### V. Operational Highlights

### 5.1 Business Activities

### 5.1.1 Business Scope

A. Main areas of business operations

- 1. F219010 Electronic materials retail sales
- 2. F113070 Wholesale of Telecom Instruments
- 3. F119010 Electronic materials wholesale trading
- 4. CC01050 Data storage and processing equipment manufacturing
- 5. CC01070 Wireless communication machinery and equipment manufacturing
- 6. CC01080 Electronic parts and components manufacturing
- 7. F213060 Retail Sale of Telecom Instruments
- 8. ZZ99999 In addition to licensed businesses, the Company may operate any other businesses that are not prohibited or restricted by law.
- B. Revenue distribution

Unit; NT\$ the				
Products	2023	Percentage		
RF Front-End devices and modules	1,464,512	98.41%		
Others	23,683	1.59%		
Total	1,488,195	100.00%		

# C. Main products

RF Front-End devices and modules, including

- 1. Filter
- 2. Balun
- 3. Balanced Filter
- 4. Diplexer
- 5. Triplexer
- 6. Coupler
- 7. Antenna
- 8. Antenna Module
- 9. Bluetooth Module
- 10. Front-end Module
- 11. Antenna Switch Module

12. RF Chip Ceramic Device, including passive inductors and capacitor etc.

# 5.1.2 Industry Overview

A. Current Status and Development of the Industry

With the rapid development of mobile communication technology, the growth of related terminal products and communication equipment has further driven the demand for wireless communication. Wireless communication terminal applications such as smartphones, wireless local area networks (WLAN), Bluetooth, global positioning systems (GPS), laptop, tablet computer, wireless phones, walkie-talkies, pagers, home wireless (Home RF), digital broadcasting, wireless data machines, wireless fax machines, game console, automotive and emerging Internet of Things (IoT) and wearable applications, and more. Due to the rapid increase in the demand for wireless communication applications in the global market, the frequency band of wireless communication has risen sharply, and due to the trend of miniaturization, multi-function and high transmission speed of wireless portable products, this has triggered the market for high-frequency integrated components and the high demand for the modules.

Although the system is becoming more and more complex, the number of internal components actually used in various communication systems is increasingly integrated, which is mainly due to the integration of the lines. As for the integration of passive components, the goal is toward system-level packaging (System in a Package: SiP) or System on a Chip (SoC) development. Since the wireless communication applications built into the terminal products are the mainstream of future development, modularization will also become the future development trend of communication components, and the high-performance component modularization needs to utilize high-density packaging processes to the communication market. From the perspective of the supply chain, manufacturers with SiP high-density system architecture technology can provide upstream and downstream integrated services, and will become an active partner of chip design and terminal product companies in the future.

In recent years, smartphones, GPS, WLAN, and Bluetooth, which have grown dramatically in wireless communication applications, have different functions, features, or markets, but the same is high-density circuits, miniaturization, high-frequency for required components, that are highly integrated and modular. The high-frequency integrated components and modules and high-frequency chip ceramic components operated by the Company are used in the wireless communication market. The Company is the first design and manufacturing company in Taiwan that focuses on RF integrated components and modules. The developed products are in line with market expectations and the integrated terminal applications have high growth momentum. The Company has the highest growth and development in the domestic key component industry of RF communication.

B. The Interconnectivity of Upstream, Midstream, and Downstream Entities in the Industry High-frequency integrated components and modules and high-frequency wafer ceramic components in the upstream raw material industry, and they mainly include ceramic powder, conductive ink and dielectric materials. The main process equipment includes laser drilling machine, end silver machine, continuous furnace, wire Machines, external inspection machines, RF testers and network analyzers. The downstream industries include the wireless communication industry, vehicle electronic systems and the aerospace communication industry. They are closely related to the supply and demand of the upstream, midstream and downstream industries. The relevant maps of the upstream, middle and downstream industries are listed as follows:

