-YEN CHIANG in 2023.		
State Whether the Appointment is Terminated or Rejected by the Consignor or CPAs	Client	CPA	Consignor
	Status	Not available	
	Appointment terminated automatically		
Appointment rejected (discontinued)			
The Opinions other than Unmodified Opinion Issued in the Last Two Years and the Reasons for the Said Opinions (Note)	None		
Is there any Disagreement in Opinion with the Issuer	Yes		Accounting principle or practice
			Disclosure of financial statements
			Auditing scope or procedures
			Others
	No	V	
	Explanation		
Supplementary Disclosure (Disclosures Specified in Article 10.6.1.4~7 of the Standards)	None		

5.2 Successor CPAs

Accounting Firm	PricewaterhouseCoopers Taiwan
Name of CPA	Wu, Wei-Hao 、 TSAI-YEN CHIANG
Date of Engagement	January 1, 2023
Prior to the Formal Engagement, Any Inquiry or Consultation on the Accounting Treatment or Accounting Principles for Specific Transactions, and the Type of Audit Opinion that Might be Rendered on the Financial Report	Not available
Written Opinions from the Successor CPAs that are Different from the Former CPA's Opinions	Not available

5.3 The Reply of Former CPAs on Article 10.6.1 and Article 10.6.2.3 of the Standards: None.

6. Changes in Shareholding of Directors, Managers and Major Shareholders

GPM's Chairman, Directors, Chief Executive Officer, Chief Financial Officer, and Managers in Charge of Its Finance and Accounting Operations did not Hold any Positions within GPM's Independent Audit Firm or Its Affiliates in the Most Recent Year.

7. Net Changes in Shareholding

7.1 Net Change in shareholdings and in shares pledged by directors, supervisors, anagement, and shareholders holding more than a 10% share in the Company

Unit: Shares

Title	Name	2024		Jan. 1 to March 31, 2025	
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
Chairman	Junpeng Investment Co., LTD.	0	0	0	0
	Representative: Jason Chen	(249,000)	0	0	0
Director	C SUN MFG. LTD.	(25,000)	0	0	0
	Representative: FRANK, LIANG	0	0	0	0
Director	Hsu, Hung-Ming	0	0	0	0
Independent Director	MA, CHIEN-YUNG	0	0	0	0
Independent Director	Lo, Wei	0	0	0	0
Independent Director	Chen, Yi-Mei	0	0	0	0
Independent Director	TSANG, KWOK-AH	0	0	0	0
Senior Assistant Vice President	Mufa Chien	(117,000)	0	0	0
Senior Assistant Vice President	H.M. Lee	(117,000)	0	(62,000)	0
Associate Vice President	Roger Lin	(86,000)	0	0	0
Associate Vice President	Chen- Shun Hsu	(169,824)	0	0	0
Associate Vice President	Shu-Sheng Chang	0	0	30,000	0
Former Chief Financial Officer	Chia-Ju Tseng	(10,000)	0	0	0
Chief Financial Officer	Sheng-Hung, Huang	0	0	1,000	0

7.2 Stock Trade with Related Party :

Name	Reason of the Transfer	Transfer Date	Transferee	Relation with the Transferee	Shares	Transfer Price
Jason Chen	donate	2024.05.14	Wu Li-jun	Spouse	200,000	Not applicable
Jason Chen	donate	2024.05.14	Chen Hui-fang	Child	49,000	Not applicable
Wu Li-jun	donate	2024.07.29	Chen Hui-fang	Child	42,000	Not applicable
C SUN MFG. LTD.	donate	2024.09.05	Yu-yan	None	25,000	Not applicable

7.3 Stock Pledge with Related Party : None.

8. Top Ten Shareholders who are related parties to each other

As of April 5, 2025. Unit: Shares / %

Name	Shareholding		Spouse & Minor		Shareholding by Nominee Arrangement		The relationship between any of the Company's Top Ten Share holders		Re- marks
	Shares	%	Shares	%	Shares	%	Name	Relation	
C SUN MFG. LTD. Representative: Mao-Sheng Liang	44,733,827	27.08%	—	—	—	—	None	None	
	0	0%	—	—	—	—			
Treasury stock account of Gallant Precision Machining Co., Ltd	4,445,000	2.69%					None	None	
Micronics Japan Co., LTD Investment Account in Custody of Mega Bank	2,712,000	1.64%	—	—	—	—	None	None	
UBS Europe SE Investment Account in the Custodianship of Citibank (Taiwan)	1,028,000	0.62%	—	—	—	—	None	None	
Chuo-elang	938,000	0.57%					None	None	
Jason Chen	786,146	0.48%	173,000	0.10%	500,000	0.3%	Junpeng Investment Co., LTD.	Responsible Person	
JPMorgan (External Account Manager) Investment Account of DBS Bank Limited in the Custodianship of Citibank (Taiwan)	731,000	0.44%	—	—	—	—	None	None	
Junpeng Investment Co., LTD. Representative: Jason Chen	500,000	0.3%	—	—	—	—	Jason Chen	Responsible Person	
	786,146	0.48%	173,000	0.10%	500,000	0.3%			
New York City Group Trust Investment Account in the Custodianship of Deutsche Bank AG, Taipei Branch	496,000	0.3%	—	—	—	—	None	None	
AQR Capital Management (External Manager) Investment Account of the California State Teachers Retirement System in the Custodianship of Deutsche Bank AG, Taipei Branch	487,000	0.29%	—	—	—	—	None	None	

9. Long-Term Investment Ownership

As of March 31, 2025. Unit: Shares / %

Long-Term Investments	Investments by GPM (1)		Investments Directly or Indirectly Controlled by Directors, Supervisors, and Managers of GPM (2)		Total Investment (1) + (2)	
	Shares	Portion	Shares	Portion	Shares	Portion
Gallant-Rapid Corporation Limited	13,560,000	100	0	0	13,560,000	100
APEX-I INTERNATIONAL CO., LTD.	6,600,000	100	0	0	6,600,000	100
Gallant Micro. Machining Co., LTD.	16,342,750	57.79	305,000	1.08	16,647,750	58.87
OPXION Technology Inc.	12,500,000	25.46	0	0	12,500,000	25.46

III. Capital and Shares

1. Capital and Shares

1.1 Capitalization

As of March 31, 2025

Month/ Year	Issue Price (Per Share)	Authorized Share Capital		Capital Stock		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increase by Assets Other than Cash	Date of Approval & Approval Document No.
06/2015	10	250,000,000	2,500,000,000	165,136,144	1,651,361,440	Capital Reduction and Cancellation of Treasury Shares: 50,000,000	None	06/29/2015 Chu-Shang-Tzu No. 1040022199

Capital and Shares

Unit: Share

As of March 31, 2025

Type of Stock	Authorized Share Capital			Remark
	Outstanding	Un-Issued Shares	Total	
Common Stock	165,136,144	84,863,856	250,000,000	Listed on Taipei Exchange.

Shelf Registration: None.

1.2 Major Shareholders

Common Share

As of April 5, 2025 (last record date) ; Unit: shares / %

Top 10 Shareholders	Total Shares Owned	Ownership (%)
C SUN MFG. LTD.	44,733,827	27.08%
Treasury stock account of Gallant Precision Machining Co., Ltd	4,445,000	2.69%
Micronics Japan Co., LTD Investment Account in Custody of Mega Bank	2,712,000	1.64%
UBS Europe SE Investment Account in the Custodianship of Citibank (Taiwan)	1,028,000	0.62%
Chuo-elang	938,000	0.57%
Jason Chen	786,146	0.48%
JPMorgan (External Account Manager) Investment Account of DBS Bank Limited in the Custodianship of Citibank (Taiwan)	731,000	0.44%
Junpeng Investment Co., LTD.	500,000	0.30%
New York City Group Trust Investment Account in the Custodianship of Deutsche Bank AG, Taipei Branch	496,000	0.30%
AQR Capital Management (External Manager) Investment Account of the California State Teachers Retirement System in the Custodianship of Deutsche Bank AG, Taipei Branch	487,000	0.29%

1.3 Dividend Policy and Distribution of Earnings

1.3.1 Dividend Policy :

Article 30-1 of the Company's Articles of Incorporation:

No lower than 1% and no higher than 12% of profit of the current year is distributable as employees' compensation and no higher than 3% of profit of the current year is distributable as remuneration to directors. However, the Company's accumulated losses shall have been covered (if any).

The profit distributable as employees' compensation can be in the form of shares or in cash. The recipient can include the qualified employees from subsidiaries.

The profit for the year referred in the first item means earnings before tax and employees' and Directors' compensation.

Article 31 of the Company's Articles of Incorporation:

If there is a surplus after the current year's accounts, the Company shall pay the tax according to law and make up for the accumulated loss in the previous years, then appropriate 10% of the balance as the statutory surplus reserve. However, if the statutory surplus reserve has reached the total amount of paid-in capital of the Company, then this requirement does not apply.

The Company may, in accordance with its business requirements and the provisions of the laws and regulations, appropriate or reverse a special surplus reserve. The Board of Directors shall draft is authorized to draft an appropriation plan for a resolution in the Shareholders' Meeting.

The ratio for cash dividend shall not lower than 10% of total distribution.

Article 31 of the Company's Articles of Incorporation:

The Board of Directors of the Company may, by a resolution approved by majority of the directors present at a meeting attended by more than two thirds of the directors currently in service, distribute stock dividend or legal surplus and capital reserve in cash, wholly or partly, and report it to the meeting of shareholders.

Articles of Incorporation of the Company does not clearly stated the dividend distribution ratio.

However, taking into account the capital requirement, long-term financial planning and shareholders' interest, Board of Directors is authorized to draft an appropriation plan and submit the plan for a resolution in the Shareholders' Meeting.

The status of Shareholders' Meeting on approving the proposal for the distribution of 2024 earnings:

The Company's 2024 earnings distribution plan approved by the Board of Directors on April 10, 2025 proposes to distribute a cash dividend of NT\$ 1.8 per share, and a cash dividend of NT\$ 0.2 per share from capital reserves, with a total cash dividend of NT\$ 2 per share. The total amount is NT\$ 321,382 thousands, it will be handled per related regulations.

1.3.2 Description shall be given when expecting a major change in dividend policy:

Not applicable.

1.4 Impact to 2024 Business Performance and EPS Resulting from Stock Dividend Distribution:

Not applicable.

1.5 Compensation to Directors and Profit Sharing Bonus to Employees :

1.5.1 Employees' Compensation and Remuneration to Directors and Supervisors as Stated in the Articles of Incorporation

Article 30-1 of the Company's Articles of Incorporation:

No lower than 1% and no higher than 12% of profit of the current year is distributable as employees' compensation and no higher than 3% of profit of the current year is distributable as remuneration to directors. However, the Company's accumulated losses shall have been covered (if any).

The profit distributable as employees' compensation can be in the form of shares or in cash. The recipient can include the qualified employees from subsidiaries.

The profit for the year referred to in the first paragraph means earnings before tax and employees' and Directors' compensation.

1.5.2 The estimated employees' compensation and remuneration to Directors and Supervisors, the calculation basis for remuneration to employees, Directors and Supervisors in the form of stocks, and Accounting treatment for any gap between estimated amounts and actual distribution resolved by the Board of Directors:

The Company accrued employees' compensation and remuneration to Directors and Supervisors based on profit of current year minus accumulated loss while the remunerations to directors and supervisors were estimated based on GPM's Articles of Incorporation. The estimated employees' bonuses and remunerations to directors and supervisors were booked as operating cost or operating expense. If stock bonuses are resolved for distribution to employees, the number of shares distributed is determined by dividing the amount of bonuses by the closing price of shares on the day preceding the shareholders' meeting. If there is difference between estimation and actual distribution, it will be treated as change of accounting estimate. The adjustment will be made at the year of distribution.

1.5.3. Profit Distribution of Year 2024 Approved in Board of Directors Meeting for Employee Bonus and Directors' Remuneration :

1. 2024 Directors' Compensation and Employees' Profit Sharing Bonus

Distribution Items	Board Resolution (February 26, 2025)
	Amount (NT\$)
Directors' Compensation (Cash)	6,557,935
Employee's Profit Sharing Bonus (Cash)	22,682,647
Total	29,240,582

2. Ratio of Recommended Employee Stock Bonus to Capitalization of Earnings : Not applicable.

1.5.4 2024 Directors' Compensation and Employees' Profit Sharing Bonus

Distribution Items	Amount (NT\$)
Directors' Compensation (Cash)	5,296,750
Employee's Profit Sharing Bonus (Cash)	19,865,063
Total	25,161,813

1.6 Buyback of Common Stock:

As of March 31, 2025

Instance	13 th Batch	14 th Batch
Purpose	Transfer to employee	Transfer to employee
Buyback Period	2020/03/25~2020/05/22	2024/11/08~2024/12/27
Price Range(NT\$)	NT \$16.92~19.7	NT \$114.16~133.69
Type and Volume (shares) of the Repurchased shares	Common Stock 6,000,000 shares	Common Stock 3,668,000 shares
Amounts of the Repurchased share (NT\$ thousands)	108,425	462,609
The ratio of the Repurchased Shares to the Planned Buyback Shares (%)	100	85
Cancelled and Transferred Shares	Common Stock 5,223,000 shares	Common Stock 0 shares
Cumulated holding Volume (shares)	Common Stock 4,445,000 shares	
The ratio of the Cumulated holding Volume to the total issued shares(%)	2.69	

2. Issuance of Corporate Bonds : None.

3. Preferred Shares : None.

4. Issuance of GDR/ADR : None.

5. Status of Employee Stock Option Plan :

5.1 Issuance of Employee Stock Options:

Not applicable.

5.2 Employee Stock Options Granted to Management Team and to Top 10 Employees:

Not applicable.

6. Status of New Employees Restricted Stock :

6.1 Status of Employee Restricted Stock: None

6.2 Employee Restricted Stock Granted to Management Team and to Top 10 Employees:

None.

7. Status of New Share Issuance in Connection with Mergers and Acquisitions :

GPM neither issued new shares in connection with mergers or acquisitions during 2024, nor as of the date of this annual report.

