



Annual Report in 2024

Prepared by SHIH HER TECHNOLOGIES INC.

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Website where the annual report can be found:

[http : //mops.twse.com.tw](http://mops.twse.com.tw)

Website of the Company: [http : //www.sht.com.tw](http://www.sht.com.tw)

Name, title, telephone number and email of the spokesperson and acting spokesperson of the Company:

	<u>Spokesperson</u>	<u>Acting Spokesperson:</u>
Name:	CHERN,SHYUE-JER	KU,HUI-YU
Title:	President	Manager of Finance Department
TEL:	8863-598-1100	8863-598-1100#250
E-mail:	martin@sht.com.tw	juliaku@sht.com.tw

1、Address and telephone number of the head office, branch and factory

2、Unit	Address	Tel
Head office	No. 18, Renzheng Road, Hsinchu Industrial Park, Hukou Township, Hsinchu County	8863-598-1100
Factory II	No. 30, Fuxing Road, Hsinchu Industrial Park, Hukou Township, Hsinchu County	8863-597-9619
Branch I, Branch II of Factory III	No. 35, Gongye 2nd Road, Tainan Science and Technology Industrial Zone, Annan District, Tainan City	8866-384-1300
Branch III of Factory III	No. 37, Gongye 2nd Road, Tainan Science and Technology Industrial Zone, Annan District, Tainan City	8866-384-1300
Factory V	No. 117, Guangfu North Road, Hsinchu Industrial Park, Hukou Township, Hsinchu County	8863-597-0913
Branch II of Factory V	No. 117-1, Guangfu North Road, Hsinchu Industrial Park, Hukou Township, Hsinchu County	8863-597-0913
Office in Shenzhen	11F, No. 1, Bieshu Road, Xinzhuang Community, Matian Sub-district, Guangming District, Shenzhen	86755-88213335
Factory in Dongguan	No. 12, Xinfeng Street, Changlong Industrial Zone, Huangjiang Town, Dongguan City	86769-83636266
Factory in Xiamen	No. 891, Tonglong 2nd Road, (Xiang'an) Industrial Zone, Xiamen Torch High-tech Development Zone	86592-7205815
Factory in Hefei	No. 156, Luohe Road, Economic Development Zone, Lujiang County, Hefei City, Anhui Province	86551-82568000
Factory in Chengdu	No. 156, Jinniu Road, High-tech Zone, district, Southwest Airport-based Economic Development Zone, Shuangliu District, Chengdu City	8628-64463939

3、Name, address, Tel and website of the agency for stock transfer:

Name: Stock Agency Department, Taishin Securities Co., Ltd.
Address: (104) B1, No. 96, Section 1 Jianguo North Road, Taipei City
TEL: 8862-2504-8125
Website: <https://www.tssco.com.tw/>

4、The name, firm name, address, Tel and website of the Certified Public Accountant for financial report in the most recent year:

Name of Certified Public Accountant: Cheng An-Chih , Huang Yonghua
Name of accounting firm: KPMG
Address: 68F, No. 7, Section 5, Xinyi Road, Xinyi District, Taipei City
TEL: 8862-8101-6666
Website: <http://www.kpmg.com.tw>

5、The name of the trading place where the overseas securities are listed and traded and the method for inquiring the information of the overseas securities: None

6、Company website: <http://www.sht.com.tw>

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I.Report to Shareholders

Dear Shareholders,

In 2024, global inflation has eased and end-market demand is gradually recovering. Coupled with the rising demand for emerging AI applications, these factors continue to drive rapid growth in the semiconductor industry. Benefiting from the increasing demand for AI and HPC, along with the recovery of other applications, Taiwanese semiconductor manufacturers have continued to expand their advanced process capacities. This, in turn, has driven demand for the cleaning and regeneration of related equipment components. Our company provides high-quality cleaning and regeneration services to customers and has optimized its product portfolio, resulting in continued growth in both revenue and net profit.

(I) Business Performance for Fiscal Year 2024

Unit: NTD 1,000

Item	2024	2023	Increase (decrease) amount	Increase (decrease) percentage (%)
Operating income	2,575,405	2,288,561	286,844	12.53
Business gross profit	938,441	856,014	82,427	9.63
Business gains	427,913	379,885	48,028	12.64
Net income	373,130	313,970	59,160	18.84

(II) Budget implementation

The Company did not disclose the financial forecast for 2024 according to the current laws and regulations.

(III) Financial revenue and expenditure analysis and profitability analysis

Items		2024	2023
Financial structure	Ratio of debt to assets (%)	22.71	26.31
	Ratio of long-term funds to fixed assets (%)	153.94	148.55
Solvency	Current ratio (%)	235.20	202.96
	Quick ratio (%)	213.26	180.17
Profitability	Return on investment (%)	7.90	6.77
	Return on shareholders' equity (%)	10.23	9.09
	Ratio of net income before tax to paid-in capital (%)	82.74	72.91
	Profit ratio (%)	14.49	13.72
	Earnings per share (NTD) after tax	6.63	5.58

(IV) Research and development

In addition to actively enhancing our cleaning and regeneration technologies, the company continues to collaborate with customers and original equipment manufacturers (OEMs) on the development and innovative research of cleaning solutions for advanced process equipment materials and components. These efforts effectively extend the lifespan of customers' equipment parts and significantly reduce costs, positioning our company as a high-quality, full-spectrum provider of precision component cleaning and regeneration services.

Future research and development plans:

R&D project	Intended use
Development of ALD stripping technology for semiconductor components.	We are developing technologies for the repeated coating and recycling of parts used in semiconductor and facility equipment, with the goal of reducing costs and enhancing sustainability.

II. The 2025 Business plan outline

(I) Operating strategy

With continuous innovation in advanced semiconductor process technologies, providing customers with high-quality and exceptional cleaning and regeneration services has always been a core objective of our company. In line with the expansion plans of our semiconductor clients' advanced manufacturing processes, our company not only offers excellent cleaning and regeneration services, but also adopts the following strategic responses to adapt to changing market conditions:

- 1、Continue promoting the development of smart factories, enabling real-time production quality analysis and optimized capacity planning to enhance efficiency and build high-quality, high-efficiency, and highly competitive operations.
- 2、Expand collaboration with OEMs and customers to jointly innovate and develop cleaning and regeneration technologies, thereby strengthening our cost advantages.
- 3、Continue expanding our cleaning and regeneration operations in China, fostering stronger partnerships with regional stakeholders and increasing our market share.

(II) Expected sales volume

According to research firm International Data Corporation (IDC), the global semiconductor market is expected to grow steadily in 2025. The broader foundry market—which includes wafer foundry, non-memory integrated device manufacturing (IDM), packaging and testing, and photomask (I) Business Performance for Fiscal Year 2024

Unit: NTD 1,000

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(II) Expected sales volume

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(III) Key Production and Sales Policies

1. Continue the implementation of automated production equipment to enhance operational efficiency, improve the quality of cleaning and regeneration services, and shorten the turnaround time for component returns.
2. Optimize the product portfolio and increase the revenue contribution from cleaning and regeneration services related to advanced semiconductor process technologies.

III. Future Company Development Strategies

In response to overall industry trends, the Company will continue to provide high-quality cleaning and regeneration services while actively promoting the upgrade of energy-efficient equipment and establishing smart factories focused on energy conservation and carbon reduction. From a technological standpoint, we will strengthen collaboration with customers in developing cleaning technologies for advanced semiconductor processes. In alignment with the expansion plans of semiconductor manufacturers, we will increase our production capacity by investing in new equipment to enhance cleaning capabilities for advanced nodes, aiming to expand our market share and improve profitability.

IV. Impact of External Competition, Regulatory Changes, and the Overall Business Environment

In terms of external competition, the Company actively addresses customers' customized cleaning needs and strengthens its niche advantages to maintain a competitive edge. On the regulatory front, Taiwan's "Climate Change Response Act" has officially incorporated the goal of net-zero emissions by 2050 into law, and the Financial Supervisory Commission has outlined a clear timeline for listed companies to complete carbon inventories. In response, the Company continues to implement carbon reduction initiatives and cooperates with customers in ESG sustainability efforts to reduce energy consumption, cut carbon emissions, and support environmental goals.

Amid rising geopolitical risks and changes in global supply chain distribution, market demand and product pricing fluctuations have impacted revenue realization and operating costs. To mitigate these challenges, the Company is enhancing its technological capabilities to adapt to shifting conditions.

Driven by strong and sustained demand from AI-related applications, semiconductor manufacturers are continuing to expand their high-end process production capacity. The Company will closely monitor macroeconomic developments and customer dynamics, adjusting its business strategies as needed. We will also strengthen collaboration with clients and suppliers to improve the quality of cleaning and regeneration services while reducing production costs and creating greater profitability.