Upstream	Midstream	Downstream
Raw materials and special chemical industry Ceramic powder Paste Dielectric material	<u>RF integrated passive devices</u> and modules <u>RF chip ceramic devices</u>	Wireless communication industry Mobile phones WLAN Satellite communication
<u>Equipment</u> RF Tester RF Analyzer		IoT, Wearable applications, Vehicle & Aerospace communication

### C. Product Trends and Competition

The multi-functionalization and miniaturization of wireless communication products have become a market trend, and the development of wireless communication components will be in the direction of high frequency, miniaturization and modularization.

In recent years, wireless communications in Taiwan have flourished, and mainstream applications such as smartphones, WLAN, GPS or Bluetooth have shown rapid growth. However, compared with international manufacturers, the development of wireless communication components and modular technology in Taiwan is still weak. At present, global integrated component manufacturers are headed by Japan, the United States and Europe, such as Murata, Kyocera, TDK, etc. in Japan; CTS in the US and Bosch, CMAC and other large manufacturers in Europe. In contrast, due to late start, the relative output of domestic manufacturers in the global market share is still very low.

As wireless communication applications will be at the heart of future market growth, the Company is actively developing forward-looking and innovative high-frequency components and modular cutting-edge technologies to capture the opportunities for future wireless communications growth.

### 5.1.3 Technology and R&D Status

A. R&D Expenses

In 2023, the Company invested NT\$94,514 thousand in R&D.

- B. Successful R&D and Technologies Development
- (a) Research and development

As the Company's R&D team has deep academic foundations and product development experience in RF communications and materials engineering, it can grasp the market pulse in both technical development and commercial applications. In terms of research and development, the integration of RF components and modular technology are two key directions. The main R&D projects can be roughly divided into technical analysis, new product development, process improvement, material formulation and quality analysis.

(b) Technology or product that has been successfully developed in recent yes	ars
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Year		Successful Development of Technologies or Products
2023	1.	Low loss diplexer with package size of 1.6mmx0.8mm for WiFi-7 dual-band communication system
	2.	1:2 Balanced filter with low temperature drift characteristic in the package size of 2.0mmx1.25mm for 2.5GHz
		communication system
	3.	Side terminal electrode package diplexer with package size of 1.6mmx0.8mm for WiFi-7 dual-band communication system
	4.	High rejection diplexer with package size of 1.6mmx0.8mm for WiFi-7 dual-band communication system
	5.	High isolation diplexer with package size of 2.0mmx1.25mm for China 5G communication system
	6.	High rejection bandpass filter with package size of 3.2mmx2.5mm for WiFi 6E communication system
	7.	Low loss and high rejection bandpass filter with package size of 3.2mmx2.5mm for WiFi 6E communication
		system
	8.	Coupler with the compact and low profile package size of 1.0mmx0.5mm for WiFi 6E communication system
	9.	Compact bandpass filter with package size of 1.1mmx0.9mm for WiFi 2.4G communication system
	10.	High rejection and no channel-sacrifice bandpass filter with package size of 4.5mmx3.2mm for WiFi router communication system
	11.	Integrated transceiver filter with package size of 2.0mmx1.25mm for BT/WiFi communication system
	12.	Diplexer with LGA package size of 1.6mmx0.8mm for WiFi-7 dual-band communication system
	13.	EMI suppression filter with package size of 2.0mmx1.25mm for consumer electronics
	14.	Multi-orders bandpass filter with high rejection capability on both low-band and high-band in package size of
		5.5mmx3.2mm for WiFi 5G communication system