8. Funding Plans and Implementation: Not applicable.

IV.Operational Highlights

1. Business Activities

1.1 Business Scope

1.1.1 Main business content

- CQ01010 Die Manufacturing (restricted to area outside the Science Park)
- F106030 Wholesale of Die (restricted to area outside the Science Park)
- F113010 Wholesale of Machinery (restricted to area outside the Science Park)
- CC01080 Electronic Parts and Components Manufacturing (restricted to area outside the Science Park)
- F401010 International Trade
- CB01010 Machinery and Equipment Manufacturing
- CE01010 Precision Instruments Manufacturing
- CC01010 Electric Power Supply, Electric Transmission and Power Distribution Machinery Manufacturing
- CF01011 Medical Materials and Equipment Manufacturing
- F208031 Retail sale of Medical Equipments
- F108031 Wholesale of Drugs, Medical Goods
- D101060 Self-usage power generation equipment utilizing renewable energy Industry
- E601010 Electric Appliance Construction
- E601020 Electric Appliance Installation
- EZ05010 Apparatus Installation Construction

Research, development, design, manufacturing, and sale of the following items :

- (1) IC Packaging Front End Equipment : IC Bonding Machine 、 IC Wire Bonder
- (2) Flip Chip Process Equipment : Flip Chip Bonder 、 Glue Spreading Machine 、 Die Sorter
- (3) Semiconductor Packaging Process and Testing Equipment
- (4) Semiconductor Failure Analysis Testing Equipment
- (5) FPD Processing and Testing Equipment
- (6) Intelligent Total Solutions and Equipment
- (7) Other import and export business of related products

1.1.2 Revenue Mix(2024)

Product	Operating Percentage (%)
Display Process Equipment	17.80%
Semiconductor Process Equipment	70.54%
Intelligent Automation Equipment	0.62%
Others	11.04%
Total	100.00%

1.1.3 Products Currently Offered by GPM

- (1) Semiconductor Process Equipment
 - A. Precision Machining and Precision Mold
 - (A) Trim / Form System
 - (B) Auto Molding System
 - (C) Trim / Form System
 - (D) IC Substrate Punch System
 - (E) Mold for Auto Sealing Machine
 - (F) Die Set /kit for Trim / Form System
 - (G) Fully Auto Panel Molding System

- (H) FC Bump Coin Lamination Equipment
 - B. Precision Pick and Place
 - (A) Grain Pick / Place Machine
 - (B) IC Bonding Machine
 - (C) IC Die Multi-face Inspection and Sorting Machine
 - (D) Heat Sink Covering Machine
 - C. Laser
 - (A) Laser Marking Machine
 - D. Semiconductor Inspection Equipment
 - (A) Wafer Surface Defect Inspection machine
 - (B) White Light Interference Measurement System for Wafer 3D Topography and Size
 - E. Precision Grinding
 - (A) Substrate Grinder
 - (B) Strip Grinder
 - (C) Panel Grinder
 - F. Wet Chemical Process
 - (A) Batch Etcher
 - (B) Batch Stripper
 - (C) Batch Developer
 - (D) Batch Cleaner
 - G. Semiconductor Failure Analysis Testing Equipment:
 - (A). Picosecond Image for Circuit Analysis Equipment
- (2) TFT-LCD / OLED / Flexible OLED Display Process Equipment:
- A. Array Process Equipment
 - TEG Prober
 - Array Tester
 - Array Cleaner
 - Array Wet etching
 - B. Cell Process Equipment
 - Edge Grinding Machine
 - Cell Tester
 - Polarizer Attachment machine
 - In- process Cleaner
 - Glasses Thinner Process Defect Inspection Machine
 - C. Inspection
 - Panel Surface Inspection
 - Burr Checker System
 - D. Automation
 - G4.5 / G5 / G6 / G7.5 / G8.5/G10.5 Cassette Station
 - Loader / Unloader & Automation for Cell Area
 - Dense Packer / Unpacker C/V, Buffer etc.

-Automation for Production Line

(3) Intelligent Manufacture Total Solutions and Equipment

- A. Intelligent Logistics System
- B. Process Automation Equipment
- C. Solar Cell Automation Handling System
- D. Lithium Iron Battery Core Seal Welding and Lamination Device
- E. Intelligent Diagnosis and Preventive Maintenance System
- F. Robot Handling and Machining System
- G. Intelligent Factory Integration Service

1.1.4 New Product (Service) in Planning

The GPM Group are planning to develop the following new product (service):

R&D Project (Technology)	Product
	● High Speed 3D Metrology for Advanced Package
	● Panel Polisher
	● Glass Substrate Grinder
	● Intelligent Quality Prediction System for Grinder Process Control
	● Multiple Tape Reel Unloader Module
	● Wafer ID/Reference Marking System for OHT
	● Die Bonder with Laser Assisted
	● Panel Level Face Down Die Bonder
	● High Accuracy & Cleanliness Chip Sorter
	● Hybrid Die Bonder
	● High Accuracy Larger Panel O/S Tester for 64K
	● High Accuracy Automatic Tester for IC Carrier

1.2 Industry Outlook

1. Current conditions and development of the industry: The Company is a manufacturer of the procedures, testing, and automated equipment of the electronic industry. In 2024, the Company mainly focused on the semiconductor equipment industry, FDP equipment industry, and smart auto industry, and the current conditions and the development of the industry are described as follows:

(1) Semiconductor Equipment Industry

According to the forecast of WSTS, the global semiconductor production value in 2024 is estimated to reach US\$611 billion, with an annual growth of 16.0%, and will grow to US\$687 billion, with an annual growth of 12.5%, exhibiting strong performance in the market. According to IEK, ITRI, the development of the global semiconductor industry is also deeply affected by the policies in different countries. The Chips and Science Act in the U.S., the European Chips Act, and the industrial development plans in Taiwan and Japan are reforming the ecology of the global semiconductor supply chain. Taiwan, as a core venue for global semiconductor manufacturing, will continue to play a crucial role under the support of policies and technological innovations. It is estimated that the production value of the IC industry in Taiwan will reach NT\$5.3 trillion, with an annual growth of 22.5% in 2024. Promoted by AI, HPC, and other application requirements, the production value of the semiconductor

industry in Taiwan will exceed NT\$6 trillion in 2025, and the estimated annual growth rate will be 16.5%. The IC design industry manufacturing industry, and packaging and testing industry in Taiwan will record two-digit growth in 2025, which will continue to facilitate the IC industry in Taiwan to move toward a new era.

According to the top ten technological trends in 2025 announced by TrendForce, a global research institution, it is estimated that after introducing the EUV technology into the 7nm procedures in the front-end procedures of fabs, the FinFET structure will face physical limitations starting from 3nm, and there will be differences for advanced procedure technologies. TSMC and Intel continued to use the FinFET structure in the mass production of 3nm products in 2023. Even though Samsung attempted to introduce 3nm into the Multi-Bridge Channel Field-Effect Transistor (MBCFET) structure of Gate all around Field Effect Transistors (GAAFET) and commenced the formal mass production in 2022, the products were not released. Entering 2025, TSMC formally introduced 2nm into the Nanosheet Transistor Architecture, Intel introduced 18A into the RibbonFET, and Samsung continues to improve the MBCFET 3nm procedure to realize scalable mass production in 2025. The three parties have formally started the GAAFET structure competition in the hope of bringing high-performance and low-power consumption chips with a higher transistor density per unit area to customers through the contact of effective control gates of four sides.

AI applications caused the increasing demand for customized chips and packaging areas while promoting the CoWoS requirements in 2025. The material development in the CoWoS market, as observed by TrendForce in 2025, is as follows: 1. In 2025, the ratio of the demand of NVIDIA for the CoWoS of TSMC will increase to nearly 60%, driving almost the doubled monthly production capacity of CoWoS for TSMC by the end of the year of 75 to 80K. 2. The release of the new platform Blackwell of NVIDIA in the first half of 2025 will drive the demand for CoWoS-L to exceed that of CoWoS-S, and the ratio is likely to exceed 60%. 3. CSP actively invests in SCIC AI chip installation, and AWS has a significant increase in the demand for CoWoS.

The machinery industry in Taiwan secured a seat in the global semiconductor equipment market. In recent years, emerging drivers have been brought by the rapid development of smart robots, drones, Digital Twin, and Generative AI technologies. According to IEK, ITRI, regarding the semiconductor equipment industry, the global semiconductor market is likely to record booming results for two consecutive years with the uprising requirements requirements for AI computing, HBM, and equipment in Mainland China. According to the estimates of SEMI, the global semiconductor market in 2024 is estimated to grow by 3%, with a production value breaking through USD billions. It will continue to grow by 16.5% in 2025 to US\$127 billion. As governments of different countries encourage chip autonomy and have been building fabs, 185 wafers commenced operation or construction worldwide from 2022 to 2024, and over 50% of them are in Mainland China, Taiwan, and the U.S. In particular, Mainland China expands investment in mature procedures while facing the restriction of export control for advanced equipment; the changes in the policy for trade between the U.S. and Mainland China in the following are closely related to the development of the equipment market.

According to IEK, ITRI, AI will be the main pushing force for the growth in the semiconductor market in the following decade, and relevant applications will bring about the heterogeneous integration of the front-end wafer manufacturing and the back end (i.e., CoWoS procedures, TSV, RDL, and other equipment requirements for advanced packaging). It is estimated that the advanced packaging market will achieve US\$78 billion by 2028. The silicon photon technology with high speed and low energy consumption will start to develop, which will also bring challenges to manufacturing and packaging. The Company will keep abreast of relevant equipment requirements and grasp relevant business opportunities.

(2) FPD equipment industry

According to the Department of Industrial Technology, MOEA, Micro LED is an important development item in the global display field and has become a popular development item in the global display field in recent years. Micro LED has been developing from the beginning of 2000 up to today. After years of development, the basic nature of panels (i.e., size and resolution) has achieved similar specifications as compared to the existing technologies (i.e., OLED and TFT-LCD); however, due to the nature of the technology (LED direct display instead of backlight modules), better exhibition can be achieved in terms of brightness, contrast, power consumption, thinness and lightness, weather resistance, and other display functions. Nonetheless, procedures are under development and not mature at present, and the manufacturing cost of panels remains high, and the commercialization progress remains slow. The overall procedures for Micro LED can be divided into Micro LED chip manufacturing, mass transfers to substrates, testing/repair, full colorization, and packaging/module.

To successfully commercialize Micro LED, the reduction in costs is the focus of attention by different parties. Analyzing based on the Micro LED panel cost structure, it mainly contains four major parts, including Micro LED chips (approximately 35%), mass transfers and repair (approximately 35%), driving substrates (approximately 20%) and the remaining packaging and module section. Therefore, the key to the reduction in cost lies in the technological development of wafer/chip, mass transfer/repair, substrate design, full colorization, and other procedures. The commercialization of Micro LEDs first focused on TV, AR, and Smart Watch applications, and the crucial Micro LED chips and glass substrates are from PlayNitride and AUO in Taiwan, respectively. The mass transfer method also transformed from the former Stamp Transfer to Laser Transfer, and the main applications will focus on the family theatres of high-end residences, smart retail fields, control centers, and public spaces.

According to the top ten technological trends in 2025 announced by TrendForce, a global research institution, Apple formally launched the iPad Pro series that adopted the RGB AMOLED panels in 2024, showing that the next step of RGB AMOLED panels will expand to the applications in mid-sized products. Apart from tablets, the trend of laptops adopting AMOLED panels is manifesting. Despite that Appl plans to introduce AMOLED panels into the Macbook series in 2026 and 2027, it commenced the expanded investments in panel plants early to expand the Gen 6 production line configurations of RGB AMOLED panels to the scale of Gen 8.6 or 8.7 to respond to the subsequent potential demand. Such established trends brought about the early deployment by other brands to utilize existing production lines for the exploration of markets. Based on the scale of AMOLED laptops in 2025, it is likely to exceed 6 million units as estimated, and the market penetration rate is estimated to reach 3%.

According to the 2024 Micro LED market trend and technological cost analysis by TrendForce, with the support of AUO, Ennostar Group, PlayNitride, and the supply chain in 2025, the shipping of Micro LED TV of Samsung/LG will grow stably, and Innolx, BOE, Chenxian, and Tianma plan to enter the Micro LED TV market. In 2025, the production value of the Micro LED TV market is likely to reach US\$185 million, with a CAGR of 199% from 2023 to 2028. After the launch, Micro LED TVs are introduced into family theatres, exhibitions and displays, corporate meetings, and educational space markets. The transparent Micro LED display screens are suitable for retail department store spaces, art and cultural spaces, and the Hospitality Industry to serve as the auxiliary introduction for the displayed products, which will achieve outstanding performance in 2025. The transparent automotive display shows driving information via the See-through Display, and the brightness and saturation become higher/

According to the Department of Industrial Technology, MOEA, as panel companies in Taiwan have relatively conservative investments in MOLED, they cannot compete with the production capacity in Mainland China and South Korea, and they turned the technological development focus to Micro LED technology. Taiwanese companies take the lead for Micro LED technologies at present, especially in epitaxy, glass substrates, mass transfers, and full colorization (the key chips and glass substrates of Samsung's Micro LED TVs are from PlayNitride and AUO, respectively. AUO will also take the lead

in the mass production of smart watch panels. In the future, the observation focus will continue to be the effective reduction of production costs through the improvement in transfer speed and the effective miniature of chips. Regarding panel companies in Taiwan, the capital for AMOLED is high. For example, building a Gen 6 production line requires approximately NT\$200 billion. However, the frontend procedure of Micro LED (TFT glass substrates) has high connectivity with the existing TFT-LED procedures, and other procedures are also the advantages in Taiwan and are similar to the semiconductor industry; therefore, the investment amount will not be excessive; suitable for the current conditions for the development of the display industry in Taiwan. On the other hand, the advantage in Taiwan is the absence of OLED as a burden. Despite the rich capital of the display industry in Mainland China, multiple resources have been invested in OLED. At present, Mainland China and South Korea are in intensive competition for OLED; therefore, improving the development of Micro LED will be a great opportunity for the Company in the future.

(3) Intelligent automation industry

In response to the small-volume, large-variety production trend worldwide, the restructuring of the global supply chain, and the carbon reduction requirements, the global manufacturing industry commenced accelerating the adoption of various ICT technologies to improve the competitive strength within the industry and connect to the international stage so as to promote intelligence and automation for the better management of production lines, products, and quality. Under the trend, AI technology has become an issue with much attention attached. With AI, enterprises can optimize production, reduce energy consumption, promote the green energy transition of plants, and stabilize production capacity planning to respond flexibly to changes in the supply chain and rapidly evaluate the delivery term. Industry accounts for the largest consumption of global energy and is also one of the main sources of carbon emissions. With the improvement in the efficiency of production lines, the chances of operation suspension and reworking reduce, which naturally realizes the target of energy conservation and carbon reduction.

Responding to the restructuring of the global supply change and the relocation of the production base, the manufacturing industry is required to adopt cloud services, information security protection, and remote collaborative constructions to carry out the fast installation of overseas production lines and corresponding production management, automation system, procedure planning, and procedure diagnosis software system installation and adaptation to achieve high-efficiency digital manufacturing and business management. Such overseas production line installation and software system installation and adaptation include the development of the smart system technology of production lines through the combined smart manufacturing service platform, immersive remote collaborative construction, and zero trust information security protection technologies.

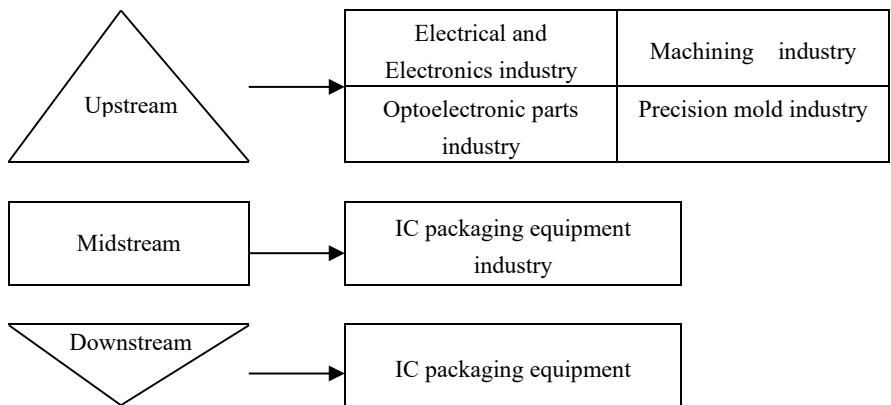
Facing the coming wave, AI will become the crucial pushing force that changes industry development by 2030. Together with the explosive commercial applications of ChatGPT at present and the employee shortage and the lack of talent after the pandemic, the Company shall focus on the application of Generative AI (GAI) in assisting enterprises in reducing labor costs and improving production efficiency so as to facilitate the Blue Ocean value of AI innovations in the smart machinery industry, which will be one of the great opportunities of the Company in the future.