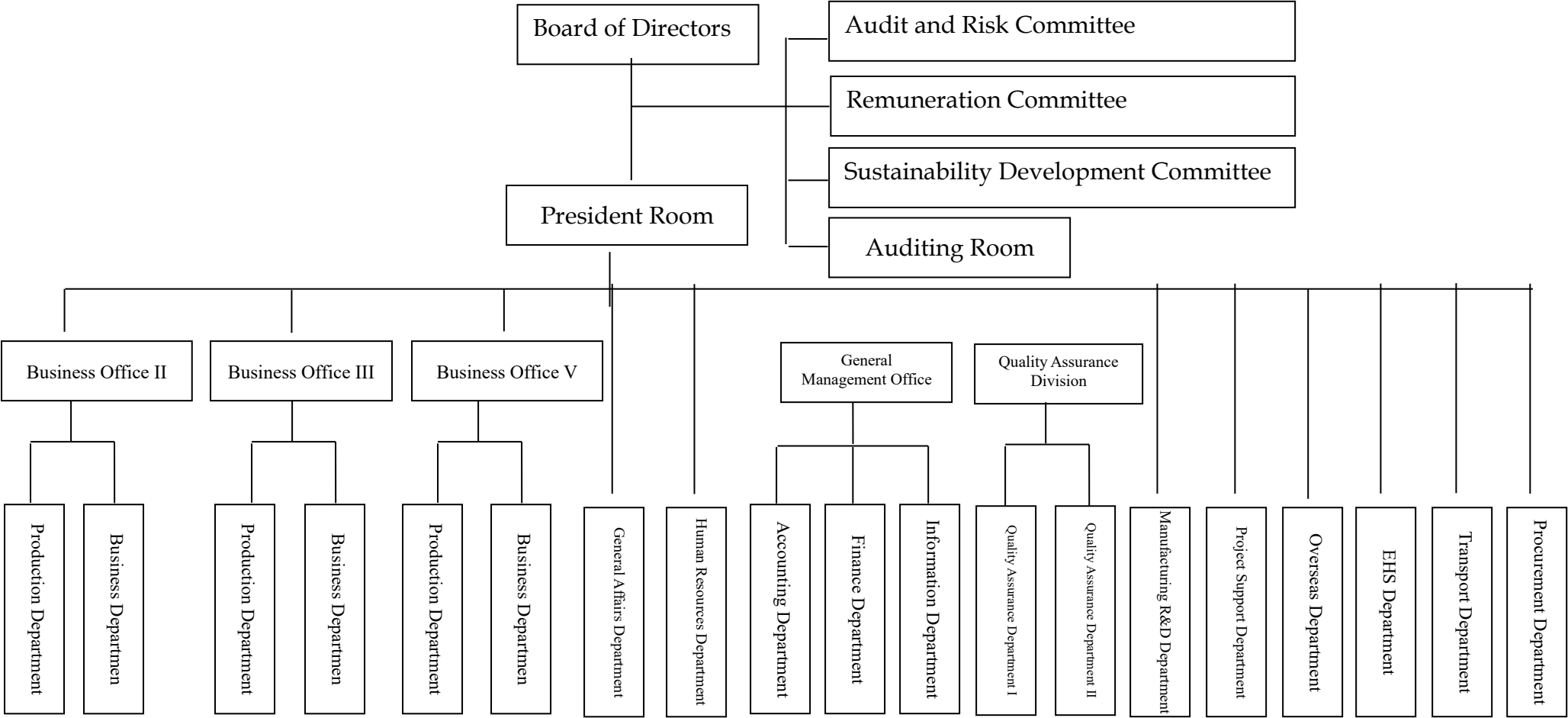
Wishing all our valued shareholders good health and every success in all endeavors.

Sincerely,
Chairman: Chen Hsueh-Sheng

II 、Corporate Governance Report

I Organizational System Structure

(I) Organizational Structure



(II) Business Activities of Each Major Department

Department		Business Activities
President Room		<p>Implements resolutions of the shareholders' and board meetings; assists the General Manager in overseeing company operations. Formulates and promotes business objectives.</p> <p>Coordinates and plans organizational structures and interdepartmental business operations. Supervises the preparation and execution of annual business plans and budgets.</p> <p>Develops and promotes sustainable development policies and plans.</p>
General Management Office		<p>Responsible for corporate governance.</p> <p>Reviews external contracts and provides legal opinions. Handles and tracks litigation cases.</p> <p>Executes various operational planning tasks.</p> <p>Oversees business activities of subordinate units. Implements sustainability initiatives.</p>
Auditing Room		<p>Establishes, revises, and reviews audit systems.</p> <p>Drafts and implements audit plans.</p> <p>Investigates and evaluates the soundness, rationality, effectiveness, and implementation of internal control systems across departments.</p>
Business Office II	Business Department	<p>Develops new clients and supports credit investigation with the Finance Department.</p> <p>Improves complaint response mechanisms.</p> <p>Reworks components for existing customers.</p> <p>Develops large-size CVD and ETCH clients.</p> <p>Implements sustainability initiatives.</p>
	Production Department	<p>Develops cleaning technology for new clients.</p> <p>Improves existing precision cleaning technologies and reduces costs.</p> <p>Develops CVD and etching precision cleaning technologies.</p> <p>Enhances and integrates quality assurance systems.</p> <p>Strengthens employee training and professional skills.</p> <p>Implements sustainability initiatives.</p>
III Business Office	Business Department	<p>Develops clients in Central and Southern Taiwan Science Parks and plans/executes marketing strategies.</p> <p>Conducts sales statistics and analysis.</p> <p>Enhances complaint handling to improve service quality and customer satisfaction.</p> <p>Implements sustainability initiatives.</p>

Department		Business Activities
Business Office III	Production Department	<p>Responsible for precision cleaning, regeneration, surface treatment, and manufacturing of components for semiconductor and optoelectronic process equipment.</p> <p>Enhances precision cleaning technologies and reduces production costs.</p> <p>Manages quality, delivery, and service requirements to ensure company-wide understanding and implementation of quality policies.</p> <p>Implements sustainability initiatives.</p>
	Business Department	<p>Develops new clients and formulates and executes marketing plans.</p> <p>Conducts sales data analysis and reporting.</p> <p>Handles customer complaints to enhance service quality and continuously pursue customer satisfaction.</p> <p>Develops new clients in the semiconductor ETCH, Litho, and CVD sectors and performs credit evaluations.</p> <p>Plans and executes marketing strategies.</p> <p>Plans and carries out sales of peripheral components.</p> <p>Implements sustainability initiatives.</p>
Business Office V	Production Department	<p>Responsible for precision cleaning, regeneration, surface treatment, and manufacturing of semiconductor process equipment components.</p> <p>Enhances precision cleaning technologies and reduces production costs.</p> <p>Controls product quality, delivery schedules, and service requirements to ensure all personnel understand and implement quality policies.</p> <p>Performs precision cleaning, surface treatment, regeneration, and manufacturing of equipment components in semiconductor etching, lithography, and CVD areas.</p> <p>Continuously improves precision cleaning technologies and reduces production costs.</p> <p>Implements sustainability initiatives.</p>
	General Affairs Department	<p>Manages plant operations and engineering maintenance.</p> <p>Oversees and enforces fire safety, environmental protection, and occupational safety.</p> <p>Prepares and executes departmental budgets.</p> <p>Implements sustainability initiatives.</p>
Human Resources Department		<p>Manages employee compensation, benefits, performance management, training, organizational and manpower development.</p> <p>Prepares and executes related annual plans and budgets.</p> <p>Implements sustainability initiatives.</p>

Department		Business Activities
General Management Office	Accounting Department	Establishes, controls, and revises accounting systems. Consolidates and prepares annual budgets; monitors and analyzes results. Reviews vouchers and prepares financial reports. Handles tax declarations and uploads financial data. Implements sustainability initiatives.
	Finance Department	Manages group cash operations. Handles payments, forex, and investment operations. Oversees corporate license changes. Controls and develops banking facilities. Manages shareholder services. Coordinates board, shareholder, and committee meetings. Implements sustainability initiatives.
	Information Department	Maintains ERP systems and data. Executes various IT projects. Manages and maintains hardware such as servers, data centers, and networks. Implements sustainability initiatives.
Manufacturing R&D Department		Develops new products and technologies; improves processes. Implements sustainability initiatives.
Project Support Department		Supports specific projects of subsidiaries. Implements sustainability initiatives.
Overseas Department		Expands international business. Implements sustainability initiatives.
EHS Department		Formulates and enforces safety, health, and environmental protection systems. Conducts GHG inventory and implements sustainability initiatives.
Transport Department		Manages shipment and delivery. Implements sustainability initiatives.
Procurement Department		Manages and executes procurement for the company and all plants. Implements sustainability initiatives.
Quality Assurance Division	Quality Assurance Department I、II	Ensures product quality and customer satisfaction. Implements sustainability initiatives.
		Establishes and optimizes in-process and final quality control procedures (IPQC/FQC). Handles quality anomalies with cross-departmental coordination and follow-up improvements. Manages incoming inspection and measurement instruments. Implements sustainability initiatives.

II Information of Director, President, Deputy President, Director, Heads of various departments and branches

(I) Directors

1. Information of directors

April 13, 2025 Unit: 1,000 shares

Title	Nationality or place of registration	Name	Gender (Age)	Date of election (appointment)	Term of office	Date of election for the first time	Shares held when elected		Number of shares held currently		Shares held by spouses and minor children currently		Shareholding in others' name		Main experiences (education background)	Current positions in the Company and other companies	Other heads, directors who have spouses or relatives within the second-degree relationship			Remarks
							The number of shares	Shareholding ratio	The number of shares	Shareholding ratio	The number of shares	Shareholding ratio	The number of shares	Shareholding ratio			Title	Name	Relationship	
Chairman	Taiwan	CHEN,HSUEH-SHEN	Male (71)	June 22, 2022	3 years	June 13, 2007	720	1.27%	720	1.27%	470	0.83%	0	0	Experience: President of Taiwan Business Office of Continental Engineering Corporation Education: Department of Hydraulic Engineering, Chung Yuan Christian University	Director of SHIH-PING TECHNOLOGIES (SHENZHEN) CO.,LTD. Director of SHITIAN PHOTOELECTRIC TECHNOLOGY (XIAMEN) CO., LTD. Director of DONGGUAN SHIH PING PHOTOELECTRIC TECHNOLOGY CO., LTD Chairman and President of Jinxiexing Construction INC.	Corporate Entity, Director Representative Director of Management Office	CHERN,SHYUE-JER CHEN,HSUEH-YUAN	Brothers Brother & sister	-