Year		Successful Development of Technologies or Products								
	15.	Low pass filter with 750hm terminated impedance and low temperature drift characteristic in the package size of								
		3.2mmx2.5mm for 1.8GHz communication system								
	16.	5. High rejection bandpass filter with package size of 1.6mmx0.8mm for UWB communication system								
	17.	7. 3dB coupler with package size of 2.0mmx1.25mm for WiFi 6E communication system								
	18.	Differential complexed-impedance receiver diplexer with package size of 2.0mmx1.25mm for WiFi dual-band communication system								
	19.	Integrated complexed-impedance balanced filter with package size of 2.0mmx1.25mm for WiFi dual-band communication system								
	20.	Low loss and high rejection bandpass filter with package size of 1.6mmx0.8mm for 5G N77 communication system								
	21.	Low loss and high rejection bandpass filter with package size of 1.0mmx0.5mm for 5G N77 communication system								
	22.	High rejection bandpass filter with low profile package size of 1.0mmx0.5mm for 5G N77 communication system								
	23.	Low loss bandpass filter with low profile package size of 0.6mmx0.5mm for 5G N77 communication system								
	24.	Low loss bandpass filter with package size of 1.6mmx0.8mm for 5G N77 communication system								
	25.	. High rejection bandpass filter with package size of 1.6mmx0.8mm for 5G N77 communication system								
	26.	5. Diplexer with low temperature drift characteristic in the package size of 2.0mmx1.25mm for GPS application								
	27.	7. High isolation triplexer with package size of 2.5mmx2.0mm for 5G mobile communication system								
	28.	3. High rejection bandpass filter with package size of 1.6mmx0.8mm for WiFi/BLE communication system								
	29.	Diplexer with package size of 2.0mmx1.25mm for WiFi 5G DBDC wireless communication system								
	30.	Diplexer with package size of 2.0mmx1.25mm for WiFi 6G DBDC wireless communication system								
	31.	Low cost and low loss diplexer with package size of 1.6mmx0.8mm for WiFi 6E communication system								
	32.	Low loss bandpass filter with package size of 1.6mmx0.8mm for WiFi 6E communication system								
	33.	Complexed-impedance balanced filter with plated package of 2.0mmx1.25mm for Sub-GHz wireless communication system								
	34.	Low loss diplexer with package size of 2.0mmx1.25mm for LTE communication system								
	35.	Low loss and high rejection bandpass filter with package size of 1.6mmx0.8mm for 5G N79 communication system								
	36.	Low cost and high rejection bandpass filter with package size of 5.5mmx3.2mm for WiFi 6E communication system								
	37.	Low loss and high rejection bandpass filter with package size of 1.0mmx0.5mm for 5G N79 communication system								

(c) The current progress of the unfinished R&D plan, the need to re-invest in R&D expenses and the expected time of completion of mass production

2023 Unfinished R&D Plan	Current Status	Expected Finished Time	Additional Imputed R&D Expenses( NT\$ thousands)
Develop miniaturized integration components	85%	2024/Q3-Q4	25,000
Develop miniaturized multi-frequency, multi-mode integrated modules	85%	2024/Q1-Q2	25,000
High precision materials, process development	75%	2024/Q3-Q4	30,000

- (d) Main factors for future R&D success
- ① Proper R&D strategy and effective mastery of product development timelines to achieve product time to market
- 2 Good product design capability, early effective Design-in with client product design
- ③ Excellent and stable R&D team, enabling R&D experience to effectively accumulate and boost product development capabilities
- (e) Future R&D plan and expected R&D expenses

Future R&D Plan	For Future Three Years R&D
	Expenses( NT\$ thousands )
Develop miniaturized integration components	100,000
Develop miniaturized multi-frequency, multi-mode integrated modules	90,000
High precision materials, process development	110,000
Total	300,000

# 5.1.4 Long-term and Short-term Development

A. Short-term Development

- (a) Develop the main products in module type
- (b) Product miniaturization and multi-functionality
- (c) Strengthen the demand development of China and emerging markets

# B. Long-term Development

- (a) Develop new products in module type
- (b) System on Chip module technology development
- (c) Strategic alliance cooperation model