According to the top ten technological trends in 2025 announced by TrendForce, a global research institution, AI and mechanical power technologies have become mature day by day; together with the active deployments made by NVIDIA and Tesla, the robot issue will continue to be focused on by the market in 2025. For technological development, software platforms will focus on machine-learning training and digital twin simulation, and the complete appliance will focus on collaborative robots, autonomous mobile robots (AMB), and humanoid robots to adapt to various environments and human-machine collaboration and interaction. In particular, Chinese companies proactively invested in humanoid robots and will realize mass production step by step in 2025. It is estimated that the CAGR for the scale of the global humanoid robot market from 2024 to 2027 will reach 154%, and the

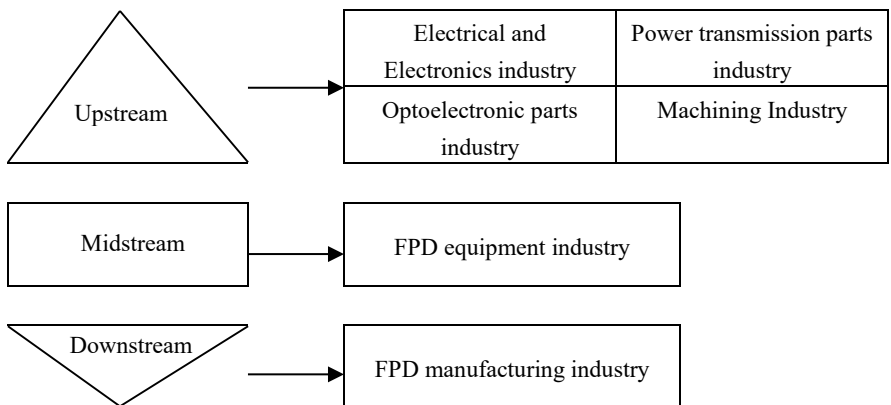
production value is likely to break through US\$2 billion at once. In terms of the overall application field, as compared to the picking of goods by using industrial arms, service robots can support exchanges and interactions of multimodality, information search, summarizing text, formulating schedules, and other scenarios through Generative AIs to bring about the benefits of high mobility, high companionship, and extensive functions, which will become the development focus for robots in the following years, and will be the opportunities of the Company in the future.

2. The supply chain of upstream, midstream and downstream of the industry

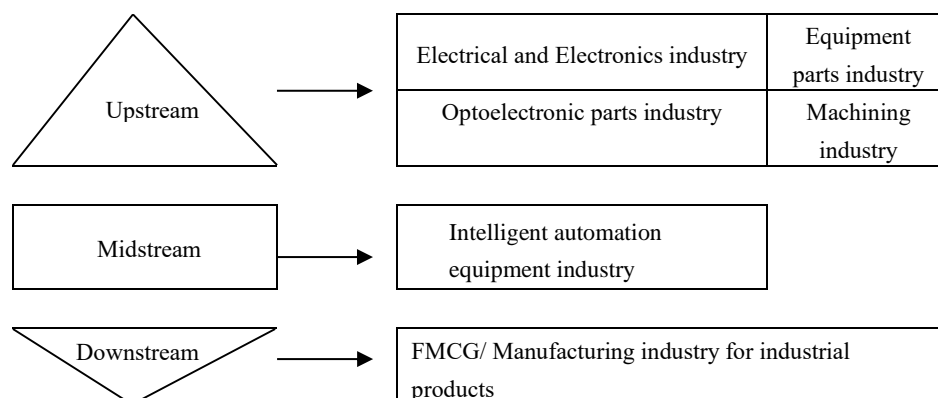
(1) Semiconductor IC packaging equipment industry



(2) FPD equipment industry



(3) Intelligent automation equipment industry



3. Product development trends and competition status

(1) Semiconductor Equipment Industry

According to the estimation of DIGITIMES Research, the CAGR of the operating income of the global wafer foundry industry from 2024 to 2029 will reach 11.5%, US\$27 billion. AI/HPC applications drive strong advanced procedures and advanced packaging requirements, which is the main growing momentum for the operating income of the wafer foundry industry. On the other hand, to satisfy the mid-to-long-term demand of customers, companies have released the production capacity for advanced procedures and mature procedures; however, geopolitical risks will remain the uncertainties that affect industrial development for the following five years. Therefore, redefining the scope of the wafer foundry business and the deployment of production in multiple locations will become the strategic directors of companies accordingly.

The competition for the 2nm procedures of wafer foundry will commence in 2025. TSMC, Samsung, and Intel will have mass production of semiconductor manufacturing technologies with similar technological nodes. Based on the procedure blueprint, Intel will take the lead over TSMC and Samsung in entering the 1.4nm node that is estimated to be launched in 2026. TSMC estimates to carry out the mass production of the A14 procedures in 2028, and Samsung estimates to launch the SF1.4 procedures in 2027. Intel may launch the next-generation procedures in 2028 and 2029 to maintain its leading advantage in terms of technology; however, customers' willingness to invest is to be observed.

Even though Intel completed the Intel 20A node development, it will provide the advanced version of Intel 18A for the wafer foundry service procedures. Intel has obtained external orders from AWS and the United States Department of Defense. Intel 18A will become an important part of the wafer foundry of Intel, and the mass production of chips for external customers will verify the level of maturity of Intel's procedures, the customization capability, and the performance of production yield. Based on the procedure blueprint, Intel will take the lead over TSMC and Samsung in entering the 1.4nm node that is estimated to be launched in 2026. Rapidus, a Japanese wafer foundry company, estimates to initiate the pilot production of 2nm nodes in 2025 and carry out the mass production in 2027; however, whether the mass production will be smooth is to be observed. Due to the inability to obtain EUV equipment, SMIC's commercialized procedures stopped at 7nm nodes, and whether the 5nm procedures can be put into mass production by 2029 is worthy of attention. The commercialization of advanced procedures below 5nm is subject to the development status of EUV equipment in Mainland China. Under the joint control over the export of advanced semiconductor equipment by the U.S., Japan, and the Netherlands, SMIC's intention to expand its deployment for advanced procedures below 7nm is subject to the semiconductor in Mainland China.

According to the estimation of DIGITIMES Research, advanced packaging technologies will become the focus for the deployment of new business opportunities in the wafer foundry industry. For wafer foundry companies, only TSMC and Samsung possess the fanout packaging technologies. Among wafer foundry companies, only TSMC has Fan Out Wafer Level Package (FOWLP) technology for mass

production, which is only adopted by the mobile phone application processors of Apple. Samsung is the first wafer foundry company that deploy in Fan Out Panel Level Package (FOPLP), and the application processors of the smart watches of Samsung adopt the FOPLP technology.

For 2.5D packaging, TSMC, Samsung, and Intel have slight differences in their deployments. In particular, Intel only made arrangements for the Si bridge solution, while TSMC and Samsung have the Redistributed Layer (RDL) solution and Si Interposer solution. The prevailing mainstream cloud high-end GPU accelerators mainly adopt the CoWoS-S procedures of TSMC, which will turn to CoWoS-L in the future.

3D hybrid bonding is the highlighted 3D packaging technology for the wafer foundry industry. TSMC's SoIC-X, Samsung's X-Cube (Hybrid Copper Bonding:HCB), and Intel's Foveros Direct are hybrid bonding technologies.

AMD is the first HPC chip company that adopt the SoIC-X technology of TSMC. UMC, PSMC, and GF have made arrangements for hybrid bonding technologies. UMC launched the Wafer to Wafer (W2W) hybrid bonding technology that is used in the integration of communication RF components. The Si stacking technology used in the 55nm RFSOI procedure platform is able to reduce the size of chips by 45% or above without harming the RF functions, effectively integrating more RF components to satisfy the greater bandwidth requirements of 5G. PSMC developed the W2W technology with vertically stacked logic ICs and memory, and the hybrid bonding technology was also adopted. GF developed the hybrid bonding technology, but there is yet any concrete solution.

Co-Package Optical (CPO) has become the material deployment strategy of TSMC, Samsung, and Intel in terms of the competition in the wafer foundry industry. Due to the improvement in performance, HPC chips require faster transmission speed and will turn to the optical path from copper wires to replace electronics with photons for transmission; the integration of optical engines and computing modules is required.

(2) FPD Equipment industry

According to IEK, ITRI, Micro LED panels are estimated to enter the automotive application market in 2026, and the shipping volume is estimated to grow significantly on a yearly basis and reach 400,000 units by 2029. With the decrease in the cost of Micro LED, the automotive market is expected to be a large application field of Micro LED. The feature of low energy consumption of Micro LED and the high penetration transparent display feature that is attractive to EV companies are also the most advantageous technologies for automotive applications; once the development of procedure with mass production benefits is achieved, future application growth cannot be underestimated. The automotive panel is the application market with the highest growth potential among different application panels, and it is estimated that the production value of automotive panels will exceed US\$10 billion by 2026.

The excellent features of the Micro LED display technology outplay OLED in terms of brightness, color gamut, reaction time, and lifetime, and it is likely to become the mainstream application technology in automotive displays, transparent displays, wearable devices, and other niche markets with high growing potential. However, low yield and high costs are the challenges to be conquered in the progress of the commercialized mass production of Micro LED. The epitaxy procedure, LED chip procedure, mass transfer, full-color display, and display drivers have crucial effects on the industrialized costs of Micro LED and the reliability of application products. Testing and repair are the necessary means to improve the yield, and equipment companies accelerate the mass production progress of Micro LED through the high-speed computing of AI to conquer the bottleneck encountered for the improvement in yield.

One part of the Micro LED display technology that is expected in the automotive application market is the high-penetration transparent display smart window application; therefore, Micro LED is the technology that is most suitable for transparent display. The transparent display is an application market

with high growth, and it is estimated that the CAGR of the market scale from 2022 to 2026 will reach 29%. The application scope of transparent display moved from the initial retail information billboards to smart mobility, smart building materials, and smart homes. Meanwhile, more interactive functions are added to turn to the hybrid scenario applications that are diversified and down to earth. Currently, outdoor commercial billboards mainly adopt LED technology; however, the low-resolution results in poor viewing effects. The high-end transparent displays at present mainly use the OLEP technology; nonetheless, the transparency of OLED is lower than 50%, far behind the level of penetration of Micro LED at 60% or above. Returning to the cost and mass production problems of Micro LED, companies in Taiwan cooperated in accelerating the integration of capacity of the industry to promote the establishment of a comprehensive industry chain from panels, materials, and equipment to allow Taiwan to become the material base for the global Micro LED industry. Facing the end market with higher and higher display quality requirements, panel companies have been constantly keeping up with investments.

Challenges faced by Micro LED technology require the joint efforts of the entire industry chain to conquer. With the constant progress in technology, Micro LED is likely to realize more extensive applications in the following years. The emergence of the HPC technology of AI accelerated the progress of the mass production of Micro LED, getting through the bottleneck encountered for the improvement in yield at present. The application of AI technology in Micro LED is for testing concurrently, with a focus on the improvement in testing efficiency, precision, and level of automation. As the size of Micro LED chips is ultra-small and the manufacturing process is complicated, the use of AI technology can effectively improve product quality and production efficiency. The application of AI technology in the Micro LED industry is mainly to solve the quality stability, homogeneity, and efficiency problems that exist in the traditional testing methods during the course of chip manufacturing and the course of mass transfers. The new solution is likely to promote the development and application of Micro LED technology. Alongside the significant progress in AI and machine learning technologies, it is estimated that the applications in Micro LED manufacturing and testing will become more extensive and deep.

AUO, a large-scale panel company, displayed its Micro LED smart cockpit display technology with “Infinite Future · Unlimited Possibilities” as the theme at CES 2025, which fully utilized the transparent, flexible, and large-sized advantages of Micro LED display technology to create the display HMI solution with human as the core to bring immersive and interactive smart cockpits. AUO exhibited the brand-new Smart Cockpit 2025 and brought span-new experiences through a series of Micro LED display HMI solutions and reformed smart cockpit designs. The Virtual Sky Canopy combined the large, seamless, transparent Micro LED display with the sunroof to bring an immersive experience and expand the human-machine interface to the entire cockpit. The Haptifold Display, made with Micro LED, combined the HMI design experiences of BHTC for years and integrated the console and temperature control function, with touch feedback in assistance, to bring more intuitive user experiences to drivers. The wood grain automotive display of BHTC combined the seamless wood surface with display to be included in in-vehicle designs.

Innolux displayed the “106-inch AM-Micro LED Module” with color conversion and “9.6-inch Micro LED Smart Mirror” at CES 2025 with “Driving New Possibilities” as the theme. The “106-inch AM-Micro LED Module” with color conversion can provide customized sizes from 12.3 to 220 inches with the minimum pixel pitch ($\leq P0.6\text{mm}$), breaking through the restrictive framework of traditional displays. The free splicing QD color conversion Micro LED display technology adopted the active TFT driver backplanes with four sides available for splicing and is equipped with the full colorization solution with blue light chips and QD color conversion technology, which can solve two major problems as compared to the technological structure of RGB Micro LED technology, including the homogeneity problem of green chips and the poor efficiency and reliability problems of the miniature red chips; it can also significantly reduce the number of mass transfers and achieve the reduction in costs and the improvement in yield; in addition, high-performance color conversion materials are also added to

achieve 90% of BT2020. The “9.6-inch Micro LED Smart Mirror” is an integrated multi-function smart mirror display that is equipped with the RGB emitting Micro LED technology of vehicle grade. Looking like a 9.6-inch mirror, it can display product information, promotion messages, and personalized advertisements and create VR interactive experiences for consumers, which is expected to be used in smart retail, smart cockpit, and other fields.

(3) Intelligent automation equipment industry

According to the forecast of MarketsandMarkets, an international research institution, the scale of smart manufacturing in the AIoT (AIoT, AI + IoT) application market in 2025 will reach US\$ 80 billion, ranking first, followed by digital twin and industrial AI applications, with a market scale of US\$ 19.7 billion and US\$17.2 billion, respectively. In 2025, industrial AI applications will have the highest market growth rate for smart manufacturing, with a growth in the market scale of nearly seven times, and the CAGR is 50.9%; digital twin application is the second in growth rate, with a growth in market scale of 5.6 times, and the CAGR is 45.7%. Under the technology trends and AI waves, the progress in industrial AI applications, Generative AI, human-machine collaboration, edge computing, digital twin robots, machine vision, smart sensors, and other technologies turned on the accelerator for the digital transition and intelligence of the manufacturing industry. How to carry out digitalization and ESG transition through technologies and AI applications will be an important task for the manufacturing industry.

In response to the small-volume, large-variety production trend worldwide, the restructuring of the global supply chain, and the carbon reduction requirements, the global manufacturing industry commenced accelerating the adoption of various ICT technologies to improve the competitive strength within the industry and connect to the international stage so as to promote intelligence and automation for the better management of production lines, products, and quality. Under the trend, AI technology has become an issue with much attention attached. With AI, enterprises can optimize production, reduce energy consumption, promote the green energy transition of plants, and stabilize production capacity planning to respond flexibly to changes in the supply chain and rapidly evaluate the delivery term. Industry accounts for the largest consumption of global energy and is also one of the main sources of carbon emissions. With the improvement in the efficiency of production lines, the chances of operation suspension and reworking reduce, which naturally realizes the target of energy conservation and carbon reduction.