Title	Nationality or place of registration	Name	Gender (Age)	Date of election (appointment)	Term of office	Date of election for the first time	Shares held when elected		Number of shares held currently		Shares held by spouses and minor children currently		Shareholding in others' name		Main experiences (education background)	Current positions in the Company and other companies	Other heads, directors who have spouses or relatives within the second-degree relationship			Remarks
							The number of shares	Shareholding ratio	The number of shares	Shareholding ratio	The number of shares	Shareholding ratio	The number of shares	Shareholding ratio			Title	Name	Relationship	
Director	Taiwan	GUAN LIN INVESTMENT CORPORATION LIMITED Representative: CHERN,SHYUE-JER	Male (66)	June 22, 2022	3 years	September 21, 2004	8,541	15.04%	8,558	15.07%	0	0	0	0	Experience: Engineer of Regional Service Department in Lam Research Weiji INC. President Education: Department of Marine Engineering, Taipei College of Maritime Technology	Director Representative, President of CHANG YORK TECHNOLOGIES INC. Director Representative, President of YUAN GUANG TECHNOLOGIES INC. Director Representative, President of MINERVA WORKS PTE LTD in Singapore Director Representative, President of TOP VACUUM CO., LTD. Director of SHIH-PING TECHNOLOGIES (SHENZHEN) CO.,LTD. Director of SHI TIAN PHOTOELECTRIC TECHNOLOGY (XIAMEN) CO., LTD. Director of DONGGUAN SHIH PING PHOTOELECTRIC TECHNOLOGY CO., LTD	Chairman of Management Office	CHEN,HSUEH-SHEN CHEN,HSUEH-YUAN	Brothers Sister & brother	-

Title	Nationality or place of registration	Name	Gender (Age)	Date of election (appointment)	Term of office	Date of election for the first time	Shares held when elected		Number of shares held currently		Shares held by spouses and minor children currently		Shareholding in others' name		Main experiences (education background)	Current positions in the Company and other companies	Other heads, directors who have spouses or relatives within the second-degree relationship			Remarks
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Director	Taiwan	CHENG, CHIH-FA	Male (66)	June 22, 2022	3 years	June 13, 2007	0	0	0	0	0	0	0	0	Experience: Certified Public Accountant of Jingxing Accounting Firm Education: Accounting Department, Chung Hsing University	Certified Public Accountant of Jingxing Accounting Firm Chairman of Yuxing Management Consultant INC. Director of GOLDEN POINT MANAGEMENT LTD. Director of Senboge Investment INC. Director of Yuanfutai Development Co., Ltd. Director of COREMAX TAIWAN CORPORATION Director of URANUS CHEMICALS CO., LTD. Independent Director of Hong Yi Fiber Ind. Co., Ltd. Independent Director of SHIN ZU SHING CO., LTD. Director Representative of Ezfly International Travel Agent Co., Ltd. Director of GSD TECHNOLOGIES CO., LTD.	-	-	-	-

Title	Nationality or place of registration	Name	Gender (Age)	Date of election (appointment)	Term of office	Date of election for the first time	Shares held when elected		Number of shares held currently		Shares held by spouses and minor children currently		Shareholding in others' name		Main experiences (education background)	Current positions in the Company and other companies	Other heads, directors who have spouses or relatives within the second-degree relationship			Remarks
							The number of shares	Shareholding ratio	The number of shares	Shareholding ratio	The number of shares	Shareholding ratio	The number of shares	Shareholding ratio			Title	Name	Relationship	
Director	Taiwan	JHANG, CHUN-RONG (Note 1)	Male (68)	June 22, 2022	3 years	June 19, 2012	3	0.01%	9	0.02%	1	0	0	0	Experience: President of Croslene Chemical Industries Ltd. Education: Master of Institute of Chemistry, Tsinghua University	None.	-	-	-	-
Independent director	Taiwan	CHIA, CHAO-YI (Note 2)	Male (69)	June 22, 2022	3 years	June 27, 2019	0	0	0	0	0	0	0	0	Experience: Continental Engineering Corporation ABC Bridge Engineering Company of America Education: Doctor of Reliability Engineering, University of Maryland, USA	None.	-	-	-	-
Independent director	Taiwan	GONG, SHUAN-G-SYONG (Note 2)	Male (66)	June 22, 2022	3 years	June 22, 2022	0	0	0	0	0	0	0	0	Experience: Certified Public Accountant of Deloitte & Touche Education: Master, Institute of Business School, National Taiwan University	Independent Director of TAIWAN CHI CHENG ENTERPRISE CO., LTD.	-	-	-	-

Title	Nationality or place of registration	Name	Gender (Age)	Date of election (appointment)	Term of office	Date of election for the first time	Shares held when elected		Number of shares held currently		Shares held by spouses and minor children currently		Shareholding in others' name		Main experiences (education background)	Current positions in the Company and other companies	Other heads, directors who have spouses or relatives within the second-degree relationship			Remarks
							The number of shares	Shareholding ratio	The number of shares	Shareholding ratio	The number of shares	Shareholding ratio	The number of shares	Shareholding ratio			Title	Name	Relationship	
Independent director	Taiwan	LIN,KAI (Note 2)	Male (65)	June 22, 2022	3 years	June 22, 2022	0	0	0	0	0	0	0	0	Experience: Judge of Taoyuan District Court, Taiwan Judge of Tainan District Court, Taiwan Judge of Pingdong District Court, Taiwan Education: Master of Law Institute, National Chengchi University	Chief Lawyer of Haw Yeu Independent Director of AXIS CORPORATION Independent Director of ITI INTERNATIONAL TRANSPORTATION INC.	-	-	-	-

2. Major shareholders of corporate shareholders

April 13, 2025

Name of corporate shareholder	Major shareholders of corporate shareholder
GUAN LIN INVESTMENT CORPORATION LIMITED	Hsueh-Chuan Chen 7.04% Hsueh-Yuan Chen: 28.17% Yung-Chia Chang: 0.70%

3. Major shareholders of major corporate shareholders: None.

4. Disclosure of professional qualification of the Director and information on independence of the Independent Director:

April 13, 2025

Conditions Name	Professional qualification and experience	Independence	The number of public offering companies which he/she concurrently works for as an Independent Director
CHEN, HSUEH-SHEN Chairman	With more than five years of working experience required by the business of the Company, he currently serves as the Chairman and President of Jinxiexing Construction INC. and Junjie Construction INC., and does not have one of the circumstances specified in Article 30 of the Company Act.	(1) Not an employee of the Company or its related enterprises. (2) Not a director, Supervisor or employee of other companies whose director number or more than half of the voting shares and are controlled by the same person as that of the Company. (3) Not a director, Supervisor or employee of other companies or institutions whose director, Supervisor or employee is each other the same person or spouse as the Chairman, President or the person equivalent in position of the Company. (4) Not a director, Supervisor, manager or shareholder holding more than 5% of the shares of specific companies or institutions that have financial or business dealings with the Company. (5) Not elected on behalf of government, corporate entity or its representative in accordance with Article 27 of the Company Act.	None
GUAN LIN INVESTMENT CORPORATION LIMITED Representative: CHERN, SHYUE-JER Director	With more than five years of working experience required by the business of the Company, he is engaged in the fields related to semiconductor and photoelectric regenerative flushing for nearly 40 years, and does not have one of the circumstances specified in	(1) Not a director, Supervisor or employee of other companies whose director number or more than half of the voting shares and are controlled by the same person as that of the Company. (2) Not a director, Supervisor or employee of other companies or institutions whose director, Supervisor or employee is each other the same person or spouse as the	None

Conditions Name	Professional qualification and experience	Independence	The number of public offering companies which he/she concurrently works for as an Independent Director
	Article 30 of the Company Act.	Chairman, President or the person equivalent in position of the Company. (3) Not elected on behalf of government, corporate entity or its representative in accordance with Article 27 of the Company Act.	
CHENG,CHIH-FA Director	With more than five years of working experience required by the business of the Company, he currently serves as the Certified Public Accountant of Jingxing Accounting Firm, and does not have one of the circumstances specified in Article 30 of the Company Act.	(1) Not an employee of the Company or its related enterprises. (2) Not a director, Supervisor of the Company or its related. (3) Not a natural person shareholder who and whose spouse, minor children hold, or hold in others' name, 1% or more of the total number of shares issued by the Company or the shares (the number of shares takes top ten). (4) Not a spouse, relative in the second-degree relationship or the lineal relative by blood in the three-degree relationship of the manager listed in (1) or the personnel listed in (2) and (3). (5) Not a director, Supervisor or employee of corporate shareholders who directly holds more than 5% of the total shares issued by the Company, holds the shares (the number of shares takes the top 5), or appoints the representative as a director or Supervisor of the Company in accordance with Paragraph 1 or 2, Article 27 of the Company Act. (6) Not a director, Supervisor or employee of other companies whose director number or more than half of the voting shares and are controlled by the same person as that of the Company. (7) Not a director, Supervisor or employee of other companies or institutions whose director, Supervisor or employee is each other the same person or spouse as the Chairman, President or the person equivalent in position of the Company. (8) No spouse relation or family relation in the second-degree relationship with other directors. (9) Not elected on behalf of government, corporate entity or its representative in accordance with Article 27 of the Company Act.	2
JHANG,CHUN-	With more than five years of	(1) Not an employee of the Company or its	None