### 5.2 Market and Sales Overview

### 5.2.1 Market Analysis

A. Sales Region

	Unit: NT\$ thousands									
	Year	202	2	2023						
Area		Amount	Amount %		%					
Domestic (Taiwan)		297,032	20.27	331,361	22.27					
Oversea	Americas	398,429	27.19	341,012	22.91					
	Asia	756,225	51.61	803,864	54.02					
	Europe	13,596	0.93	11,958	0.80					
	Total	1,168,250	79.73	1,156,834	77.73					
Total		1,465,282	100.00	1,488,195	100.00					

#### B. Market Share

In recent years, due to the booming wireless communication market, the low-temperature cofired ceramics (LTCC) component industry has shown a substantial growth. According to Research Allied, the global annual output value of LTCC in 2020 is about 3.22 billion US dollars and will reach 7.59 billion US dollars by the end of 2027, and Japan is the largest supplier in the supply chain. The market share is as high as 50%, which dominates the global LTCC product market and technology, followed by Europe and the United States. Domestic manufacturers are still relatively low in global market share due to their late start.

The Company's high-frequency integrated components, modules and high-frequency chip ceramic components, including filters, balun, balanced filter, diplexers, triplexers, couplers, chip antenna, antenna modules, Bluetooth modules, RF front-end modules and antenna switch modules are commonly used in smartphones, WLAN, Bluetooth and GPS. Since the Company invested in the early domestic market and focuses on RF integration of components and modules, when the Company's products enter the market, they will obtain domestic and foreign customers with excellent quality and competitive price in a short time, and efficient service. At present, the Company is in a leading position in terms of domestic technology and market share. The Company's global market share is about 2%.

### C. Future Market Supply, Demand, and Growth Status

With the globalization of telecommunications and the advancement of communication technologies, wireless communication has become the most dynamic industry in the 3C industry. Looking forward to the future, mobile phone penetration and portability are excellent when the terminal products are moving toward integration. The competitive advantage is to integrate other product features, of which smartphones are typical representatives. Smartphones have more and more powerful computing and multimedia features, with Internet access, download and sharing capabilities. This requires more transport channels, higher transmission bandwidth and better transmission efficiency. Therefore, it also triggers various communication functions that smartphones will combine now and in the future. From regional WLAN, short-range Bluetooth and ZigBee, to long-distance WiMAX, plus GPS and mobile TV capabilities, smartphones can be said to have combined voice, data, video and other versatility to create a comprehensive communications platform. MIC estimates, the global sales of smartphones will reach 1.15 billion and 5G smartphones with a penetration rate of 68% in 2024. The global sales of wearable devices will reach 523 million, it is estimated that the sales will reach 645 million in 2027, and 2022-2027 compound annual growth rate of 5.4%. The expansion of global GPS navigation and location services will also be products with high growth potential in the next few years; as for emerging IoT applications, the rapid development of smart applications, such as smart home, smart manufacturing, smart health and intelligence transportation. It is expected that the

economic benefits brought by the Internet of Things in the future will be enormous.

The RF components and modules operated by the Company are essential components for wireless communication products. Communication products such as smartphones, computers, wireless networks, global satellite positioning systems, Internet of Things and wearable devices directly affect the future development of LTCC. As the current mainstream wireless communication applications are still growing at a high speed in the next few years, emerging communication products are also moving toward multi-functional integration, and the demand for integrated components and module products produced by the Company will be higher.

- D. Competitive Advantage
- (a) Combine four core technologies

The Company has four core technologies: advanced RF circuit design, material development, process design and product testing, which are rare in the industry. With independent control of key technologies in both RF and materials, the Company has the ability to deliver highly efficient custom products and services.

(b) Positioning products in line with market development

Wireless communication is the most dynamic industry in recent years. As the end product grows dramatically, it will directly drive the demand for our products. In addition, due to the diversified functions and miniaturization of mobile communications, the Company's SiP and LTCC process development of high-frequency integrated components and modules is in line with market expectations, which will further enhance market demand, so that the Company's growth prospects are full of potential.