Responding to the restructuring of the global supply change and the relocation of the production base, the manufacturing industry is required to adopt cloud services, information security protection, and remote collaborative constructions to carry out the fast installation of overseas production lines and corresponding production management, automation system, procedure planning, and procedure diagnosis software system installation and adaptation to achieve high-efficiency digital manufacturing and business management. Such overseas production line installation and software system installation and adaptation include the development of the smart system technology of production lines through the combined smart manufacturing service platform, immersive remote collaborative construction, and zero trust information security protection technologies.

Facing the coming wave, AI will become the crucial pushing force that changes industry development by 2030. Together with the explosive commercial applications of ChatGPT at present and the employee shortage and the lack of talent after the pandemic, the Company shall focus on the application of Generative AI (GAI) in assisting enterprises in reducing labor costs and improving production efficiency so as to facilitate the Blue Ocean value of AI innovations in the smart machinery industry, which will be one of the great opportunities of the Company in the future.

5.3 Technology and R&D Overview

1.3.1 For the most recent fiscal year and during the current fiscal year up to the date of publication of the annual report, R&D expenditures:

Unit: NT\$ thousands

Item \ Year	2024	As of March 31, 2025
R&D expenses to Operating income	316,289	92,597
R&D expense to Operating income ratio	7.13%	11.14%

1.3.2 For the most recent fiscal year and during the current fiscal year up to the date of publication of the annual report, techniques and products that have been developed successfully for the Group

R&D Project (Technology)	Product
	● Wafer 2D+3D AOI
	● Wafer Inner defect Inspection
	● Strip Grinder
	● μ -LED G4.5 Reattachment laminating Equipment
	● Intelligent AMR Dispatch Management & Simulation System
	● Wafer & Reel to Wafer & Reel Inspection Sorter
	● Wafer PBI System
	● Wafer Sorter
	● Wafer to Tray Cassette Sorter
	● High Throughput and High Accuracy Fully Automatic Fan-Out Die Bonder
	● High Throughput and High Accuracy Fully Automatic Flip Chip Die Bonder
	● IGBT LEADFRAME AUTO STAMPING System
	● Larger Panel Roate Tester

1.4 Long-Term and Short-Term business development plans

1.4.1 Short-Term business plans

- (1) Improve the performance of existing products in the semiconductor field to deepen the product lines and expand customer groups.
- (2) Cooperate with the requirements of partners and customers to forcefully enter the frontend semiconductor advanced testing technology development and the testing and grinding procedure equipment in the mid-to-back-end packaging procedures with high added value through technology introduction/cooperation.
- (3) Reinforce and focus on the next-generation FPD equipment with high added value in accordance with overseas technological cooperation to drive the diversified, sustainable management of the Company so as to explore the constant innovations and progress in the display industry in the future. We will duly select business opportunities with reasonable gross profit and focus on profits.
- (4) Continue the smart automation exploration achievements in 2025, concentrating resources on providing smart auto integration solutions for representing customers in key industries to realize their smart manufacturing targets.
- (5) Continue to expand the cooperation with top-notch companies worldwide and become their

long-term partners to ensure the business sources for stable development.

1.4.2 Long-Term business plans

- (1) Innovation and transformation, extension of tentacles and sustainable development are the guiding principles of development strategy.
- (2) Business orientation
 - The semiconductor industry, display industry and intelligent automation industry will be further promoted.
 - Extend related products to other foreign markets.
 - Strengthen the return of Taiwanese businessmen and the business opportunities of decentralized production by international manufacturers.
 - Deeply cultivate the after-sales service market of equipment and components, and grow together with customers.
- (3) Product aspect
 - The core technology (equipment & process) is deeply developed.
 - Expand the core technology in cross-domain product integration and application development.
- (4) Internationalization strategy of cultivating multiple talents.
- (5) Join tactical alliances with partner companies to form joint ventures, create valued services, and maximize overall profits.

2. Market, Production, and Sales outlook

2.1 Market Analysis

1. The Company main product (service) sales (provision) area and market shares

The Company's products have presence mostly in Asia. During the last two year the sales percentage of the GPM export sales:

Unit: NT\$ thousands

Items \ Year	2023		2024	
	Amount	Ratio (%)	Amount	Ratio (%)
Domestic Net Sales	1,982,622	64.18%	2,914,775	65.72%
Net Sales from Export	1,106,738	35.82%	1,520,153	34.28%
Total	3,089,360	100.00%	4,434,928	100.00%
Market Share	Not applicable		Not applicable	

2. The supply and demand situation and growth potential of the market in the future

According to the “2025 Economic Outlook of Taiwan” of the Taiwan Research Institute, the economic growth in countries worldwide recorded different trends, with the differentiated trends offset mutually, and the global economic growth showed a slow recovery due to lacking main momentum. With the reinitiation of unilateralism and the policy for inward-looking industry by the Trump government, it is estimated that the global trade, investment, and supply chain will have enormous fluctuations in 2025. The professionalism and the continuous geopolitical situations will cause spillover effects on the global economy; the global economic growth in 2025 is estimated to be full of variables and challenges. Benefiting from the global AI trend and the robust demand for cybersecurity products, the export recorded performance more favorable than expected regarding the economic performance in Taiwan in 2024. In terms of domestic demand, AI business opportunities were feverish worldwide; companies increased their investments in the expansion of production capacity, private investment recovered, and the overall economic environment improved as compared to that in June 2024. The Taiwan Research Institute made

an upward adjustment of 0.64% to the economic growth rate throughout 2024 to 4.21%. Looking into 2025, the consumption in terms of domestic demand recovered to the normal standard, and the private investment momentum is likely to continue. The international AI business opportunities are booming with prosperous export sales, and the growth in the international commodity trade is recovering; however, the risk of uncertainties for the new policies of Trump is relatively high. The Taiwan Research Institute estimates that the economic growth in Taiwan in 2025 shall be viewed with caution, and it is estimated that the economic growth throughout 2025 will be 3.16%.

Cooperating with the corporate strategy, we will continue to focus on core technologies and expand the applications in semiconductor, display, and smart auto industries and fields.

(1) Semiconductor Industry

According to the estimation of DIGITIMES Research, the CAGR of the operating income of the global wafer foundry industry from 2024 to 2029 will reach 11.5%, US\$27 billion. AI/HPC applications drive strong advanced procedures and advanced packaging requirements, which is the main growing momentum for the operating income of the wafer foundry industry. On the other hand, to satisfy the mid-to-long-term demand of customers, companies have released the production capacity for advanced procedures and mature procedures; however, geopolitical risks will remain the uncertainties that affect industrial development for the following five years. Therefore, redefining the scope of the wafer foundry business and the deployment of production in multiple locations will become the strategic directors of companies accordingly. 3D/2.5D IC/Fan-out and other advanced packaging procedures have become the trends; however, as the procedure methods are different between large-scale companies, there is no single standard equipment for comparison. Therefore, large-scale companies are required to respond rapidly to strengthen their competitiveness to develop equipment in accordance with their procedures, which also creates favorable development opportunities for domestic equipment companies.

The Company has long been focusing on the semiconductor packaging equipment business and has multiple products in the market that are recognized by tier-1 large-scale customers. We possess the advantages that align with customers and a robust technological foundation accumulated over the years, assisted by the flexible feature to cooperate with customized requirements; we are able to provide long-term satisfactory services to customers. In terms of advanced packaging technology, we actively invested in multiple forward-looking manufacturing equipment that was successfully introduced to large-scale international companies. With the recovery of the market demand, the prospect in 2025 shall be cautiously optimistic.

According to a report by DIGITIMES Research, the orders released by TSMC due to its plant expansion have become a key driver of growth for the global supply chain. Not only major international equipment manufacturers like ASML, but also many Taiwanese suppliers receive a substantial portion of their revenue from TSMC orders. As TSMC continues to expand both its market share and production capacity—particularly maintaining a dominant position in advanced process technologies—the industry's reliance on TSMC is expected to increase rather than decrease. However, the high concentration of orders from a single customer also elevates operational risks.

It's worth noting that the production and influence of TSMC's mature and advanced procedures grew rapidly together with the comprehensive installation of new plants or further production expansion and equipment upgrades in Taiwan, the U.S., Japan, and Mainland China; orders released have become the targets to be secured in the global equipment and material supply chains. The plant construction, wafer manufacturing, packaging, testing, aligners, etching, PVD, CVD, measurement, and polishing equipment and materials of new plants of TSMC in Japan and the U.S., together with the requirements after mass production, directly or indirectly injected growing momentum for thousands of semiconductor companies worldwide.

(2) Display Industry

According to IEK, ITRI, with the reduction in the cost of Micro LED, it is expected that the automotive market will be a large application field for Micro LED, and it is estimated that the production value of automotive panels

in 2026 will exceed US\$100 billion. The feature of low energy consumption of Micro LED and the high penetration transparent display feature that is attractive to EV companies are also the most advantageous technologies for automotive applications; once the development of procedure with mass production benefits is achieved, future application growth cannot be underestimated.

The Micro LED panels are estimated to enter the automotive application market in 2026, and the shipping volume is estimated to grow significantly on a yearly basis to achieve 400,000 pieces by 2029. Challenges faced by Micro LED technology require the joint efforts of the entire industry chain to conquer. With the constant progress in technology, Micro LED is likely to realize more extensive applications in the following years. The emergence of the HPC technology of AI accelerated the progress of the mass production of Micro LED, getting through the bottleneck encountered for the improvement in yield at present. The application of AI technology in Micro LED is for testing concurrently, with a focus on the improvement in testing efficiency, precision, and level of automation. As the size of Micro LED chips is ultra-small and the manufacturing process is complicated, the use of AI technology can effectively improve product quality and production efficiency. The application of AI technology in the Micro LED industry is mainly to solve the quality stability, homogeneity, and efficiency problems that exist in the traditional testing methods during the course of chip manufacturing and the course of mass transfers. The new solution is likely to promote the development and application of Micro LED technology. Alongside the significant progress in AI and machine learning technologies, it is estimated that the applications in Micro LED manufacturing and testing will become more extensive and deep.

Multiple main products of the Company have successfully been introduced to major customers for FPD and Micro LED one after another. With the intensive R&D and promotion of G8.5/G10.5 equipment, automotive panel-related equipment and Micro/Mini LED equipment, it is expected that the future display equipment of the Company will record achievements from the business opportunities arising from plant expansions of companies in Taiwan subsequently.

(3) Smart Manufacturing Industry

Facing the coming wave, AI will become the crucial pushing force that changes industry development by 2030. Together with the explosive commercial applications of ChatGPT at present and the employee shortage and the lack of talent after the pandemic, the Company shall focus on the application of Generative AI (GAI) in assisting enterprises in reducing labor costs and improving production efficiency so as to facilitate the Blue Ocean value of AI innovations in the smart machinery industry.

The smart equipment of the Company mainly focuses on AGV systems, smart diagnosis, preventive and maintenance systems, and other solutions. The system integration ability is the advantage of the Company, and achievements in equipment installation have been recorded in semiconductor/panel/solar power/PCB and other high-tech industries. The Company has accumulated an in-depth production and manufacturing foundation and the soft power of system integration, gained high ratings and won constant awards within the domestic and foreign industry sectors. In recent years, we have provided smart manufacturing solutions in response to the development trends of Industry 4.0 and smart machinery, accelerating the promotion of the manufacturing industry in smart manufacturing solutions.

3. Advantages and disadvantages of competitive niches and development prospects and countermeasures.

(1) Favorable factors

CES 2025 organized in Las Vegas in January not only focused on the applications of AI, IoT, and metaverse, but also set the core as semiconductor technologies and launched the latest applications of self-driving cars and humanoid robots. In 2025, the focus of the global electronic industry is on advanced procedures, advanced packaging AI servers, optical communication, and networking; such markets have derived multiple new equipment requirements. The semiconductor industry is at its peak, and the advanced packaging of semiconductors has become the trend. However, as the procedure methods are different between large-scale companies, there is no single standard equipment for comparison. Therefore, large-scale companies are required to respond rapidly to strengthen their competitiveness to develop equipment in accordance with their procedures. We possess the advantages that align with customers and a robust technological foundation accumulated over the years, assisted by the flexible feature to cooperate with customized

requirements. With the support of the government and indicative large-scale plants in Taiwan to national equipment. It is the perfect timing to enter the market to grasp the trends, and there are positive development conditions available.

In the display field, with the technology transfer of the PROBER and wet etching procedures equipment technologies in the Array section with high added value from Japan, we successfully developed the main procedure products in the Array and Cell sections and successfully expanded the applications to the main customers, allowing the Company to achieve the comprehensive and healthy operations in the display field.

The market demands for intelligent automation has exploded; the Company has won the favor of heavyweight companies in different fields for large-scale alliances and cooperation, and its prosperity is expected.

A. Research and Development:

The Company is constantly dedicated to the research and development of innovative and diversified products, and cooperates with corporate research institutions and academic institutions to develop advanced process equipment, continuously improves the own technical capabilities. The Company's R&D capability is confirmed by the manufacturing, governmental, academic and research regions

Except accumulating complete core technologies and integrated application capabilities, which can serve as a strong background for the Company's continuous expansion, in recent years, the Company has successively completed many technical cooperation projects with international manufacturers. By introducing world-class technologies, it will further help the Company carry out international market layout and transformation.

B. Complete quality system

The Company has a complete Q (quality) D (delivery) T (technology) C (cost) S (service) S (safety) quality system, which can provide a full range of services, conducive to attracting world-class customers to form strategic partnerships. At present, considerable progress has been made in the corporate strategy of "strategic cooperation/cross-regional cooperation, alliances go hand in hand together".

C. Powerful logistics support system

The Company has a long history and good credit status. After years of contacts with outsourcing and material suppliers, the two parties have established a good supply, demand and cooperative partnership, which is conducive to expand production capacity and stable material supply.

(2) Unfavorable Factors and Countermeasures

A. By facing the rise and expansion of China panel industry, China government actively drives the localization of its equipment, and the Company gradually faces strong competition from China's local equipment. Mainland China's greater support for the semiconductor industry has also driven the rapid development of its local equipment industry. China local equipment manufacturers compete for the market with low prices, creating a competitive relationship with each other. Countermeasures:

- (A) Continuously strengthen the technology of proprietary products and enhance intellectual property patent applications, while introducing advanced foreign technologies to elevate product levels and escape low-price competition. Enhance local operational resources in China, improving the design and manufacturing capabilities of Chinese subsidiaries to expand competitiveness in the Chinese market. Develop some equipment locally, integrate local resources to control costs, and strengthen local services in China.
- (B) Enhancing operating resources in mainland China and the design and manufacturing capabilities of mainland subsidiaries to expand the competitiveness of the mainland China market. Part of the equipment development is localized; integrating local resources to control costs; and strengthen local services in the mainland China.
- (C) Make full use of the local equipment supply chain in mainland China and integrate the QDTCSS energy that the Company is good at to provide customers with more valuable

- services and create a win-win situation.
- (D) Close to customers and quick response are the key factors for us to effectively enter into the development of new processes for customers. Under this premise, we can continue to innovate and grow with customers. However, under the status of limited resources and rapid market evolution, mature products and new R&D equipment should carefully chose in terms of funds and manpower.
 - (E) Based on core technologies; cooperate with industry trends; invest R&D on new products; and expand industrial applications, including memory, 5G, AI, and Mini/Micro LED, etc., to expand market supply/demands.
- B. FPD industry may not have a long and lasting development opportunity. Countermeasures:
- (A) Cut into the high value-added heading cleaning, wet etching, and testing equipment of the FPD industry.
 - (B) Hold the business opportunities of the renovation of FPD customers' existing equipment; expand integration and promoting after-market value-added services.
 - (C) Explore different industries such as semiconductors and intelligent manufacturing, and plan for the New Eastbound and New Southbound markets.
 - (D) Continue to carry out innovative operations of strategic alliances, technology transfer cooperation, and cross-domain integration.