<div>Conditions</div> <div>Name</div>	Professional qualification and experience	Independence	The number of public offering companies which he/she concurrently works for as an Independent Director
RONG Director	working experience required by the business of the Company, and Master Degree of Institute of Chemistry, Tsinghua University, and does not have one of the circumstances specified in Article 30 of the Company Act.	<p>related enterprises.</p> <p>(2) Not a director, Supervisor of the Company or its related.</p> <p>(3) Not a natural person shareholder who and whose spouse, minor children hold, or hold in others' name, 1% or more of the total number of shares issued by the Company or the shares (the number of shares takes top ten).</p> <p>(4) Not a spouse, relative in the second-degree relationship or the lineal relative by blood in the three-degree relationship of the manager listed in (1) or the personnel listed in (2) and (3).</p> <p>(5) Not a director, Supervisor or employee of corporate shareholders who directly holds more than 5% of the total shares issued by the Company, holds the shares (the number of shares takes the top 5), or appoints the representative as a director or Supervisor of the Company in accordance with Paragraph 1 or 2, Article 27 of the Company Act.</p> <p>(6) Not a director, Supervisor or employee of other companies whose director number or more than half of the voting shares and are controlled by the same person as that of the Company.</p> <p>(7) Not a director, Supervisor or employee of other companies or institutions whose director, Supervisor or employee is each other the same person or spouse as the Chairman, President or the person equivalent in position of the Company.</p> <p>(8) No spouse relation or family relation in the second-degree relationship with other directors.</p> <p>(9) Not elected on behalf of government, corporate entity or its representative in accordance with Article 27 of the Company Act.</p>	
CHIA, CHAO-YI Independent director	With more than five years of working experience required by the business of the Company, and Doctor Degree of Reliability Engineering, University of Maryland, USA, he does not have one of the circumstances specified in	<p>(1) Not an employee of the Company or its related enterprises.</p> <p>(2) Not a director, Supervisor of the Company or its related.</p> <p>(3) Not a natural person shareholder who and whose spouse, minor children hold, or hold in others' name, 1% or more of the total number of shares issued by the Company or</p>	None

Conditions Name	Professional qualification and experience	Independence	The number of public offering companies which he/she concurrently works for as an Independent Director
	Article 30 of the Company Act.	the shares (the number of shares takes top ten).	
GONG,SHUANG-SYONG Independent director	With more than five years of working experience required by the business of the Company, he has ever served as a Certified Public Accountant of Deloitte & Touche, and does not have one of the circumstances specified in Article 30 of the Company Act.	(4) Not a spouse, relative in the second-degree relationship or the lineal relative by blood in the three-degree relationship of the manager listed in (1) or the personnel listed in (2) and (3). (5) Not a director, Supervisor or employee of corporate shareholders who directly holds more than 5% of the total shares issued by the Company, holds the shares (the number of shares takes the top 5), or appoints the representative as a director or Supervisor of the Company in accordance with Paragraph 1 or 2, Article 27 of the Company Act.	1
LIN,KAI Independent director	With more than five years of working experience required by the business of the Company, he currently serves as Chief Lawyer of Haw Yeu Attorneys-at-Law, and does not have one of the circumstances specified in Article 30 of the Company Act.	(6) Not a director, Supervisor or employee of other companies whose director number or more than half of the voting shares and are controlled by the same person as that of the Company. (7) Not a director, Supervisor or employee of other companies or institutions whose director, Supervisor or employee is each other the same person or spouse as the Chairman, President or the person equivalent in position of the Company. (8) No spouse relation or family relation in the second-degree relationship with other directors. (9) Not elected on behalf of government, corporate entity or its representative in accordance with Article 27 of the Company Act.	2

5. Diversity and independence of the board of directors:

(1) Diversity of the board of directors:

In line with its diversification policy and in an effort to strengthen corporate governance and enhance the development of a sound board composition and structure, the Company adopts a candidate nomination system for the election of directors in accordance with its Articles of Incorporation.

Nominees for directorship are evaluated based on their academic and professional qualifications, integrity, and relevant expertise. After being approved by the Board of Directors, the list of candidates is submitted to the shareholders' meeting for election.

In terms of board composition, the number of directors concurrently serving as company managers shall not exceed one-third of the total board seats. The Company also formulates an appropriate diversity policy tailored to its operational model and developmental needs, which may include but is not limited to the following aspects:

- ① Fundamental Criteria and Values: Gender, age, nationality, and cultural background.
- ② Professional Knowledge and Skills: Operational judgment, accounting and financial analysis capabilities, business management skills, crisis management ability, industry knowledge, global market perspective, leadership, and decision-making capabilities.

The Company's current Board of Directors consists of seven members, including three independent directors. Their professional expertise spans finance and accounting, electrical and electronic engineering, and chemical engineering.

Among the board members, one director also holds an employee position.

Of the three independent directors, one has served between 6 to 9 years, and two have served for less than 3 years.

The current term of the Board will expire on June 21, 2025, and during the next election, the Company plans to appoint an additional female director to further enhance board diversity.

Management objectives	Whether to achieve
The number of Independent Directors exceeds one-third of the number of directors	Achieved
The number of directors concurrently serving as manager of the Company shall not exceed one-third of the number of directors	Achieved
The term of office for Independent Directors has not exceeded 3 terms	There are three independent directors, one of whom has served for more than three consecutive terms.
Adequate and diversified professional knowledge and skills	Achieved

The status of implementation of diversity policies for members of board of directors is as follows:

Name	Title	Gender	Age			Term of office for Independent Directors			Whether to concurrently serve as employee	Professional knowledge and skills							
			Aged from 51 to 60	Aged from 61 to 70	Aged from 71 to 80	Less than 3 years	3 to 9 years	Over 9 years		Operation judgment ability	Accounting and financial analysis ability	Operation management ability	Crisis handling ability	Industrial knowledge	International market outlook	Leadership ability	Decision-making ability
CHEN,HSUEH-SHEN	Chairman	Male			V					V		V	V	V	V	V	V
GUAN LIN INVESTMENT CORPORATION LIMITED Representative: CHERN,SHYUE-JER	Director	Male		V					V	V		V	V	V	V	V	V
CHENG,CHIH-FA	Director	Male		V						V	V	V	V	V	V	V	V
JHANG,CHUN-RONG	Director	Male		V						V		V	V	V	V	V	V
CHIA, CHAO-YI	Independent director	Male		V			V			V		V	V	V	V	V	V
GONG,SHUANG-SYONG	Independent director	Male		V		V				V	V	V	V	V	V	V	V
LIN,KAI	Independent director	Male		V		V				V		V	V	V	V	V	V

(II) Information of President, Deputy President, Director, Heads of various departments and branches

April 13, 2025; Unit: NTD 1,000 shares, %

Title (Note 1)	Nationality	Name	Gender	Election (appointment) Date	Shares held		Shares held by spouses and minor children		Shareholding in others' name		Main experiences (education background) (Note 2)	Current positions in other companies	Managers who have the relationship of spouses or relatives within the second-degree			Remark (Note 3)
					The number of shares	Shareholding ratio	The number of shares	Shareholding ratio	The number of shares	Shareholding ratio			Title	Name	Relationship	
President	Taiwan	CHERN,SHYUE-JER	Male	May 20, 2004	2,166	3.81%	0	0	0	0	Experience: Engineer of Regional Service Department in Lam Research President of Weiji INC. Education: Department of Marine Engineering, Taipei College of Maritime Technology	Corporate Entity, Director Representative, President of CHANG YORK TECHNOLOGIES INC. Corporate Entity, Director Representative, President of YUAN GUANG TECHNOLOGIES INC. Corporate Entity, Director Representative, President of MINERVA WORKS PTE LTD in Singapore Corporate Entity, Director Representative, President of TOP VACUUM CO., LTD. Director of SHIH-PING TECHNOLOGIES (SHENZHEN) CO.,LTD. Director of SHI TIAN PHOTOELECTRIC TECHNOLOGY (XIAMEN) CO., LTD. Director of DONGGUAN SHIH PING	Chairman Director of Management Office	CHEN,HSUEH-SHEN CHEN,HSUEH-YUAN	Brothers Sister & brother	-

Title (Note 1)	Nationality	Name	Gender	Election (appointment) Date	Shares held		Shares held by spouses and minor children		Shareholding in others' name		Main experiences (education background) (Note 2)	Current positions in other companies	Managers who have the relationship of spouses or relatives within the second-degree			Remark (Note 3)
					The number of shares	Shareholding ratio	The number of shares	Shareholding ratio	The number of shares	Shareholding ratio			Title	Name	Relationship	
												PHOTOELECTRIC TECHNOLOGY CO., LTD				
Special Assistant	Taiwan	HO,CHI-YUAN	Male	March 25, 2010	0	0	0	0	0	0	Experience: Manager of Business Department of Canon Semiconductor Equipment Taiwan, Inc. Education: Department of Agricultural Economics, Meiji University, Japan	-	-	-	-	-
Director	Taiwan	HO,WEN-CHIN	Male	October 26, 2010	23	0.04%	0	0	0	0	Experience: Salesman of Xinjing INC. Education: Department of Industrial Engineering, Minghsin University of Science and Technology	-	-	-	-	-
Director	Taiwan	JUAN,WU-FU	Male	June 19, 2012	0	0	0	0	0	0	Experience: Business Manager of Oerlikon, Switzerland Business Manager of BOC Edward, the UK Director of AVIZA Business in the US Director of Factory Affair Equipment Department in Auria Solar Education: Institute for Medical	-	-	-	-	-

Title (Note 1)	Nationality	Name	Gender	Election (appointment) Date	Shares held		Shares held by spouses and minor children		Shareholding in others' name		Main experiences (education background) (Note 2)	Current positions in other companies	Managers who have the relationship of spouses or relatives within the second-degree			Remarks (Note 3)
					The number of shares	Shareholding ratio	The number of shares	Shareholding ratio	The number of shares	Shareholding ratio			Title	Name	Relationship	
											Engineering, National Cheng Kung University Master of Advanced Management, Fu Jen Catholic University					
Director of General Management Office	Taiwan	CHEN,HSUEH-YUAN	Female	September 1, 2007	998	1.76%	0	0	0	0	Experience: Accounting Director of Shiren Construction Co., Ltd. Manager of Finance Department of SHIH HER TECHNOLOGIES INC. Chairman of SHIH HER TECHNOLOGIES INC. Education: Department of Commerce, Yu Da High School of Commerce and Home Economics	Supervisor of SHIH-PING TECHNOLOGIES (SHENZHEN) CO.,LTD. Supervisor of SHI JU TECHNOLOGY (HEFEI) CO., LTD. Supervisor of SHI TIAN PHOTOELECTRIC TECHNOLOGY (XIAMEN) CO., LTD. Supervisor of DONGGUAN SHIH PING PHOTOELECTRIC TECHNOLOGY CO., LTD Supervisor of CHENGDU SHIZHENG TECHNOLOGY CO., LTD Supervisor of NANJING HUNG JIE SEMICONDUCTOR TECHNOLOGY CO.,LTD.	Chairman President	CHEN,HSUEH-SHEN CHERN,SHYUE-JER	Brother & sister Sister & brother	-
Accounting Manager	Taiwan	LIN,CHIN-YUAN	Male	October 26, 2010	5	0.01%	0	0	0	0	Experience: Deputy Manager of Finance Department of SUS RECYCLING TECHNOLOGY INC. Education: Department of Accounting, Feng Chia University	-	-	-	-	-