(c) Quality product service

Combining the advantages of R&D and process, the Company can provide a full range of services that are more time-sensitive, highly customized, flexible and cost-competitive compared to international peers to win customers' high trust and recognition.

- E. Favorable and Unfavorable Factors in the Long Term
- (a) Favorable factors
  - ① High growth in industry
  - O Leading LTCC technology in domestic market
  - ③ Domestic market first and march straight into international
  - ④ Highly competitive full service
  - (5) Growing brand and OEM model
- (b)Unfavorable factors
  - ① Wireless communication products continue to introduce new products, with short product cycles and rapid price declines, so profit margins are squeezed Related Countermeasures :
    - Shorten the development schedule of new products, commit to high-end products, and avoid mature products that are in price wars.
    - Participate in product development during the customer product design phase.
    - Diversify products to spread the risk of price competition for a single product.
    - Enhance process improvement, increase product yield and equipment utilization, and reduce electricity and water consumption.

②Lack of R&D talent

Related Countermeasures :

• Actively participate in the leading new product plans of the Domestic Industrial

Development Bureau, strive for foreign technology transfer or joint development opportunities, and promote R&D and technology upgrades.

• Establish a research and development knowledge management database to enable the effective development of research and development experience and results, and maximize the human resources efficiency of research and development.

# **5.2.2 Important Purpose and Production Process of the Main Products**

A. Important Purpose of the Main Products

Products	Important Purpose
RF Front-End devices and modules	MSS, Cellular Phone, Cordless Phone, WLAN, GPS, Bluetooth, Ultra-wideband, WiMAX, ZigBee, MIMO, Wi-Fi, Power Amplifier, Low Noise Block (LNB), Home RF, IoT, Game Console and Wearable Applications

### B. Manufacturing Process

Raw material  $\rightarrow$  Slurry  $\rightarrow$  Tape Casting  $\rightarrow$  Via Punching  $\rightarrow$  Via filling  $\rightarrow$  Screen Printing  $\rightarrow$ Laminating  $\rightarrow$  Cutting  $\rightarrow$  Co-firing  $\rightarrow$  Upper electrode  $\rightarrow$  Burning  $\rightarrow$  Electroplating  $\rightarrow$ Electrical Test  $\rightarrow$  Packing  $\rightarrow$  Shipping

# 5.2.3 Supply Status of Main Materials

Major Raw Materials	Source of Supply	Supply Situation	
Powder	DUPONT, HERAEUS	Normal	
Paste	DUPONT, HERAEUS, SOJITZ, DAEJOO	Normal	

# **5.2.4 Major Suppliers and Clients**

A. Major Suppliers in the Last Two Calendar Years

Unit: NT\$ thousands									
		2022				2023			
Item	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer	
1	А	36,522	19.21	None	С	46,114	18.51	None	
2	В	22,268	11.71	None	А	45,409	18.23	None	
3	С	22,176	11.67	None	D	33,576	13.48	None	
4	D	18,902	9.94	None	B (Note 1)	4,875	1.96	None	
5	Others	90,219	47.47		Others	119,121	47.82		
	Net Total Supplies	190,087	100.00		Net Total Supplies	249,095	100.00		

Note 1 : Supplier B still has raw materials in stock. Therefore, the purchase amount is lower.