2.2 Main usage and Production Process of the Primary Products

1. Main usage

The Company is specialized in design, manufacturing and sales of equipment in semiconductor, FPD , intelligent automatic and biomedical.

2. The process of the Company's production and manufacturing are as follows:

All the Company's new product R&D shall follow the strict "C process design development control procedure" to control the R&D projects. C process includes "C0 Market Assessment", "C1 technique and product planning", "C2 Design Phase", "C3 Manufacturing and Assembly Phase", "C4 Testing and Validating Phase" and "C5 Result Confirmation Phase"

Development results are controlled by "S process", including "S1 Purchased Material Inspection", "Machine Component Module Assembly", "S4 Electricity Control and Whole Machine Control", "S4 Cold Run Test" and "S5 Hot Run Test".

2.3 State of Supply of Main Materials

The main material and source of the semiconductor equipment and TFT LCD equipment produced and manufactured by the Company are as follows:

Mechanical Component

(1) Functional Machine Component

The mechanical designers draw the technical drawings based on specifications and engineering department produce or outsource to contractor to produce. The main materials includes metal like steel, iron and aluminum.

(2) Standard Mechanical Parts

Other general parts such as bearing, servo motor, drive belt, spring, stamping die, guide rod and buffer are purchased through trader or from domestic market based on the decision and selection of mechanical designers.

(3)Software such as Computer and Human Machine Interface

Industrial and human machine interface are acquired through trader or from domestic market based on the decision and selection of electronic controller.

(4) Various signal transmitting and control components

Components such as sensors, solenoid valve, server controller and touch switch are acquired through trader or from domestic market based on the decision and selection of electronic controller.

(5) Electric and transmitting components

Components such as cylinder, illuminating lamp, transformer and power supply are acquired through trader or from domestic market based on the decision and selection of electronic controller.

2.4 Key Supplies & Customers

2.4.1. Key Suppliers

Names of suppliers accounting for more than 10% of the total purchase in any of the previous two years: None.

Unit: NT\$ Thousands / %

2023				2024			
Supplier	Procurement Amount	As % of 2023 Total Net Purchase	Relation	Supplier	Procurement Amount	As % of 2024 Total Net Purchase	Relation
Others	1,683,359	100.00%	—	Others	2,439,616	100.00%	—
Total Net Procurement	1,683,359	100.00%		Total Net Procurement	2,439,616	100.00%	

2.4.2. Key Customers

Names of customers accounting for more than 10% of the total sales in any of the previous two years:

Unit: NT\$ Thousands / %

2023				2024			
Customer	Net Revenue	As % of 2023 Total Net Revenue	Relation	Customer	Net Revenue	As % of 2024 Total Net Revenue	Relation
Customer B	779,964	25.25%	—	Customer N	1,082,391	24.41%	—
Customer U	427,467	13.84%	—	Customer B	775,490	17.49%	—
Customer N	401,571	13.00%	—	Customer S	304,479	6.87%	—
Customer V	186,843	6.05%	—	Customer U	281,166	6.34%	—
Others	1,293,515			Others	1,991,402		
Total Net Revenue	3,089,360			Total Net Revenue	4,434,928		

3. Human Capital

Year		2023	2024	As of March 31, 2025
Number of Employees	Indirect Labor	367	335	335
	Direct Labor	461	464	457
	Total	828	799	792
Average Age		41.56	42.38	42.6
Average Years of Service		9.88	10.29	10.39
Education (%)	Ph.D.	0.48%	0.50%	0.51%

Master's	22.83%	24.4%	24.49%
Bachelor's	64.49%	64.08%	64.14%
High School	10.15%	9.64%	9.47%
Others	2.05%	1.38%	1.39%

4. Expenditure of environmental protection

In the latest year and up to the date of publication of the annual report, the damages (including compensation) incurred due to environmental pollution and violations of environmental protection laws and regulations as a result of environmental protection audits shall be listed; and disclose the estimated amount and countermeasures that may occur at present and in the future. If unable to be reasonably estimated, it should explain the fact why unable to be reasonably estimated:

All environmental protection affairs in the Company's plant are implemented in accordance with national laws and regulations; there is no loss (including compensation) and punishment due to environmental pollution. Meanwhile, the Company actively invests in environmental protection and pollution prevention tasks with a total investment of NT\$1,230 thousand. Every year the Company invested a large amount of money to add and improve pollution prevention and control equipment, and the process is constantly updated to achieve pollution reduction, resource recovery and reuse purpose; also, the Company actively drives environmental safety and health management measures, and regularly implements environmental inspections of plants according to the law, enhancing hazard identification safety training, disaster prevention training, and employee health inspection and promotion for all employees; expecting to achieve the goal of zero pollution in production and zero accidents in the workplace. Regarding the impact on the environment and climate, we are dedicated to reducing emissions of greenhouse gases and efficiently using energy.

In addition to complying with domestic laws and regulations, we also strive to achieve compliance with the norms of the European Union Environmental Protection Directive (RoHS) and international conventions.

5. Labor relations

5.1 List the Company's employee welfare measures, education, training, and retirement systems and the implementation status, as well as labor-management agreements and protection measures of employee rights and interests:

1. Employee welfare measures

The Company believes that employees are the most important assets. In addition to providing appropriate work content, it also provides high-quality remuneration and benefits. The Company also encourages employees to devote themselves to their families, pursue interests, care for society, and create a comfortable life.

(1) Salary and leaves

- Salaries and bonuses: Apart from basic monthly salaries, the Company also provides bonuses for the Dragon Boat Festival, Mid-autumn Festival, CNY, and festivals; the Company also provides quarterly performance bonuses based on the achievement rate of operational targets, profitability, and the personal performance of employees to provide incentives to employees for their excellent performance; the remuneration of employees is appropriated according to the Articles of Incorporation.
- Leave and flexible attendance system that is more favorable than the Labor Standards Act.
- Maternity Leave, pregnancy inspection leave, paternity leave, and sick leave are more favorable than the Labor Standards Act.
- To care for employees' family lives, the Company provides vitality leave, birthday leave, and school opening leave for first-year elementary school students.
- To encourage employees to invest in volunteer services and contribute to society, the Company provides volunteer leaves.
- Flexible working system.

- (2) Living and incentive subsidy
- Provide consolations and gifts for marriage, funerals, birth, festivals (Dragon Boat Festival and Mid-autumn Festival), hospitalization, and CNY.
 - Childcare measures, NT\$3,000-6,000 per month for childcare of the third child and education allowance.
 - To encourage employees to innovate, the Company provides innovative research bonuses, proposal improvement bonuses, outstanding team bonuses for special performance, and outstanding employee bonuses, etc., to stimulate employees' work enthusiasm and teamwork spirit.
 - To reward employees for self-improvement, there are bonuses to drive employees to obtain English and Japanese licenses or become excellent internal training lecturers, and let employees to earn training credits.
 - Subsidize the cost of parking spaces.
 - If employees hold outdoor social activities themselves, the Company provides the outdoor social activity subsidy in the amount of NT\$300 per person per time.
 - Subsidize on-job training expenses.
 - Provide employees with an advance salary measure for purchasing vehicles. Employees can advance between 150,000 to 300,000 NTD based on their financial situation, enhancing their living conditions.
 - Provide employees with an advance salary measure for purchasing houses. Employees can advance between 360,000 to 1,500,000 NTD based on their financial situation, reducing their living pressure.
- (3) Stress-relieving environment
- Build a comfortable milk collection room for female employees.
 - Each plant has a staff cafeteria; and provides staff meal allowances.
 - Build a library; and use the bar table to achieve the effect of stress relief.
 - Each plant has a fitness center.
 - Free coffee machines and snack vending machines.
 - Provide “Age-Friendly Glasses” in factory libraries.
 - Activate public areas and create comfortable recreational environments.
- (4) Soft activities
- Organize concerts, corporate retreat, family fays, volunteer activities, and other service family activities to allow employees to achieve work-life balance.
 - Host group health and fun competitions on different festivals.
 - Host the year-end/spring wine activities every year.
- (5) Meal enjoyment
- Free afternoon tea.
 - Distribute healthy meals on Father's Day, Mother's Day and other festivals.
- (6) Family members share
- Group insurance for employees' family members.
 - Provide health check discounts for employees' family members.
- (7) Special contracts
- Signed contracts with counseling centers (2 in Hsinchu and 2 in Taichung) to provide avenues for stress relief for colleagues.
 - Sign a special contract with the kindergarten.
- (8) Other measures
- Provide annual free health check.
 - Model staff and senior staff reward system.
 - Perfect performance management system.
 - Each supervisor develops the plan according to the performance indicators. In order to achieve the Company, department and individual goals, the performance appraisal of all colleagues is conducted on a regular basis every six months for guidance and feedback. Teach supervisors to perform assessment and performance interview assignments to improve the work performance of colleagues in the Company; provide career planning for employees, and establish a reasonable reward and punishment feedback mechanism. The assessment results

are used as the basis for the issuance of bonuses, salary adjustments, remuneration, promotion, talent training and development plans.

- Implement the connection of traffic vehicles in the plant area (to reduce the commuter traffic flow and total exhaust amount, and the environmental load).
 - Provide group insurance for each employee and purchase overseas group business trip safety insurance for the hospitalization requirements of employees during business trips overseas so as to care for the comprehensive insurance requirements of employees.
- (9) Welfare measures of the Welfare Committee:
- Provide education scholarships for children and employees from elementary schools to research institutes.
 - Discounts at designated stores of the Welfare Commission.
 - Provide gift money for marriage, birth, festivals (Mother's Day, Father's Day, Dragon Boat Festival, Labor Day, Mid-autumn Festival, and Christmas), and birthdays (Pay Easy points).
 - Club activities (the nature of the club includes 10 clubs in the categories of sports, public welfare, and stress relief, etc.).
 - Occasional recreational activities (Lunar New Year gifts, Christmas party, and festive activities.)

2. Advanced study and training system

The Company believes that talent development is the cornerstone of the Company's growth. Through training it can discover more potential; we provide sufficient resources to help colleagues create themselves, create corporate value and core competitiveness, and promote corporate development and employee growth, in the perspective of creating a win-win situation.

(1) The Company has established the "Education and Training Quality Manual" for employees to follow. The Company provides subsidies for education and training every year to improve the knowledge and skills of personnel in the organization, cultivating and reserve human resources, in the goal of achieving organizational performance and enhancing the Company's competitiveness. The content is outlined below:

- A. Education and training system: GPM established a complete training and development system to establish a clear education and training planning process; and plan for different courses according to grades and titles to achieve vision and annual strategic goals, and cultivate talents.
- a. Hierarchy training course: According to the planning hierarchy map of chiefs in different hierarchies, carry out training for management knowledge to confirm that each manager has management knowledge. It is divided into a learning map for cultivating low-level managers, low-level managers, middle-level managers and senior managers.
 - b. Professional training courses: According to the skills required by each unit, design professional training maps, such as R&D and design training maps, customer service functions training maps and other maps, to ensure that employees have sufficient knowledge and technology on the jobs.
 - c. Training courses for new recruits: Explain the Company profile, development history, management regulations, information security, occupational safety/health and occupational safety and health management system concepts.
 - d. Internal lecturer training courses: The administrative unit hosts internal lecturer training courses according to actual needs to evaluate colleagues with expertise and enthusiasm for teaching, and to study teaching skills.
 - e. Self-enlightenment training courses: Spiritual growth courses such as aesthetics, art, medicine, health care, and literature, etc.
 - f. Soft courses: Including physical health care, family relations, psychological relief and insurance and financial management courses.
- B. Mentoring system: Each new colleague is assigned a mentor to provide work advice and speed up the newcomer to adapt to the working environment.
- C. Statistics and expenses related to the employee education and training of the Group in 2024:

Education and training	Internal training	External training	Total
Batches	141	201	342
Number of trainees	7,523	226	7,749

Hours	8,652.5	1,330	9,982.5
Expenses (NT\$ thousands)	\$586	\$364	\$950

3. The retirement system and other implementation are divided into the old and new systems :

(1) Old system: The Company has established retirement regulations for formal employees based on the Labor Standards Act. According to the regulations, the payment of pension is calculated based on the seniority and the average wages of employees for the six months before retirement. The Company appropriates the pension reserve each month according to the requirements for the Supervisory Committee of Business Entities' Labor Retirement Reserve to manage, and the amounts are deposited into the account with the Bank of Taiwan in the name of the committee. Actuaries are also engaged to evaluate and calculate the labor pension reserve according to IAS 19 and issue the actuarial evaluation report.

(2) New system: The new system of pension is applicable to employees who join the Company after July 1, 2005 and employees who join the Company before July 1, 2005 and choose the new system. Based on the wages of employees, the Company appropriates 6% of wages monthly to the personal pension account of employees. Employees may also appropriate 0% to 6% of their wages to the personal pension account each month, and the Company shall withhold the wages of employees and pay the amounts on their behalves.

4. The agreement between employee and employer and the protection measures for employees' rights and interests:

The Company greatly emphasizes the rights and interests of employees and their future development, and has established an Employee Welfare Committee to provide various employee welfare measures. An "Education and Training Quality Manual" is also built to encourage employees to participate in various training and skills training. Meanwhile, the Company also establishes a communication channel between employees and employer, and discloses welfare measures, learning and development, employee communication and life balance on the Company's website. When there are major changes in the Company's operations that affect labor rights, the Company will immediately communicate and coordinate with employees through formal communication channels; and the Company regularly holds employee meetings, labor-management meetings and other meetings with employees to announce important information and understand labor's ideas, and provide "General Manager's Mailbox", "Anti-Bullying Mailbox", "Model Staff Dinner Party" and "Employee Satisfaction Survey" and other communication channels to collect improvement opinions, and record and propose improvement proposals after collection, in order to establish a reliable labor-management communication environment.

- Build the "General Manager's Office Mailbox", which will be compiled and replied by a dedicated person.
- Hold "Staff Meetings" quarterly to provide opportunities for employees to express their opinions as a reference for company improvement.
- Hold a "employee-employer meeting" on a quarterly basis. In order to promote harmonious employee-employer relations, regularly hold employee-employer meetings to listen to employees' suggestions.
- Select annual model employees and host a "model employee dinner party" to listen to the suggestions given by the model employees to the Company.
- Each plant has dedicated person in charge of employees relations, who can provide face-to-face assistance and listen to the voices of colleagues.
- Irregularly hold "Employee Forum" and the chairman will discuss and listen to the ideas of employees.
- Regularly provide "Employee Satisfaction Survey" to provide a channel for colleagues to advise the Company.