Title (Note 1)	Nationality	Name	Gender	Election (appointment) Date	Shares held		Shares held by spouses and minor children		Shareholding in others' name		Main experiences (education background) (Note 2)	Current positions in other companies	Managers who have the relationship of spouses or relatives within the second-degree			Remark (Note 3)
					The number of shares	Shareholding ratio	The number of shares	Shareholding ratio	The number of shares	Shareholding ratio			Title	Name	Relationship	
Financial Manager	Taiwan	KU,HUI-YU	Female	December 25, 2008	2	0	0	0	0	0	Experience: Deputy Manager of Finance Department of CHARDIN TECH CORPORATION Deputy Manager of Finance Department of SPEED TECH CORP. Education: Accounting Research Institute, Chung Yuan Christian University	Supervisor of TOP VACUUM CO., LTD.	-	-	-	-
Deputy Manager of audit	Taiwan	CHEN,MING-LI	Female	September 1, 2007	0	0	0	0	0	0	Experience: Head of Auditing Department of Infomax Optical Technology Corporation Head of Auditing Department of Shengyuan Industry INC. Education: Department of Accounting, Tamkang University	-	-	-	-	-

Note 1: It shall include the information of President, Deputy President, Director, Heads of various departments and branches. In addition, the information of any person in a position equivalent to President, Deputy President or Director shall be disclosed, regardless of title.

Note 2: If the experience related to the current position, such as working in the audit and verification accounting firm or relevant company during above period, exists, the title and duties shall be stated.

Note 3: The relevant information shall be indicated, including the reason, rationality, necessity and responses (for instance, if the Independent Directors are increased, over half of the directors shall not concurrently act as employees or managers, etc.) if the President or the person equivalent in position (top manager) is the Chairman or they are spouses or the first-degree relatives with each other.

III Remuneration paid to the Director, President and Deputy President and Deputy President in the most recent year

(I) The remuneration of Director (including Independent Director) (name disclosure method in the numerical range form through summary)

Unit: NTD 1,000

Title	Name	The remuneration of the Director								The percentage of the total amount of Items A, B, C and D in the net profit after tax (%)		Related remuneration of directors who concurrently acts as the employee								The percentage of the total amount of Items A, B, C, D, E, F and G in the net profit after tax (%)		The remuneration from the reinvested business or parent company outside the subsidiary
		Return (A)		Retirement pension (B)		The remuneration of the Director (C) (Note 1)		Business execution expenses (D)				Salaries, bonus, special charges, etc. (E)		Retirement pension (F)		Remuneration of the employee (G) (Note 1)						
		The Company	All the companies listed on the financial report	The Company	All the companies listed on the financial report	The Company	All the companies listed on the financial report	The Company	All the companies listed on the financial report	The Company	All the companies listed on the financial report	The Company	All the companies listed on the financial report	The Company	All the companies listed on the financial report	The Company		All the companies listed on the financial report		The Company	All the companies listed on the financial report	
The amount of cash	The amount of shares															The amount of cash	The amount of shares					
Chairman	CHEN,HSUEH-SHEN	0	0	0	0	1,900	1,900	18	18	0.51	0.51	0	0	0	0	0	0	0	0	0.51	0.51	0
Director	GUAN LIN INVESTMENT CORPORATION LIMITED Representative: CHERN,SHYUE-JER	0	0	0	0	950	950	18	18	0.26	0.26	3,628	3,628	0	0	721	0	0	0	1.42	1.42	0
Director	CHENG,CHIH-FA	0	0	0	0	950	950	18	18	0.26	0.26	0	0	0	0	0	0	0	0	0.26	0.26	0
Director	JHANG,CHUN-RONG	0	0	0	0	950	950	18	18	0.26	0.26	0	0	0	0	0	0	0	0	0.26	0.26	0
Independent director	CHIA, CHAO-YI	0	0	0	0	950	950	42	42	0.27	0.27	0	0	0	0	0	0	0	0	0.27	0.27	0
Independent director	GONG,SHUANG-SYONG	0	0	0	0	950	950	42	42	0.27	0.27	0	0	0	0	0	0	0	0	0.27	0.27	0
Independent director	LIN,KAI	0	0	0	0	950	950	42	42	0.27	0.27	0	0	0	0	0	0	0	0	0.27	0.27	0

Note 1: The proposed distribution of employee and director remuneration for fiscal year 2024 (Year 2024 of the ROC calendar) was approved by the Board of Directors prior to the shareholders' meeting. As of April 13, 2025, the remuneration has not yet been distributed. The allocation of earnings for employee and director remuneration is based on the Board-approved proposal for fiscal year 2024.

Numerical range table of remuneration of directors (including Independent Directors)

Numerical range of remuneration paid to each director of the Company	Name of directors			
	Total remuneration of the first four items (A+B+C+D)		Total remuneration of the first seven items (A+B+C+D+E+F+G)	
	The Company	All the companies listed on the consolidated statements	The Company	All the companies listed on the consolidated statements
Less than NTD 1,000,000	6 persons including GUAN LIN INVESTMENT CORPORATION LIMITED Representative: CHERN,SHYUE-JER , CHENG,CHIH-FA, JHANG,CHUN-RONG, CHIA, CHAO-YI, GONG,SHUANG- SYONG, LIN,KAI, etc.	6 persons including GUAN LIN INVESTMENT CORPORATION LIMITED Representative: CHERN,SHYUE-JER , CHENG,CHIH-FA, JHANG,CHUN-RONG, CHIA, CHAO-YI, GONG,SHUANG- SYONG, LIN,KAI, etc.	5 persons including CHENG,CHIH-FA, JHANG,CHUN-RONG, CHIA, CHAO-YI, GONG,SHUANG- SYONG, LIN,KAI, etc.	5 persons including CHENG,CHIH-FA, JHANG,CHUN-RONG, CHIA, CHAO-YI, GONG,SHUANG- SYONG, LIN,KAI, etc.
NTD 1,000,000 (inclusive)~NTD 2,000,000 (exclusive)	1 person, CHEN,HSUEH-SHEN,	1 person, CHEN,HSUEH-SHEN,	1 person, CHEN,HSUEH-SHEN,	1 person, CHEN,HSUEH-SHEN,
NTD 2,000,000 (inclusive)~NTD 3,500,000 (exclusive)	0	0	0	0
NTD 3,500,000 (inclusive)~NTD 5,000,000 (exclusive)	0	0	0	0
NTD 5,000,000 (inclusive)~NTD 10,000,000 (exclusive)	0	0	1 person, GUAN LIN INVESTMENT CORPORATION LIMITED Representative: CHERN,SHYUE-JER	1 person, GUAN LIN INVESTMENT CORPORATION LIMITED Representative: CHERN,SHYUE-JER
NTD 10,000,000 (inclusive)~NTD 15,000,000 (exclusive)	0	0	0	0
NTD 15,000,000 (inclusive)~NTD 30,000,000 (exclusive)	0	0	0	0
NTD 30,000,000 (inclusive)~NTD 50,000,000 (exclusive)	0	0	0	0
NTD 50,000,000 (inclusive)~NTD 100,000,000 (exclusive)	0	0	0	0
NTD 100,000,000 or more	0	0	0	0
Total	7	7	7	7

(II) The remuneration paid to the President and Deputy President (name disclosure method in the numerical range form through summary)

Unit: NTD 1,000; %

Title	Name	Salaries (A)		Retirement pension (B)		Bonus, special charges, etc. (C)		The amount of employees' compensation (D) (Note 1)				The percentage of the total amount of Items A, B, C and D in the net profit after tax (%)		The remuneration from the reinvested business or parent company outside the subsidiary
		The Company	All the companies listed on the financial report	The Company	All the companies listed on the financial report	The Company	All the companies listed on the financial report	The Company		All the companies listed on the		The Company	All the companies listed on the financial report	
								The amount of cash	The amount of shares	The amount of cash	The amount of shares			
President	CHERN,SHYUE-JER	2,379	2,379	0	0	1,249	1,249	721	0	721	0	1.17	1.17	0

Note 1: The actual retirement pension paid in 2024 is NTD 0, and the expensively allocated amount of retirement pension is NTD 108,000. The amount of employees' compensation is estimated based on the actual distribution in 2024.