# B. Major Clients in the Last Two Calendar Years

	Unit: NT\$ thousands								
	2022				2023				
Item	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer	
1	а	218,350	14.90	Note 1	а	253,732	17.05	Note 1	
2	b	176,433	12.04	None	b	190,436	12.80	None	
3	с	169,970	11.60	Note 1	d	185,453	12.46	None	
4	d	91,964	6.28	None	с	79,900	5.37	Note 1	
5	Others	808,565	55.18		Others	778,673	52.32		
	Net Sales	1,465,282	100.00		Net Sales	1,488,195	100.00		

Note 1: Legal director of the Company

#### 5.2.5 Production in the Last Two Years

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					Unit:	NT\$ thousands	
Year		2022		2023			
Major Products	Capacity	Quantity	Amount	Capacity	Quantity	Amount	
RF Front-End devices and modules	Note 1	Note 1	925,948	Note 1	Note 1	867,147	

Note 1 : The Company's product structure is different, so the production capacity and quantity are not listed.

# 5.2.6 Shipments and Sales in the Last Two Years

Unit: million PCS; NT\$ thousands

Year	2022				2023			
Sales	Local		Export		Local		Export	
Major Products	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
RF Front-End devices and modules	390	297,032	1,187	1,168,250	426	331,361	1,130	1,156,834

#### **5.3 Human Resources**

Year		2022	2023	April 16, 2024	
Number of Employees	Direct	158	162	167	
	Indirect	49	43	41	
	Management & Sales	38	37	36	
	R & D	40	40	40	
	Total	285	282	284	
Average Age		39.0	39.0	39.2	
Average Years of Service		8.8	9.0	9.1	
Education	Ph.D.	3.2%	3.2%	3.2%	
	Masters	15.7%	14.9%	14.4%	
	Bachelor's Degree	45.6%	48.2%	49.3%	
	Senior High School	26.3%	24.8%	24.6%	
	Below Senior High School	9.2%	8.9%	8.5%	

### 5.4 Environmental Protection Expenditure

Disposition date and reference number	No. 1123402567 issued by the HsinChu County Government on October 25, 2023.
The articles of laws or regulations breached	Article 36, Paragraph 2 of Waste Disposal Act Article 7, Paragraph 2 of Methods and Facilities Standards for the Storage, Clearance and Disposal of Industrial Waste
Description of the violation	The storage period of hazardous waste shall not exceed one year.
Disposition	Fined NTD\$60,000 and attended environmental protection lecture for two hours.
Countermeasures	Hazardous waste stored for more than one year has been removed

### 5.5 Labor Relations

### 5.5.1 Employees' Welfare, Education, Training and Pension, Employee Relations and Protection of Employees' Rights:

- A. Employee Welfare
  - (a) Profit sharing: Article 25 of the Articles of Incorporation: The Company should distribute remuneration to employees not less than 5% of annual profits.
  - (b) Bonus system: Year-end bonus, performance bonus, operation bonus, etc.
  - (c) Annual salary review system.
  - (d) Periodic health checkup.
  - (e) Group insurances.
  - (f) Facilities: Parking lots, staff lounge, nursing room, cafeterias, etc.
  - (g) Activities: Welfare committee would organize activities such as trips, year-end party, prize drawing and various fun contests, and cash gifts for important festivals, birthday, wedding and new babies, subsidies for hospitalization and education of employees' children.

### B. Staff training and training situation

In accordance with the "Employee Education Training Management Procedures", the Company plans relevant training courses according to the professional functions and learning needs of employees.

- (a) Training system
- ① Work-oriented training : The head of the unit is responsible for the work guidance of the subordinates or the training of the work.
- 2 Centralized training : Consider developing human resources, organizing goals and employee education and propose annual education and training programs.
  - •New recruit training : New recruits should receive pre-employment training
  - •Functional training : Strengthen professional skills
  - •General education course : Courses on ESG, information security, occupational safety and health, and self-Inspiration
- ③ Management training: Training courses for grassroots supervisors, middle managers and senior management.
- (b) Summary of the implementation of education and development training this year In 2023, ACX's internal and external training sessions total 2,711 hours. On average, each employee attended about 9.6 hours of training, and ACX spends NT\$17 thousand on the education and development of employees.