5. Employees' work safety and health of

(1) Work safety environment

- Establish an Occupational Safety and Health Committee, hold regular quarterly meetings to discuss matters related to environmental protection, safety and health.
- As a basis for improving the workplace environment, perform work environment monitoring every six months to assess personal exposure.
- Established the emergency response plans, including rapid response to accidents, disaster recovery and response procedures for potential disasters.
- Passed the certification of occupational safety and health management system (ISO45001:2018).
- Regularly hold comprehensive fire drills, emergency response drills, and CPR + AED first-aid training for all personnel.
- Establish safety and health policies and division of powers and responsibilities of supervisors at all levels. Hold committee meetings with discussions.
- Create a smoke-free office environment.
- Install tire pressure sensors and perform regular tire checks for company vehicles.

(2) Employees' Physical and mental health

- Provide regular health inspections for on-job workers every year, and conduct physical inspections for new employees (the frequency and items are superior to the one stipulated by laws and regulations).
- Health grading management system; follow colleagues' health examination results to carry out grading management.
- On-site medical care service, with more convenient physical consultation, and tracking down the health examination and re-examination status of colleagues.
- The Company conducts regular health improvement activities. In 2024, the “group up for weight reduction” activity recorded a total weight loss of 133.51kg; 20 persons remained in their healthy states without gaining weight. In 2024, a total of 78 persons who joined the “Surprising Health Force” activity achieved the targets.
- Make special appointment by the psychological counseling office to provide colleagues spiritual assistance.
- Invite colleagues to fill in the physical and mental health questionnaire, and the plant nurses follow up to track down the respective mental states.

6. Fulfill corporate sustainability

Under the goal of integrity governance, green environment and social care, GPM takes positive actions to step into the issue of sustainability. On the way of sustainability, GPM will jointly grow with the world and co-exist and prosper with the ecological environment.

(1) Company governance

- The Company established an effective company governance structure, adhering to the principle of integrity management, following the laws and regulations, establishing a Board of Directors and various Statutory Committees, and setting important internal regulations of the Company to implement the company governance practices.
- The Company information is regularly announced on the official website and the Open Information Observatory Station, implementing open and transparent information disclosure, emphasizing the two-way communication with various stakeholders, and regularly reporting the communication results to the Board of Directors.

(2) Social co-prosperity

- The Company duly observes relevant labor regulations and respects basic labor human rights principles that are internationally recognized to protect the legal rights and interests of employees and implement the employment policy with fairness and no differentiated treatment, and the Company has established appropriate management systems for supervision and management. In 2024, Chairman Jason Chen executed the inclusiveness declaration of diversification and equality.

The Company purchased life insurance, health insurance, disease, cancer, injury, and disability insurance and provided retirement pension for all employees.

- The Company believes that employees are the most important assets. In addition to providing employees with appropriate work content according to business needs, the Company also provides a safe and comfortable working environment, and builds superior salaries and benefits. The Company encourages employees to devote themselves to their families, pursue interests, care for society, and create a comfortable life.
- The Company actively participates in social participation, expecting to spread goodwill far and wide, improve the common life quality of the society, and shorten the gap between the rich and the poor and mitigate inequality. The Company's social participation activities are divided into public welfare care platform, industry-university cooperation platform, and incubation platform. The public welfare platform provides support and financial assistance for social disadvantaged groups; the industry-university cooperation platform provides internship vacancies for school students and R&D projects; the incubation platform provide a platform for local elementary schools and junior-high schools to express their talents and promote local cultural characteristics.

(3) Environmental sustainability

- Climate change has a profound impact on people's lives. As the issue of extreme climate gradually emerges, GPM had accepted the guidance for greenhouse gas inventory under ISO14064-1:2018 since 2021, and officially introduced greenhouse gas inventory in 2022, set up low-carbon emission policies to achieve carbon neutrality first, aiming at net zero emissions ultimately, and has passed external examination for greenhouse gas inventory in 2022. Pass external verification of greenhouse gas inventory in 2022、2023 and 2024.
- The company has consistently reviewed its water and electricity usage on a monthly basis to understand consumption patterns and coordinate improvement initiatives. Additionally, in terms of processes, machines have been designed to reduce water usage, aligning with customer requirements while also achieving environmental conservation goals.

(4) Awards

- Won the 14th place for Excellence in Corporate Social Responsibility Award under the Rising Star Team
- Won the Commonwealth Talent Sustainability Award
- Won the CHR Corporate Health Responsibility Silver Award
- Won the Health Labor Sustainability Leading Enterprise Award from the Ministry of Labor
- Won the 2024 Excellent Occupational Safety and Health Department from the Central Taiwan Science Park Bureau
- Won the "Promotion of Workplace Equality" Excellent Business Evaluation Excellence Award from the Central Taiwan Science Park Bureau
- Won the Eco-friendly Promotion Enterprises – Eco-friendly Fleet Certification from the Hsinchu County Environmental Protection Bureau

5.2 For the most recent fiscal year and during the current fiscal year up to the date of publication of the annual report, loss from labor-management dispute and disclosure of possible loss amount and mitigation efforts (including the violation of the Labor Standards Act discovered through the labor inspections. The date and the serial number of the punishment, the title and content of the violated provision, and the punishment shall be specified) and the estimated amounts that occurred or may occur in the future. If it cannot be reasonably estimated, the fact shall be affirmed:
None.

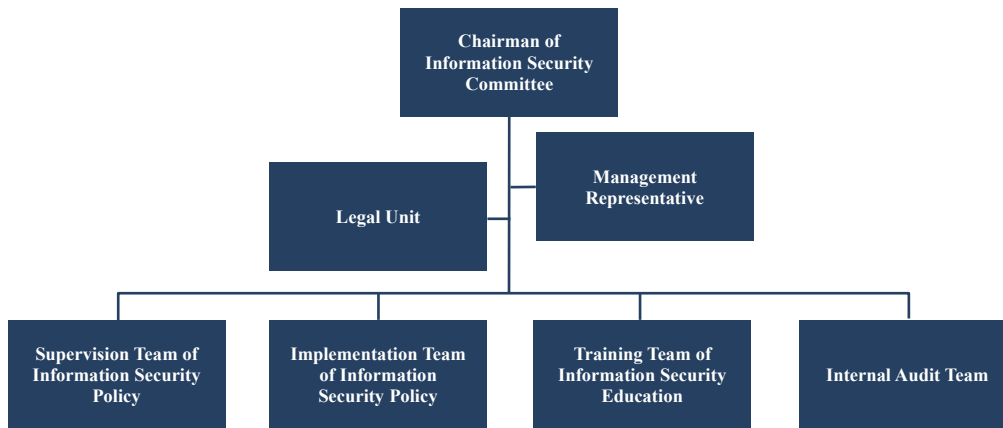
6. Information security management.

6.1 State the information security risk management framework, information security policy, specific management plan, and resources invested in the information security management, etc.

6.1.1 Information security risk management framework

To maintain and enhance information security management and ensure the confidentiality, integrity and availability of assets and information, the Company established the "Information

Security Committee" on October 26, 2020. The "Information Security Committee" is in charge of various information security governance, planning, supervision and promotion of implementation, and regularly holds management review meetings to make appropriate revisions according to the assessment results, laws, and the latest development of technologies and business to ensure complying with actual needs; and regularly report the information security risk management to the Board of Directors per year.



6.1.2 Information security policy

The Company has been dedicated to improve the information security from various internal information security management mechanisms, regular information security propaganda, and employee information security training over the years. The concept of "responsibility" ensures the confidentiality, integrity and availability of the data processing of customers and colleagues, so that the Company's data processing is fully guaranteed and can provide safe, stable and efficient information services.

➤ Passed the ISO/IEC 27001:2022 ISMS information security management system

The Company obtained the ISO/IEC 27001: 2022 ISMS information security management system international certification in October 2024 (certification company: Ares International Certification Co., Ltd.; certification No.: ARES/TW/I2410047I). The Company implemented its information security policy according to the ISMS, established the information security targets and information security control and continued to carry out operational response drills to protect the safety of material systems and data of the Company.

➤ File system management

To improve information security management, the Company's information policy governance and standardization are uniformly submitted by the information unit for internal electronic signatures. After reviewed by the first-level supervisors of each unit and president, the information unit will make application through the internal electronic file system and submit it to the Document Control Center. After the process is reviewed, a company-wide document announcement will be issued.

➤ Adhering to SEMI E187 Security Guidelines

Geopolitics, pandemics, ESG, and green manufacturing are accelerating the digital

transformation of global enterprises. Cybersecurity attacks pose a significant pain point and challenge for companies. Once a cybersecurity issue occurs, it can result in stolen confidential data, equipment downtime, product scrap, and even halt the entire factory operation, leading to significant losses. The semiconductor industry, being highly specialized and reliant on a supply chain, faces particular concerns regarding supply chain cybersecurity defense.

To provide high-quality products and services to semiconductor and high-tech industry clients, our company follows the SEMI E187 security guidelines from the product design stage. Before equipment enters customer facilities, we proactively conduct non-toxic testing, vulnerability scanning, and provide non-toxic certifications to ensure equipment safety, quality, and reliability, completing equipment delivery.

6.1.3 Specific management plan

To protect the safety of confidential documents and the safety of customer data, the Company completed the ISO/IEC 27001:2022 ISMS information security management system verification and strengthened the information security equipment defense and testing capabilities in 2024.

The Company regularly carries out the promotion and description of various information security, including terms related to the Business Secret Protection Act, information security policy, and customer PIP information security specifications, and requires new employees to enter into the letter of consent for the information security policy to ensure that all employees know the information security policy.

The core system disaster recovery drill is regularly implemented each year, and the DR backup method is utilized to carry out the remote machine room system recovery work to ensure the normal operation of the core system.

For the security management of physical networks (i.e., the establishment of the internal/external firewall systems, DMZ network isolation zones, and safety zones), isolate the server mainframes of internal and external services and adopt the anomaly detection and analysis system for network flow to ensure the physical safety of networks.

In terms of data access control management, the Company made deployments for user-end computers through the DLP system and anti-virus system to protect the safety of computer data and improve the mobile storage device (USB) management; different access permissions are granted based on the businesses and functions. The data backup and recovery system is established to ensure data safety, improve the internal/external attack defense and recovery capabilities, and duly protect the safety of customer data and information. The Company also joined the SP-ISAC and TWCERT/CC to understand and grasp information on domestic and foreign information security threats and vulnerabilities through the platform intelligence sharing system for the benefit of management and early responses.

- Reporting process of information security incident



6.1.4 Resources invested to security management

➤ Information security training

The Company organizes employee information security education and training at HSP and CTSP and invites external information security lectures to visit the plant to promote the latest information security concepts in the hope of improving the information security awareness of employees, reducing the occurrence of information security events, and protecting the Company's rights and interests.

➤ Multi-factor authentication (MFA)

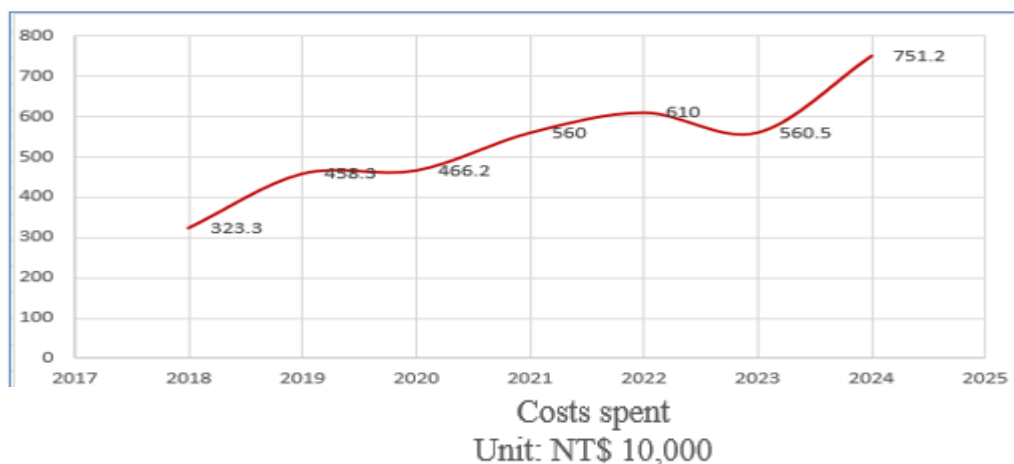
With the increasing attacking methods for network attacks, attackers steal users' identity to log in to the network application services, and the protection by using account No. and passwords are way less than enough. The Company introduced the MFA information security products in 2021 and continued to subscribe to the services and applications. The remote logins of users are required to pass over two types of authentication systems to connect to the internal services of the Company so as to ensure the connection terminals are employees, the effective elimination of the invasion through the connections of external hackers, and the protection of the data security of the Company.

➤ Continual subscription of EDR and MDR for the provision of response services

The invasions methods of hackers are changeable and mysterious. To avoid being discovered, hackers often adopt normal management connections or correct implementation instructions to avoid the detection of protective tools. The Company introduced the Endpoint Detection and Response (EDR) product and systematically integrated and actively detected the network attack information security events in advance. Effective disaster inhibition actions are adopted with the subscription of the MDR services of information security companies to assist in the analysis of various information security events detected by EDR through the professional MDR information security team so as to find the problem in a short period of time and minimize information security risks.

➤ Description of costs spent in recent years

To protect the Company's rights and interests and prevent the risk of being hacked, the Company's investment in information security has increased significantly in recent years.



6.2 Losses, potential effects arising from significant cybersecurity events, and countermeasures for the most recent year and up to the date of publication of the annual report; for those that cannot be reasonably estimated, describe the facts regarding the inability to reasonably estimate: None.