Numerical range table of remuneration of the President and Deputy President

Numerical range of remuneration paid to each President and Deputy President of the Company	Name of President and Deputy President	
	The Company	All the companies listed on the consolidated statements (E)
Less than NTD 1,000,000	0	0
NTD 1,000,000 (inclusive)~NTD 2,000,000 (exclusive)	0	0
NTD 2,000,000 (inclusive)~NTD 3,500,000 (exclusive)	0	0
NTD 3,500,000 (inclusive)~NTD 5,000,000 (exclusive)	CHERN,SHYUE-JER	CHERN,SHYUE-JER
NTD 5,000,000 (inclusive)~NTD 10,000,000 (exclusive)	0	0
NTD 10,000,000 (inclusive)~NTD 15,000,000 (exclusive)	0	0
NTD 15,000,000 (inclusive)~NTD 30,000,000 (exclusive)	0	0
NTD 30,000,000 (inclusive)~NTD 50,000,000 (exclusive)	0	0
NTD 50,000,000 (inclusive)~NTD 100,000,000 (exclusive)	0	0
More than NTD 100,000,000	0	0
Total	1	1

(III) The name of the manager who distributes employees' compensation and the situation of distribution

April 13, 2025; Unit: NTD 1,000

Title			Name	The amount of stock bonus	The amount of cash bonus (Note 1)	Total	Proportion of total amount in net profit after tax (%)
Manager	1	President	CHERN,SHYUE-JER	0	2,582	2,582	0.69%
	2	Director of General Management Office	CHEN,HSUEH-YUAN				
	3	Director	JUAN,WU-FU				
	4	Financial Manager	KU,HUI-YU				
	5	Accounting Manager	LIN,CHIN-YUAN				
	6	Deputy Manager of audit	CHEN,MING-LI				

Note 1: The proposed distribution amount of earnings in 2024 approved by the Board of Directors before the shareholders' meeting has not been distributed as of April 13, 2025, and the cash bonus is estimated based on the actual distribution in 2024.

- (V) Analysis of the percentage of total remuneration paid to the Company's Directors, President and Deputy President by the Company and all companies in the consolidated financial statements in the last two years in the net profit after tax, and explanation of the policies, standards and combinations of remuneration, procedures for stipulating remuneration, and the relevance to business performance and future risks:

Year	2022		2023	
Percentage of total remuneration of Director, President and Deputy President in net profit after tax	Standalone statement of the Company	Consolidated statement of the Company	Standalone statement of the Company	Consolidated statements of all the companies
	3.43%	3.43%	3.48%	3.48%

1. Explanation of the policies, standards and combinations of remuneration and the procedure of stipulating remuneration:

- (1) The remuneration of the Company's directors is determined in accordance with the Articles of Incorporation, taking into account the level of participation of directors, independent directors, and members of functional committees in the management of the Company's affairs.

The payment and allocation of remuneration are carried out in accordance with the Company's "Regulations for the Remuneration and Compensation Allocation of Directors and Functional Committee Members."

- (2) The compensation for the General Manager and Deputy General Managers primarily includes salary, bonuses, and employee remuneration, and is administered in accordance with the Company's "Bonus Management Regulations" and "Employee Remuneration Allocation Guidelines."

- (3) In accordance with the resolution of the Remuneration Committee meeting held on February 27, 2025, the basis for the allocation of employee and director remuneration was revised to be calculated based on Earnings Per Share (EPS). The revision was subsequently approved by the Board of Directors on March 11, 2025.

The allocation is determined based on the following distribution standards and structure:

EPS (NTD)	Below 3.00	3.00 – 6.00	Above 6.00
Employee Remuneration as % of Pre-tax Profit	3%~5%	4%~7%	5%~9%
Director Remuneration as % of Pre-tax Profit	1.5%~2.5%	1.25%~2.25%	1.0%~2.0%

- (4) The procedures for determining compensation take into account the compensation levels for similar positions within the industry and the Company's

past performance.

In addition, the remuneration standards, structure, and system are subject to ongoing review and adjustment based on operational conditions and relevant regulatory changes.

The Company ensures that the compensation system does not incentivize managers to engage in excessive risk-taking in pursuit of higher pay.

2. Correlation with Operating Performance and Future Risk:

The remuneration allocation standards approved by the Board of Directors have already taken into account the Company's operating performance.

In addition, the reasonableness of the related evaluations and compensation levels is reviewed by the Compensation Committee and the Board of Directors, with the committee's recommendations submitted for board discussion.

This process ensures a balance between sustainable business operations and risk management.

IV Corporate Governance Operation

(I) Information on the operation of the board of directors

(1) The Company held 6 (A) board meetings in 2024 with the attendance of directors as follows:

Title	Name	Actual attendance (B)	Number of meetings attended by proxy	Actual attendance (attendance without voting capacity) rate (%) 【B/A】	Remarks
Chairman	CHEN, HSUEH-SHEN	5	1	83.33%	-
Director	GUAN LIN INVESTMENT CORPORATION LIMITED Representative: CHEN, SHYUE-JER	5	1	83.33%	-
Director	CHENG, CHIH-FA	6	0	100.00%	-
Director	JHANG, CHUN-RONG	6	0	100.00%	-
Independent director	CHIA, CHAO-YI	6	0	100.00%	-
Independent director	GONG, SHUANG-SYONG	6	0	100.00%	-
Independent director	LIN, KAI	6	0	100.00%	-

Other matters to be recorded:

- I. The date, term, proposal contents of the board meeting, the opinions of all independent directors, and the Company's handling the independent directors' opinions must be detailed in any of the following circumstances:
 - (I) Matters stated in Article 14-3 of the Securities and Exchange Act: The Company has none of the aforementioned situations.
 - (II) In addition to the aforementioned matters, other matters resolved by the Board of Directors with the dissent or reservation of the independent directors recorded or documented in writing: The Company has none of the aforementioned situations.
- II. The name, proposal contents, the reason for recusal, and the participation in voting of the director who has a conflict of interest in the proposal concerned must be detailed: Please refer to the important decisions of the board of directors.
- III. Listed companies shall disclose information, such as the evaluation cycle and period, evaluation scope, method, and evaluation content of the board of directors' self-evaluation (or peer-evaluation), and fill in the attached table (2) Implementation status of board evaluation.
- IV. Goals and Implementation Status for Enhancing Board Functions in the Current and Most Recent Fiscal Years (For example: establishment of the Audit Committee, enhancement of information transparency). Audit Committee Functions: Please refer to pages 33-37 of this Annual Report for details on the operation of the Audit Committee.

(2) Implementation of board evaluation

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Implemented once a year	January 1, 2024 to December 31, 2024	Board of Directors, Individual board director performance evaluation	Board of directors' self-evaluation Board director's self-evaluation	<p>Board of directors' self-evaluation:</p> <p>I. Involvement in the Company's operations</p> <p>II. Improving the quality of board decision-making</p> <p>III. Board composition and structure</p> <p>IV. Election of board directors and their continuing education</p> <p>V. Internal control</p> <p>Board director's self-evaluation:</p> <p>I. Grasp of the Company's goals and missions</p> <p>II. Directors' responsibilities awareness</p> <p>III. Involvement in the Company's operations</p> <p>IV. Internal relationship management and communication</p> <p>V. Professionalism and continuing education of directors</p> <p>VI. Internal control</p> <p>Comprehensive comments</p> <p>In fiscal year 2024 (Year 113 of the ROC calendar), the average actual attendance rate of the Board of Directors was 95.24%, and the attendance rate at the shareholders' meeting was 100%. The achievement rate for board performance evaluation indicators reached 89.58%. Board members demonstrated a clear understanding of the Company and its industry, effectively assessed and supervised company operations, fully applied their expertise, and made meaningful contributions to the Company. This was reported to the Board of Directors on March 11, 2025.</p>

(II) Operation of the Audit Committee and participation in the operation of the Board of Directors:

1. Operation of the Audit Committee:

The Company convened 5 (A) Audit Committee meetings in 2024 with the attendance of independent directors as follows:

Title	Name	Actual attendance (B)	Number of meetings attended by proxy	Actual attendance (attendance without voting capacity) rate (%) 【B/A】	Remarks
Independent director	JHANG, CHUN-RONG	5	0	100.00%	Transferred to be a general director at the end of the office term on June 22, 2022
Independent director	CHIA, CHAO-YI	5	0	100.00%	Re-elected
Independent director	LIN, KAI	5	0	100.00%	Elected on June 22, 2022

The main responsibilities are to review or handle the following matters:

1. Internal control system.
2. Assessment of the effectiveness of the internal control system.
3. Procedures for handling major financial business activities such as acquiring or disposing of assets, engaging in derivatives transactions, lending funds to others, endorsing or providing guarantees for others.
4. Matters involving directors' own interests.
5. Significant asset or derivatives transactions.
6. Significant capital loans, endorsements or guarantees.
7. Raising, issuing or privately placing securities of an equity nature.
8. Appointment, dismissal or remuneration of visa accountants.
9. Appointment and removal of financial, accounting or internal audit supervisors.
10. The annual financial report signed or sealed by the chairman, manager and accounting supervisor and the first to third quarter financial reports that must be verified and certified by accountants.
11. Other major matters stipulated by the company or the competent authority.
12. Self-evaluation questionnaire for audit committee performance evaluation.