### C. Employee retirement system

- (a) The Company allocates pension funds in accordance with the legislation from the Ministry of Labor and managed by the Bureau of Labor Funds. The annual budget for the allocation of the minimum income cannot be lower than the income calculated based on the interest rate of the banks' two-year time deposits in accordance with the legislation "Management and Utilization of the Labor Pension Funds".
- (b) The Company contributes at the rate of 6% of each employee's monthly wages to the Labor Pension personal account of the Bureau of the Labor Insurance in accordance with the provisions of the Labor Pension Act from July 1, 2005. Under this defined contribution plan, the Company's contribution to the Bureau of Labor Insurance requires no additional legal or constructive obligations thereafter.
- D. Agreement between labor and management

The Company has an open management environment. Various forms of discussion and communication can be conducted at any time between management and employees. Any problem can be reached in a timely and interactive manner. The Company cares about the interaction and communication between colleagues, so that employees and employers can achieve common growth and development goals through communication and understanding. The Company has built a challenging and learning environment where the relationship between workers and employers is harmonious, so there are no labor disputes.

- E. Various employee rights maintenance measures : Follow the Labor Standards Act to handle everything.
- 5.5.2 Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including labor inspection results found in violation of the Labor Standards Act, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions): None.

### **5.6 Cyber security management:**

- 5.6.1 Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.
- A. Security risk management framework

The Corporate Social Responsibility group was established to develop and implement policies or practices pertaining to the implementation of corporate governance, a sustainable environment, and safeguarding public interest. The group chairperson is headed by the president and comprises the following promotion teams: Corporate Governance, Employee Development, Green Products, Service of Customer, Supplier Management, Environment Protection and Social Participation. They are responsible for formulating corporate social responsibility policies, and objectives and activities for implementing corporate social responsibility-related events. The leader of each promotion team is usually the head of division, and team's members are composed of relevant business departments. The group performs its duties based on the P-D-C-A cycle. At the end of each year, the group is reviewed for its effectiveness and a written inspection report is compiled of the Board of Directors.

### B. Cyber security policies

Esteem the business secrets, personal privacy and information security

### C. Concrete management programs

<u> </u>	
Personnel management	• Cyber security personnel carefully evaluate their suitability.
and information security	<ul> <li>Cyber security personnel should separation of powers for checks and</li> </ul>
education and training	balances
	<ul> <li>Regularly conduct cyber security education training and publicity.</li> </ul>
Computer system security	◆ Personal computer or tablet use is prohibited.
management	◆ Antivirus software installed and regularly updated.
	◆ Installation of non-operating use and unauthorized software is prohibited.
	◆ The use authority of personal computer is strictly controlled to prevent
	improper access to data.
System access control	• Establish use rights and responsibilities for database and file access.
	◆ Resigned personnel immediately cancel all permissions; personnel
	transfer immediately adjust permissions.
	◆ There are specifications for password length, complexity and regular
	replacement frequency.
	◆ Personal USB is prohibited.
System development and	◆ In the initial stage of the system life cycle, the security needs of cyber
maintenance	communication are taken into account.
	◆ Sign cyber security and confidentiality clauses with outsourced
	manufacturers.
	◆ ACX personnel will accompany outsourced manufacturers to build and
	maintain facilities.
Sustainable operation	<ul> <li>Establish daily data backup and remote backup system.</li> </ul>
planning and management	◆ Conduct system recovery plan testing and drills every six months, and
	review relevant testing deficiencies.
	◆ Internal auditors conduct cyber security operation audits every year and
	report the results to the board of directors.

- D. Investments in resources for cyber security management
  - (a) All new employees have completed the cyber security training.
  - (b) Participants of ransomware prevention propaganda total 142 personnel.
  - (c) Entrust external experts to perform 1 network and cyber security assessments.
  - (d) Purchase cyber security software (one year).
  - (e) Become a member of the TWCERT/CC.
- 5.6.2 Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken: None.

### 5.7 Important Contracts: None.