7. Material Contracts

For the most recent fiscal year and during the current fiscal year up to the date of publication of the annual report, the Company's important contracts that are still valid and will become due recently:

Nature of Contract	Contracting Parties	Contract Start/End Date	Main Content	Restrictive Provisions
Technology Transfer Contract	MICRONICS JAPANCO., LTD.	From March 12, 2015	Transfer of Technology	Data related to Transfer of Technology Contract shall not be re-authorized or transferred to third party.
Technology Cooperation Contract	Sumitomo Precision Products CO.,LTD.	Ten years, Starting from September 9, 2016	Technical Cooperation	If no termination request being proposed upon due, the contract will be renewed.
Technology Licensing and Mutual Development Agreement	International Business Machines Corporation.	Starting from November 3, 2016	Technology Licensing and Mutual Development	If no significant violation, the contract remains valid indefinitely.
Lease Agreement	Central Taiwan Science Park Bureau	January 01, 2025 to December 31, 2044	Factory Lease Agreement with Central Taiwan Science Park	None
Lease Agreement	Hsinchu Science Park Bureau	August 1, 2016 to July 31, 2036	Factory Lease Agreement with Hsinchu Science Park	None
Long-term Borrowing	Taipei Fubon Bank	June 5, 2024 to June 5, 2026	Collateral loan of Factory in Central Taiwan Science Park	Note
Long-term Borrowing	Cathay United Bank	March 31, 2024 to March 31, 2027	Collateral loan of Factory in Hsinchu Taiwan Science Park	None
Long-term Borrowing	First Bank	December 16, 2024 to December 16, 2026	Collateral loan of Factory in Tai Yuen-Tech industrial Park	None

V. Financial Status and Risk

1. Financial Status

Consolidated Report :

Unit: NT\$ Thousands

Item	Year	2024	2023	Change	
				Amount	% of Change
Current Assets		4,379,276	4,819,299	(440,023)	(9.13)
Property, Plant and Equipment		1,306,777	712,274	594,503	83.47
Intangible Assets		20,068	13,010	7,058	54.25
Other Assets		7,773,796	3,145,487	4,628,309	147.14
Total Assets		13,479,917	8,690,070	4,789,847	55.12
Current Liabilities		4,100,830	4,196,122	(95,292)	(2.27)
Non-current Liabilities		1,864,597	739,056	1,125,541	152.29
Total Liabilities		5,965,427	4,935,178	1,030,249	20.88
Common Stock		1,651,361	1,651,361	0	0.00
Capital Surplus		298,984	267,824	31,160	11.63
Retained Earnings		749,267	667,355	81,912	12.27
Other Equity		4,537,041	616,480	3,920,561	635.96
Treasury stocks		(476,776)	(30,254)	(446,522)	1475.91
Equity attributable to owners of the parent		6,759,877	3,172,766	3,587,111	113.06
Non-controlling Interest		754,613	582,126	172,487	29.63
Total Equity		7,514,490	3,754,892	3,759,598	100.13
Main reasons and impacts of significant changes in assets, liabilities and shareholders' equity in the last two years:					
<ol style="list-style-type: none"> 1. The increase in property, plant and equipment was primarily due to the acquisition of buildings by GPM. 2. The increase in intangible assets is primarily due to the purchase of intangible assets by subsidiaries. 3. The increase in other assets and total assets was primarily due to the increase in the financial assets at fair value through other comprehensive income – non-current from the preceding period. 4. The increase in non-current liabilities and total liabilities was primarily due to the increase in long-term borrowings from the preceding period. 5. The increase in other equity, equity attributable to owners of the parent company, and total equity was primarily due to the increase in the valuation of financial assets at fair value through other comprehensive income from the preceding period. 6. The increase in treasury shares is primarily due to the purchase of treasury shares of GPM. 7. The increase in non-controlling interests was primarily due to the increase in net profit of subsidiaries in 2024 and unrealized gains and losses on financial assets measured at fair value through other comprehensive income. 					

2. Operating Results

Consolidated Report :

2.1 For the past two years, the main reason that caused the significant changes in operating revenue, operating income and income before tax and its impacts:

Unit: NT\$ Thousands

Item	Year	2024	2023	Change	% of Change
		Amount	Amount		
Net Sales		4,434,928	3,089,360	1,345,568	43.55
Gross Profit		1,185,487	777,043	408,444	52.56
Operating Income		332,628	154,598	178,030	115.16
Non-Operating Income and Expenses		262,670	139,569	123,101	88.20
Net Income before Income Tax		595,298	294,167	301,131	102.37
Net profit(Loss)from continuing operations		473,296	242,616	230,680	95.08
Net profit(Loss)from close operations		----	----	----	----
Net Income		473,296	242,616	230,680	95.08
Other Comprehensive Income, net of tax		4,063,699	690,672	3,373,027	488.37
Total Comprehensive Income		4,536,995	933,288	3,603,707	386.13
Profit(Loss) attributable to owners of parent		296,749	203,703	93,046	45.68
Profit(Loss) attributable to non-controlling interests		176,547	38,913	137,634	353.70
Comprehensive income attributable to owners of parent		4,230,041	824,506	3,405,535	413.04
Comprehensive income attributable to non-controlling interests		306,954	108,782	198,172	182.17
Earnings per share		1.82	1.25	0.57	45.60
<p>Main reasons for significant changes in operating income, operating profit and loss and net profit before tax in the last two years:</p> <ol style="list-style-type: none"> 1. The increase in operating income, gross profit, operating gain or loss, net profit before tax, net profit of continuing operations of the period, net profit (loss) of the period, net profit attributable to owners of the parent company, and earnings per share; Primarily due to the increase in the sales income and non-operating investment gains in 2024 as compared to the preceding year. 2. The increase in non-operating income and expenses: Primarily due to the increase in the gains on financial assets at fair value through profit or loss and foreign currency exchange gains in 2024. 3. Net profit attributable to non-controlling interests: This is mainly due to the increase in net profit of the subsidiary in 2024. 4. The increase in other comprehensive income (net after tax) of the period, non-controlling interests attributable to total comprehensive income, total comprehensive income of the period: Primarily due to the increase in the unrealized profit or loss of financial assets at fair value through other comprehensive income in 2024. 5. The increase in total comprehensive income attributable to owners of the parent company: Primarily due to the increase in the valuation of financial assets at fair value through other comprehensive income as compared to the preceding period. 					

2.2 The expectation on sales volume and basis forming the expectation, the impacts on the Company's financial condition and business and the mitigation efforts:

Unit: Sets

Main Products	2025budget
Semiconductor Process Equipment	420
Display Process Equipment	36
Intelligent automation equipment	0
Other Equipment	0

Note: The forecast is based on the customers' forecast and taking into account the market conditions. The aforementioned estimated quantity does not include others and parts.

3. Cash Flow

Unit: NT\$ Thousands

Cash Balance Dec. 31, 2023	Net Cash Provided by Operating Activities in 2024	Net Cash Inflows from Investing Activities in 2024	Net Cash Outflows from Financing Activities in 2024	mpact of Foreign Exchange Ratio	Cash Balance Dec. 31, 2024
1,394,275	681,658	(1,042,239)	30,225	12,542	1,076,461

3.1 Analysis of the Change in Cash Flow in 2024

1. Operating activities: The cash inflow from the operating activities in 2024 was due to the increase in the net profit before tax of the period, the decrease in inventories, and the increase in the share-based payments in 2024.
2. Investment activities: Primarily due to the acquisition of property, plant and equipment.
3. Financing activities: Primarily due to the proceeds of borrowings and the repurchase of treasury shares.

3.2 Remedial Actions for Cash Shortfall :

The company has ample cash on-hand; remedial actions are not required.

3.3 Cash Flow Projection for Next Year :

1. The cash inflow from operating activities of NT\$391,321 thousand: Primarily due to the offsetting of the discounting of accounts receivable with accounts payable and operating expenses.
2. The cash outflow from investing activities of NT\$600,409 thousand: Primarily due to the investment expenditures and distribution of remuneration of employees and dividends.
3. The cash inflow from financing activities of NT\$108,334 thousand: Primarily due to the increase in bank borrowings.

4. Major Capital Expenditure

4.1 Major Capital Expenditure and Sources of Funding : Not applicable.

5. Investment Policies :

5.1 Latest investment policy, major causes of profits and losses and improvement, and future plan for the next year (Investment that exceeds 5% of paid-in capital) :

Unit: NTS Thousands

Item	Description	Initial Investment amount	Policy	The main reasons for profit/loss	Improvement plan
Gallant-Rapid Corporation Limited		459,050	Investment in the Suzhou Gallant Precision Intelligence/Gallant Micro Machining Technology Co., Ltd. (Gallant Micro Machining Technology was canceled in December 2024)	Under the effects of the overall environment in Mainland China, the Company provides equipment and after-sales services to customers in the Mainland China market and grasps the market opportunities of ESG through the advantages of the installation volume of customers in Mainland China so as to continue to make advances and improve the competitiveness.	<ol style="list-style-type: none"> 1. In response to the external environment, the Company will streamline its operating system, improve the external resource integration, and enhance operating income and profitability per capital. 2. Reinforce the internal process management system, reduce costs, and improve operating efficiency. 3. Continue to improve the satisfaction of after-sale services for customers in the Mainland China market.
Gallant Micro Machining CO., Ltd.		379,182	Production and Sales of Precision Mold and other Parts	Grasp the advanced packaging development trends of semiconductors and develop precision pick and place core application technologies and main procedure equipment of scalable requirements to establish the basis for long-term operational growth.	In line with our main customers' ongoing development of advanced process equipment, we aim to expand our core technologies and applications in various industries.

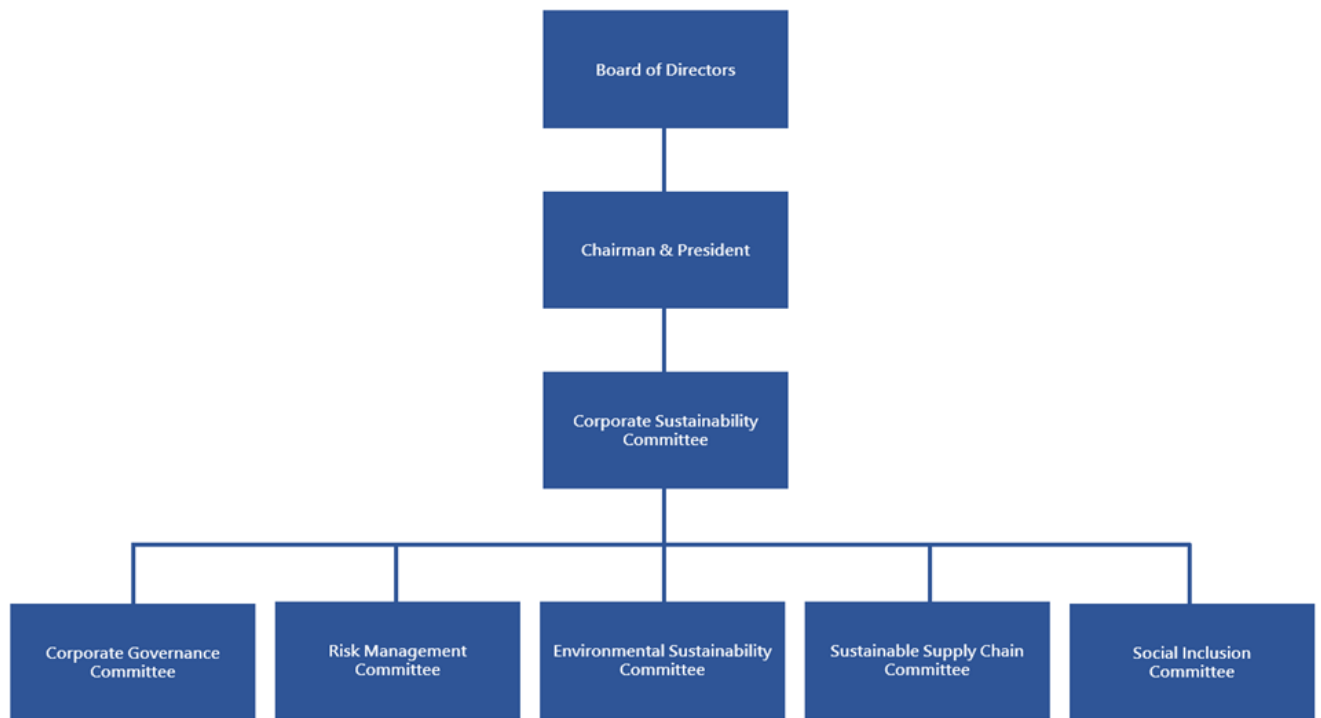
5.2 Investment plan for the next year: There will be no single investment that exceeds 5% of paid-in capital: As a result, this analysis is not applicable.

6. Risk Management

6.1 Risk Management Organizational Chart:

To promote CSR and sustainability, the Company establishes "Corporate Sustainability Committee" in 2016. The Corporate Sustainability Committee is in charge of affairs related to CSR, corporate governance and ethical corporate management policies. The execution and results shall be reported to Board of Directors at least once annually.

The organizational chart of the Company's Corporate Sustainability Committee:



6.2 The Impact and Future Mitigation Efforts to Risks Associated with Interest Rate Fluctuation, Foreign Exchange Volatility, and Inflation

1. The interest expenses of the Group in 2024 were NT\$54,350 thousand, accounting for 1.23% of the operating income; therefore, the interest rate fluctuation has no material effect on the Company.
2. The exchange gains of the Group in 2024 were NT\$79,538 thousand, merely accounting for 1.79% of the operating income and having no material effect on the Company.
3. The recent inflation has no material effect on the Group.

6.3 The Impact and Future Mitigation Efforts to Risks Associated with High Risk/ High-Leveraged Investment, Lending, Endorsements, and Guarantees for Other Parties, and Financial Derivative Transactions:

To prudently control the financial risk, the Company does not take part in high risk and high leveraged investment. The Company's derivative transaction is not speculative. All the operation is in accordance with GPM's "Procedures for Acquisition or Disposal of Assets". Therefore, the Company does not have significant risk.

The Company stipulates control process such as "Procedures for endorsement and guarantee" and "Procedures for financing". As of March 31, 2025, the Company has provided NT\$63,205 thousand of guarantee to its Affiliates, which does not exceed the limitation.

Depending on subsidiaries operation, the Company will give support.

6.4 Future Research & Development Projects and Corresponding Budget:

The GPM Group R&D plan for the most recent fiscal year can be found on page 72. In 2025, R&D budget is NT\$166,737 thousand. So far the progress of R&D item is in line with R&D plan.

6.5 The Impact of Changes of Important Domestic and Foreign Policies and Laws on the Company's Finances and Business, and the Countermeasures:

So far, the important policy and amendment of laws or regulations published by the government does not have significant impact on the Company. The GPM Group companies follows rules and regulations published by government, both domestically and internationally. The Company and companies that GPM has invested have personnel collecting the update of policies and laws for the reference of management team.

6.6 The impact of technological changes (including information security risks) and industrial changes on the Company's financial business and countermeasures:

The Group has full-time personnel to watch the technological changes and industry trends in related industries, evaluate the impact on the Company's future development and financial business, and take necessary countermeasures. However, in the recent year, there were no events that had a significant impact on the financial business of the Company due to technological changes and industrial changes.

6.7 The Impact of Change of Corporate Image on the Enterprise Crisis Management and the Countermeasures:

For more than 30 years, the Company has been adhering to the corporate spirit of "Team, Innovation, Responsibility, and Learning" and "people-oriented" to operate steadily, fulfill the social obligations of the Company, and establish and always maintain a good corporate image. Therefore, there is no incident that has a significant impact on corporate crisis management due to changes in corporate image.

6.8 The Expected Benefit, Risk and Future Mitigation Efforts to Risks Associated with Mergers and Acquisitions: The company does not have a merger and acquisition plan

6.9 The Expected Benefit, Risk and Future Mitigation Efforts to Risks Associated with Facility Expansion: The company does not have a facility expansion plan

6.10 The Risk and Future Mitigation Efforts to Risks Associated with Purchase Concentration and Sales Concentration:

1. Our main materials and outsourcing partners mostly from domestic companies. The supplier are not irreplaceable and plenty of sources of supply. The Company adopts diversified procurement principle and maintains long-term stable relationship with supplier to minimize the risk of force majeure and shortage of source. As a result, the Company does not have the risk of purchase concentration.
2. In terms of FPD equipment sales, the clients were just a few panel factories. For a panel factory to construct plant, the capital expenditure payment is concentrated and the amount is enormous. This situation could easily lead to sales concentration for an equipment manufacturer. However, domestic clients are slowing down their pace in expansion in recent years. Coupled with GPM's effort of business development in China, the demand from China has increased and catch up with domestic clients. Thus, the sales concentration risk has lowered dramatically.