Other matters to be recorded:

- I. The date, term, proposal content, the resolution of the Audit Committee, and the Company's handling the Audit Committee members' opinions shall be stated in any of the following circumstances:

(I) Matters stated in Article 14-5 of the Securities and Exchange Act:

Meeting time	Proposal content and follow-up processing	Resolution	The Company's handling of the opinions of the Audit Committee
2024.03.12	1. Approval of the reclassification of accounts receivable and prepayments exceeding normal credit terms by more than three months as non-	Approved by all members present	Proposed to and approved by all the attended board directors at the

	lending in nature for Q4 of 2023. 2. Approval of the 2023 Financial Statements and Business Report. 3. Approval of the 2023 Earnings Distribution Proposal. 4. Approval of cash distribution from capital surplus. 5. Approval of the closing report on the Company's financial reporting capability and progress tracking of self-prepared financial report improvement plan. 6. Approval of the 2023 Audit Execution and Follow-up Report and the January–February 2024 Audit Report. 7. Approval of the 2023 Internal Control System Statement. 8. Approval of the revised internal control cycle for property, plant, and equipment of key overseas subsidiary WSP Technology (Hefei) Co., Ltd. 9. Approval of newly drafted technology license agreements for three PRC subsidiaries: Dongguan WSP Optoelectronics Technology Co., Ltd., WSP Technology (Hefei) Co., Ltd., and Chengdu WSP Technology Co., Ltd. 10. Approval of newly drafted technology license agreement for invested company Nanjing Hongjie Semiconductor Technology Co., Ltd. 11. Approval of partial amendments to the Company's "Rules of Procedure for Shareholders' Meetings."		board meeting
2024.05.08	1. Approval of the revised "Regulations for Evaluating the Independence and Competency of Certified Public Accountants (CPAs)." 2. Approval of the evaluation of independence and competency of the CPA for certifying the financial reports. 3. Approval of the appointment and audit fee of the CPA for the 2024 (Year 113) financial report certification. 4. Approval of the Q1 2024 consolidated financial statements. 5. Approval of the audit report for March–April 2024.	Approved by all members present	Proposed to and approved by all the attended board directors at the board meeting
2024.08.08	1. Approval of the Q2 2024 consolidated financial statements. 2. Approval of the internal audit report for May–June 2024.	Approved by all members present	Proposed to and approved by all the attended board directors at the board meeting

2024.11.07	<ol style="list-style-type: none"> 1. Approval of the Q3 2024 consolidated financial statements. 2. Approval of the audit report for July–September 2024. 3. Approval of amendments to certain articles of the Company's "Corporate Governance Best Practice Principles," "Rules of Procedure for Board Meetings," and "Audit Committee Charter." 4. Approval of partial amendments to the Company's "Guidelines for Director Continuing Education." 5. Approval of the establishment of the "Sustainable Development Committee" and the adoption of its "Organizational Charter." 	Approved by all members present	Proposed to and approved by all the attended board directors at the board meeting
2024.12.26	<ol style="list-style-type: none"> 1. Approval of the proposed fiscal year 2025 (Year 114 of the Republic of China) financial budget plan. 2. Approval of the internal audit inspection report for October to November of 2024 (Year 113 of the Republic of China). 3. Approval of the proposed change of the company's "Audit Committee" name to "Audit and Risk Committee" and partial amendments to its organizational charter. 4. Approval of the proposed addition of the company's "Risk Management Policies and Procedures". 5. Approval of partial amendments to the "Internal Material Information Handling and Insider Trading Prevention Procedures". 6. Approval of the proposed 2025 (Year 114 of the Republic of China) annual audit plan. 7. Approval of the proposed 2025 (Year 114) audit plan for the domestic subsidiary Chang Yu, and the 2025 audit plans for key overseas subsidiaries: Shenzhen Shih Ping, Dongguan Shih Ping, Shih Ju, Shih Cheng, and Shih Tian. 8. Approval of the proposed amendments to the internal control system for the production cycle of overseas subsidiaries – Shih Ping Group (Shenzhen Shih Ping, Dongguan Shih Ping) and Shih Cheng. 9. Approval of the proposed amendments to the internal audit implementation guidelines – sustainability information audit and revisions to the 	Approved by all members present	Proposed to and approved by all the attended board directors at the board meeting

(1) Review of financial statements

The Board of Directors prepared the Company's business report, financial statements, and earnings distribution proposal for 2023. CPAs Huang, Yung-Hwa and Cheng, An-Chih from KPMG Taiwan have audited the financial statements and issued an audit report with unqualified opinions. The above-mentioned business report, financial statements, earnings distribution proposal, and the CPAs audit report with unqualified opinions have been reviewed by the Audit Committee and found no irregularities.

(2) Evaluating the effectiveness of the internal control system

The Audit Committee evaluates the effectiveness of the Company's internal control system policies and procedures, and reviews the regular reports of the Company's audit department, CPAs, and the management, including risk management and legal compliance. It believes that the Company's risk management and internal control systems are effective, and the necessary control mechanisms have been adopted by the Company to monitor and correct non-compliance. °

(II) Except for the aforementioned matters, other matters that have not been approved by the Audit Committee but by more than two-thirds of all board directors: The Company has none of the aforementioned situations.

II. The name, proposal contents, the reason for recusal, and the participating in voting of the independent director who has a conflict of interest in the proposal concerned must be detailed: The Company has none of the aforementioned situations.

III. The communication among independent directors, internal audit officer, and CPAs (should include the Company's major financial and accounting events, communication methods, communication results, etc.).

- (1) The Company's audit officers have attended the Audit Committee meetings and reported on the audit business at the meetings with a good communication conducted with the independent directors.
- (2) The Company's audit officers have submitted audit reports to independent directors for review regularly, and independent directors can directly ask the audit officers for further clarification on the contents of the reports.
- (3) The Company's independent auditors explain the content of the new financial statements to the Audit Committee, and the independent directors, audit officers, and independent auditors are able to communicate fully face to face. Meeting summary is presented as follows:

Date	Communication focus
March 14, 2023	Important regulatory update: Amendments to two articles of the "Guidelines for Information on Annual Reports of Public Companies".
May 4, 2023	Important regulatory update: Action Plan for the Sustainable Development of TWSE Listed and TPEX Listed Companies (2023).
August 8, 2023	Important regulatory updates: 1. Action Plan for the Sustainable Development of TWSE/TPEX Listed Companies (2023)

		2. International Sustainable Disclosure Standards	
	November 7, 2023	Important regulatory updates: 1. Notice of the draft amendment to the "Regulations Governing the Acquisition of Shares in Paragraph 1, Article 43-1 of the Securities and Exchange Act" 2. Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers	
(4) The Company's audit officers attend the meeting of the Audit Committee and the board of directors throughout the process, report the effectiveness of the internal control system and follow up on the improvement status every quarter, and communicate with the Audit Committee members and directors face to face comprehensively.			

2. The Audit Committee evaluates the implementation status

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Implemented once a year	January 1, 2024 to December 31, 2024	Audit Committee Individual member performance evaluation	Audit Committee's self-evaluation Audit Committee member's self-evaluation	<p>Audit Committee's self-evaluation:</p> <p>I. Involvement in the Company's operations</p> <p>II. Improving the Audit Committee's decision-making quality</p> <p>III. Composition and structure of the Audit Committee</p> <p>IV. Election and appointment of the Audit Committee members and their continuing education</p> <p>V. Internal control</p> <p>Audit Committee member's self-evaluation:</p> <p>I. Grasp of the Company's goals and missions</p> <p>II. Directors' responsibilities awareness</p> <p>III. Involvement in the Company's operations</p> <p>IV. Internal relationship management and communication</p> <p>V. Professionalism and continuing education of directors</p> <p>VI. Internal control</p> <p>Comprehensive comments</p> <p>The attendance of the Company's Audit Committee members in 2024 was 100%. The Audit Committee members have a clear understanding of the Company and the industry to which the Company belongs; also, they truthfully evaluate and supervise the Company's operations, exercise their expertise, and make contributions to the Company.</p> <p>Audit Committee Report on March 11, 2025.</p>

(三) Corporate Governance Implementation Status and Differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and Reasons for Such Differences

Evaluation items	Operation status (Note)			Difference from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons No
	Yes	No	Yes	
I. Does the Company established and disclosed a Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has established its own “Corporate Governance Best Practice Principles” based on the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.” These principles have been approved by the Board of Directors and are publicly disclosed on the Company’s official website and the Market Observation Post System (MOPS).	No significant difference occurred
II. Shareholding Structure and Shareholders’ Rights				
(1) Does the Company established internal procedures for handling shareholders’ suggestions, inquiries, disputes, and litigation matters, and implemented them accordingly?	V		(1) In addition to publishing the contact information of the spokesperson and deputy spokesperson on the Company’s official website, the Company also provides contact details for its stock affairs agent, Taishin Securities Co., Ltd. Shareholders and stakeholders may submit any suggestions or inquiries directly to the relevant personnel. The communication channels are smooth and effective, ensuring the protection of investors’ and stakeholders’ legitimate rights and interests.	No significant difference occurred
(2) Does the Company maintain a list of major shareholders who have actual control over the Company and identify the ultimate controllers of such shareholders?	V		(2) The Company regularly obtains the shareholder register from the stock affairs agent on the record date of book closure and uses this to identify the major shareholders who have actual control over the Company, as well as the ultimate controllers of these shareholders. Major shareholders are required to report changes in their shareholdings on a monthly basis in accordance with regulations. Additionally, the Company discloses the top ten shareholders each year prior to the publication of the annual report.	No significant difference occurred
(3) Has the Company established and implemented a risk control and firewall mechanism with respect to affiliated enterprises?	V		(3) The Company has established control procedures such as the “Regulations Governing Financial and Business Transactions with Affiliated Enterprises,” “Subsidiary Internal Control Supervision Procedures,” “Procedures for Acquisition or Disposal of Assets,” “Procedures for Lending Funds and Providing Endorsements/Guarantees,” and “Management of the Financial Statement Preparation Process.” These mechanisms clearly delineate the responsibilities between the Company and its affiliates, and appropriate firewalls are built based on risk assessments to strictly manage and control risks.	No significant difference occurred
(4) Has the Company established internal rules prohibiting insiders from trading securities using material non-public information?	V		(4) The Company has adopted the “Procedures for Handling Material Internal Information and Prevention of Insider Trading,” which is disclosed on the Company’s official website. These procedures prohibit insiders from trading securities using undisclosed material	No significant difference occurred