3. Along with FPD field, GPM group is also actively seeking demands for equipment from other industries, including green energy, electronic component, shoes-making and medical device. The development of equipments includes processing equipment, optical inspection equipment, automation, integration of whole factory and production line. In the future, we can expect that sales customers will be in fair distribution.

6.11 The Effect, Risk and Mitigation Effort to Risks Associated with Sales of Significant Numbers of Shares by Directors and Major Shareholders Who Own 10% or More of the Total Outstanding Shares:

The shareholding transfer is monthly declared to Competent Authority for investors reference. GPM tracks closely the shareholdings variation of directors and shareholders holding more than 10% of the outstanding shares to lower risk and take immediate action. As of now, there is no transfer of shareholding that would have impact on the operation and financial condition of the Company.

6.12 Effects of, Risks and Response to Changes in Management Rights:

The Company does not have change in management rights.

6.13 For any litigious matters, whether the case has been finalized or the still pending, that involves the company and company's directors, supervisors, general managers, person with actual responsibility in the company, and major shareholders holding more than 10% of the company's shares, shall be disclosed. If there has been any substantial impact upon shareholders' equity or prices for the company's securities as a result of any litigation involving the company, the annual report shall disclose the facts in dispute, amount in dispute, commencement date of the dispute, main parties involved, and current status of the case as at the date of printing of the report: None.

6.14 Other material risk and mitigation efforts: None

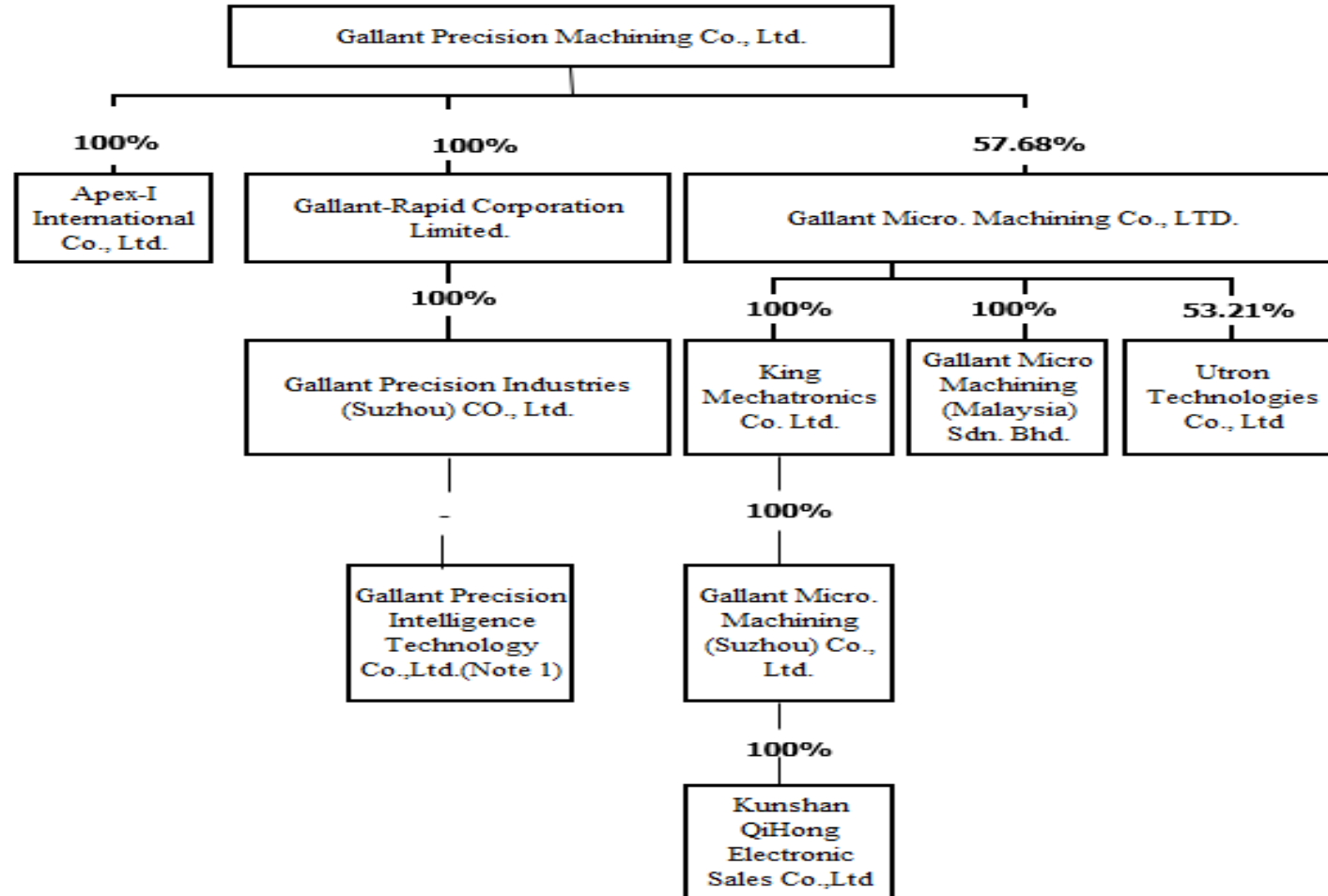
7. Other Material Events: None.

VI. Other Special Notes

1. Subsidiary Information

1.1 Affiliated Companies Chart

As of Dec. 31, 2024



Note 1: The subsidiary has been completed the dissolution and liquidation procedures in December 2024.

1.1.1 GPM Affiliated Companies

As of Dec. 31, 2024. Unit: NT\$ thousand / Foreign Currency thousands

Company Name	Date of Incorporation	Address	Capital Stock	Major Business
APEX-I INTERNATIONAL CO., LTD	2001/04/03	2F.-1, No. 8, Taiyuan 1st St., Zhubei City, Hsinchu County 302082 , Taiwan (R.O.C.)	NTD 66,000	Sale of Machinery Equipment and Parts
Gallant Micro. Machining Co., LTD.	2010/10/15	No.2-1, Minsheng St., Tucheng Dist., New Taipei City 236, Taiwan (R.O.C.)	NTD 282,765	Production and Sales of Precision Mold and other Parts
Gallant-Rapid Corporation Limited.	2000/06/15	P.O. Box 3321, Road Town, Tortola, British Virgin Islands	USD 13,560	Investment in Gallant Precision Industries (Suzhou) Co., Ltd.
King Mechatronics Co., Ltd.	2001/09/24	P.O. Box 3152, Road Town, Tortola, British Virgin Islands	USD 2,781	Investment in Gallant Micro. Machining (Suzhou) Co., Ltd.
Gallant Precision Industries (Suzhou) CO., Ltd.	1995/04/19	1#Building , No.56 Songsshan Road , New District , Suzhou , 215151 P.R.C.	USD 9,320	Production of optoelectronic products whole machine equipment, mechatronics equipments, and the manufacturing of its parts and accessories
Gallant Micro. Machining (Suzhou) Co., Ltd.	2003/01/28	No. 5011, Baodai West Road, Jinqiao Development Area, Mudu Town, Wuzhong District, Suzhou City, China	USD 4,550	Production and Sales of Precision Mold and other Parts
Gallant Micro Machining (Malaysia) Sdn. Bhd.	1996/10/08	B303-03-11, Krystal Point, Jalan Sultan Azlan Shah, 11900 Penang, Malaysia	MYR 500	The Import/Export and Buy/Sales of Semiconductor Machine and related Components and Parts
Gallant Precision Intelligence Technology Co.,Ltd.	2017/03/06	1#Building , No.56 Songsshan Road , New District , Suzhou , 215151 P.R.C.	CNY 10,000	Optical products whole machine equipment, mechatronics equipments, and the manufacturing of its parts and accessories
Utron Technologies CO., Ltd.	1983/07/21	3F., No. 9, Aly. 8, Siwei Ln., Zhongzheng Rd., Xindian Dist., New Taipei City 231622 , Taiwan (R.O.C.)	NTD 50,000	Testing of wire and tools and sales of testing equipment of PBC and related systems
Kunshan QiHong Electronic Sales Co.,Ltd	2009/08/08	House 5, No.1369, Hengsheng Road, Yushan Town, Kunshan City, China	CNY 1,000	Testing and manufacturing of circuit board testing equipment, wire and cable and semiconductor

1.1.2 Data of Common Shareholders of Treated-as Controlled Companies and Affiliates:

None.

1.1.3 Business of GPM and its Affiliated Enterprises

Business Scope of Its Subsidiaries:

GPM specializes in manufacturing and sales of semiconductor packaging front-end equipment and FPD production process equipment.

The affiliates involve in industries such as semiconductor packaging equipment, FPD production processing equipment, precision module and parts, production, trading and sales of precision components. There are also affiliates belong to investment or trading industry.

The affiliates are aiming at division of capacity, lowering cost, after sales service, product diversification, holding company purpose and operating diversification. For more details, please see Basic Information of Affiliates.

1.1.4 Directors, Supervisors and Presidents of GPM's Affiliated Companies

As of Dec. 31,2024 ; Unit : Thousands shares ; %

Company Name	Title	Name or Representative	Thousand shares	% of Holding
APEX-I INTERNATIONAL CO., LTD	Chairman Director Director Supervisor	Gallant Precision Machining Co., Ltd.(GPM) Rep. : Jason Chen Gallant Precision Machining Co., Ltd. (GPM) Rep. : H.M. Lee Gallant Precision Machining Co., Ltd. (GPM)Rep. : ElmoYang Gallant Precision Machining Co., Ltd. (GPM) Rep. : Rita Chen	GPM holds 6,600	100
Gallant Micro. Machining Co., LTD.	Chairman Director Director Director Independent Director Independent Director Independent Director President	Frank, Liang Gallant Precision Machining Co., Ltd. (GPM) Rep. : Mufa Chien Dun Jih Shih Jung-Liang Chen Shingo Shih Bell Chen Chen Junyu Dun Jih Shih	283 GPM holds 16,172 395 272 0 0 0 395	1.00 57.68 1.40 0.96 0 0 0 1.40
Gallant-Rapid Corporation Limited	Chairman	Gallant Precision Machining Co., Ltd. (GPM) Rep. : Jason Chen	GPM holds 13,560	100
King Mechatronics Co., Ltd.	Director	Gallant Micro. Machining Co., LTD. (GMM) Rep. : Jung-Liang Chen	GMM holds 2,781	100
Gallant Micro. Machining (Suzhou) Co., Ltd.	Chairman Director Director Supervisor President	Jung-Liang Che Hung-Ming Hsu Zong Yan Lin Xu Yan Guo Ning Sun	King Mechatronics Co., Ltd. investment US\$2,781	100
Gallant Precision Industries (Suzhou) CO., Ltd.	Chairman Director Director Supervisor President	Jason Chen H.M. Lee Chia-Ju Tseng Rita Chen Jason Chen	Gallant-Rapid Corporation Limited. investment US\$13,560	100
Gallant Micro Machining (Malaysia) Sdn. Bhd.	Director Director Director Director	Gallant Micro. Machining Co., LTD.(GMM) Rep. : Hung-Ming Hsu Cin Hua Jhang Huei Ling Liou Guang Rong Deng	GMM holds 500	100
Gallant Precision Intelligence Technology Co.,Ltd	Chairman Director Director Supervisor President	Jason Chen H.M. Lee Mufa Chien Rita Chen Mufa Chien	GPM holds CNY 10,000	100
Utron Technologies Co., Ltd.	Chairman Director Director Director Director Supervisor	Gallant Micro. Machining Co., LTD. (GMM) Rep. : Hung-Ming Hsu Guang Ying Li NANO INSTRUMENTS CO., LTD. Rep. : Lian Chun Li Gallant Micro. Machining Co., LTD. (GMM) Rep. : Frank, Liang Gallant Micro. Machining Co., LTD. (GMM) Rep. : Zeng Wenjin Ya Wen Ho	GMM holds2,660 230 NANO holds1,000 0 0 0	53.21 4.61 20 0 0 0
Kunshan QiHong Electronic Sales Co.,Ltd	Chairman Supervisor	Gallant Micro. Machining (Suzhou) Co., Ltd. Rep. : Ming-Kai Liang Shu-Hua Chen	Gallant Micro. Machining (Suzhou) Co., Ltd investment CNY 1,000	100

1.1.5 Summarized Operation Results of Affiliated Enterprises (As of Dec.31, 2024)

Unit: NT\$ Thousands

Name of Corporation	Paid-in Capital	Total Assets	Total Liabilities	Net Worth	Net Operating Revenues	Operating Income	Net Income	Earning Per Share (NT\$)
Gallant-Rapid Corporation Limited.	459,050	197,468	0	197,468	0	(303)	(28,494)	
Gallant Precision Industries (Suzhou) CO., Ltd.	207,201	226,960	57,988	168,972	98,472	(26,996)	(30,034)	
Apex-I International Co., Ltd.	66,000	164,669	33,196	131,473	141,890	63,515	56,205	8.52
Gallant Micro Machining Co., LTD.	282,765	3,519,625	1,841,442	1,678,183	2,061,126	402,865	412,772	14.62
Gallant Micro Machining (Malaysia) Sdn. Bhd.	3,992	3,103	27	3,076	53	(50)	109	
KING MECHATRONICS CO.,LTD	93,144	1,298,314	285,820	1,012,494	380,537	(3,005)	39,388	
Gallant Micro Machining (Suzhou) Co., Ltd.	149,172	687,950	90,548	597,402	424,047	45,754	42,997	
Gallant Precision Intelligence Technology Co.,Ltd.	44,780	0	0	0	25,207	(10,626)	(6,423)	
Utron Technologies Co., Ltd.	50,000	153,862	147,479	6,383	63,734	(2,968)	106	0.02
Kunshan QiHong Electronic Sales Co.,Ltd	4,478	21,036	14,379	6,657	28,786	499	270	

Note: The amount of capital, asset, liabilities and net worth in this table were calculated using the exchange rate at end of 2024. The net sales, Income from operation, net income and EPS numbers were calculated using the average exchange rate in 2024.

(1) Exchange rate on 12/31, 2024: USD:NTD=1:32.785 ; RMB:NTD=1:4.478 ; MYR:NTD=1:7.0655

(2) Average exchange rate for 2024: USD:NTD=1:32.112 ; RMB:NTD=1:4.4543 ; MYR:NTD=1:6.7548

1.2 Independent Auditor's Uni-President and Affiliated Enterprises Consolidated Financial Statements : Please refer to Page 109.

1.3 Affiliation Report: None.

2. Issuance of Private Placement of Securities:

None. (in the most recent fiscal year and up to the issue date of this Annual Report)

3. Other Necessary Supplement :None.

VII.Special Notes

Any Events that Had Significant Impacts on Shareholders' Rights or Security Prices as Stated in Item 2 Paragraph 3 of Article 36 of Securities and Exchange Law of Taiwan : None.

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of Gallant Precision Machining Co., Ltd. as of and for the year ended December 31, 2024, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standards No. 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Gallant Precision Machining Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

GALLANT PRECISION MACHINING CO., LTD.

By

A handwritten signature in cursive script, appearing to read "Jason Chan".

Chairman

February 26, 2025

GPM

Gallant Precision Machining Co., Ltd.

No.5-1, Innovation 1st Rd., Science Based Industrial Park, Hsinchu, 30076, Taiwan.

<http://www.gpmcorp.com.tw>



Gallant Precision Machining Co., Ltd.



Jason Chen, Chairman