Evaluation items	Operation status (Note)			Difference from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and the reasons No
	Yes	No	Yes	
			information. Furthermore, directors, independent directors, managerial officers, and employees are explicitly prohibited from disclosing material internal information to others or from soliciting or collecting undisclosed information unrelated to their duties. Even if such information is inadvertently acquired, it must not be disclosed. These provisions are designed to protect investors and uphold the Company’s interests. Additionally, Company directors are prohibited from trading the Company’s shares during the blackout period, which is 30 days prior to the announcement of the annual financial statements and 15 days prior to the announcement of the quarterly financial statements.	
III. Composition and Responsibilities of the Board of Directors (1) Has the Board of Directors formulated a board diversity policy, set specific management objectives, and effectively implemented them?	V		(1) In forming the composition of the Board of Directors, the Company considers a variety of aspects in line with its board diversity policy, taking into account professional background, academic and career experience, integrity, and relevant qualifications. All current directors and independent directors possess extensive academic and professional experience. The diverse composition of the Board enhances its ability to function effectively in corporate decision-making and supervision, thereby achieving the objectives of sound corporate governance. Among the seven directors elected for the current term, three are independent directors with expertise in areas such as accounting, law, management, leadership, and strategy. The directors come from different professional backgrounds and fields, possessing the necessary knowledge, skills, and competencies to perform their duties. Their diverse industrial experience enables them to provide well-rounded and professional insights, contributing significantly to the formulation of the Company’s business plans and strategic direction. The Company’s board diversity policy is disclosed on its official website.	No significant difference occurred
(2) In addition to the legally required Compensation Committee and Audit Committee, has the Company voluntarily established other functional committees?	V		(2) In November 2024 (Year 113 of the Republic of China), the Company established a Sustainability Development Committee, consisting of five members, including three independent directors and two directors. The Committee convenes at least twice annually and may hold meetings as needed. Its responsibilities include formulating the Company’s sustainability-related policies, reviewing the sustainability report, supervising the direction and implementation of sustainability plans, and regularly tracking execution progress. The Committee reports its annual results to the Board of Directors.	No significant difference occurred

Evaluation items	Operation status (Note)			Difference from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and the reasons No
	Yes	No	Yes	
(3) Has the Company established rules and procedures for evaluating the performance of the Board of Directors, conducted regular annual evaluations, reported the results to the Board, and used the results as a reference for determining individual directors’ compensation and nomination for reappointment?	V		(3)The Company has adopted the “Board and Functional Committees Performance Evaluation Procedures,” which require annual performance assessments of the Board of Directors. Following the end of each fiscal year, a self-assessment is conducted via questionnaires covering various aspects such as understanding of company goals and missions, awareness of directors’ responsibilities, participation in company operations, internal relationship management and communication, professional knowledge and continuous training, and internal controls. The results of the evaluation are submitted to the Board of Directors, the Audit Committee, and the Compensation Committee for review.	No significant difference occurred
(4) Does the Company regularly assess the independence of the certified public accountants (CPAs)?	V		(4)The Audit Committee and Board of Directors conduct annual evaluations of the independence and competence of the Company’s external auditors. In addition to requiring the auditors to provide a “Statement of Independence” and “Audit Quality Indicators (AQIs),” the evaluation process is guided by the five dimensions and 13 indicators outlined in the AQI disclosure framework. The evaluation confirmed that the auditors have no financial or business relationships with the Company beyond their engagement for audit and tax services, and that no members of the auditors’ households violate independence rules. Moreover, based on AQI metrics, the engagement quality control reviewer (EQCR) and audit team demonstrated audit experience and training hours exceeding industry averages. The most recent evaluation was approved by the Audit Committee on March 11, 2025, and subsequently ratified by the Board of Directors on the same date. Details of the auditor independence evaluation are provided in Note 3.	No significant difference occurred

Evaluation items	Operation status (Note)			Difference from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons No
	Yes	No	Yes	
IV. Has the TWSE/TPEX listed company appointed an adequate number of qualified corporate governance personnel and designated a corporate governance officer to be responsible for corporate governance affairs (including but not limited to providing directors and supervisors with necessary information for business execution, assisting directors and supervisors in complying with laws and regulations, handling matters relating to Board and shareholders’ meetings in accordance with the law, and preparing minutes of Board and shareholders’ meetings)?	V		<p>To implement sound corporate governance and ensure the effective functioning of the Board of Directors in safeguarding investor rights, the Company has appointed a qualified and adequate number of corporate governance personnel. On May 4, 2023, the Board of Directors approved the appointment of Ms. Julia Ku, Manager of the Finance Department, as the Corporate Governance Officer, in order to strengthen the functions of the Board and protect shareholders' interests.</p> <p>Duties and Responsibilities of the Corporate Governance Officer:</p> <ol style="list-style-type: none"> 1.Maintain the Company's Articles of Incorporation and other key internal regulations and policies. 2.Develop and plan the annual schedules and preliminary agendas for meetings of the Board of Directors and shareholders. 3.Prepare detailed agenda items prior to each Board meeting, and notify all directors of the meeting at least seven days in advance, providing them with all relevant materials to ensure sufficient time for review. Directors will also be reminded in advance to abstain from voting on matters where conflicts of interest exist. 4.Provide directors with updates on relevant securities regulations as needed, and remind them of their confidentiality obligations to avoid violations of the Securities and Exchange Act. 5.In accordance with regulatory requirements, pre-register the date of the shareholders’ meeting each year, and prepare and submit relevant meeting documents such as notices, handbooks, annual reports, and minutes within the timeframe required by the corporate governance evaluation criteria. If resolutions involve company registration changes, file with the Department of Commerce within 15 days of the meeting. 6.Handle public disclosures of significant resolutions from the Board and shareholders’ meetings, ensuring the legality, accuracy, and timeliness of information in accordance with the principle of information equality to protect investor rights 7.Assist the Board and all functional committees in conducting annual self-evaluations of their performance. 8.Provide information on continuing education opportunities for directors, and assist in arranging and registering for such programs. 	No significant difference occurred
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a stakeholder section on its website, and properly responded to stakeholders’ material concerns regarding corporate social responsibility issues?	V		(1)The Company has established an internal “suggestion box” to facilitate open communication with employees. Externally, a spokesperson system is in place, and a dedicated “Investor Relations” (Stakeholders) section with a contact email is available on the Company’s official website. The Company maintains clear and open channels of communication with stakeholders, including banks, other	No significant difference occurred

Evaluation items	Operation status (Note)			Difference from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and the reasons No
	Yes	No	Yes	
			<p>creditors, employees, consumers, suppliers, and local communities, and is committed to respecting and protecting their legitimate rights and interests.</p> <p>(2) Stakeholders may access up-to-date information regarding the Company’s operations through the Market Observation Post System (MOPS) and the Company’s official website.</p> <p>(3) The Company has appointed a spokesperson and a deputy spokesperson to serve as communication channels for stakeholders. These representatives are responsible for addressing and responding to key corporate responsibility issues of concern to stakeholders.</p>	
VI. Has the Company engaged a professional stock affairs agency to handle matters related to the shareholders’ meeting?	V		The Company has appointed Taishin Securities Co., Ltd. – Stock Affairs Department as its professional stock affairs agent to handle matters related to the shareholders’ meeting.	No significant difference occurred
VII. Information Disclosure				
(1) Has the Company established an official website to disclose financial, operational, and corporate governance information?	V		(1) The Company regularly announces, files, and discloses financial, operational, and corporate governance information on the Market Observation Post System (MOPS). In addition, an “Investor Relations” section is available on the Company’s official website, providing comprehensive information such as revenue statistics, financial statements, and corporate governance disclosures. The section also includes direct links to MOPS for easy reference by shareholders and the general public.	No significant difference occurred
(2) Has the Company adopted other methods of information disclosure (e.g., establishing an English website, appointing a dedicated person responsible for information collection and disclosure, implementing a spokesperson system, uploading investor conference materials to the website, etc.)?	V		(2) The Company’s website is available in both Chinese and English. Designated departments are responsible for collecting and disclosing corporate information. The spokesperson system has been fully implemented in accordance with regulations. Information related to shareholders’ meetings and investor conferences is promptly updated on the Company’s website to ensure timely access for investors.	No significant difference occurred
(3) Does the Company announce and file its annual financial report within two months after the end of the fiscal year, and does it publish and file its first, second, and third quarter financial reports, as well as monthly operating results, ahead of regulatory deadlines?		V	(3) The Company publishes and files its annual financial statements ahead of the statutory deadline. It also announces and files its first, second, and third quarter financial reports, as well as monthly operating results, in advance of the required deadlines to ensure that investors receive accurate and timely information. (一)	No significant difference occurred
VIII. Are there any other important information that helps to better understand the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relationships, protection of stakeholders’ rights, training of directors and supervisors, implementation of risk management policies and assessment standards, customer policies, and the purchase of liability	V		(1) Employee Rights and Care: In addition to mandatory labor and health insurance, group insurance, and retirement benefits, the Company also provides a comprehensive range of welfare programs, including holiday bonuses, employee remuneration, and annual health check-ups. Communication channels between labor and management have been established to foster a harmonious working environment and ensure overall	No significant difference occurred

Evaluation items	Operation status (Note)			Difference from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and the reasons No
	Yes	No	Yes	
insurance for directors and supervisors, etc.)?			<p>employee well-being in both work and personal life.</p> <p>(2) Investor Relations: The Company has established a complete spokesperson system to maintain transparent and effective communication with investors. Financial and operational information is regularly uploaded to the Market Observation Post System (MOPS) for public access and investor reference.</p> <p>(3) Supplier Relationships: All transactions with suppliers are governed by signed procurement contracts. The Company maintains positive and ongoing communication with suppliers and conducts regular site visits to monitor and improve product quality. Suppliers are selected based on comprehensive assessments including product quality, pricing, delivery terms, and payment conditions, with a focus on building long-term, mutually beneficial partnerships.</p> <p>(4) Stakeholder Rights: A dedicated stakeholder contact email (juliaku@sht.com.tw) is provided on the Company’s official website. Stakeholders may submit opinions or inquiries directly, ensuring smooth and accessible communication channels to safeguard the legitimate rights and interests of investors and other stakeholders.</p> <p>(5) Director Training: The Company’s directors and independent directors possess diverse professional backgrounds and practical management experience. In compliance with regulations, directors regularly attend relevant training courses. Please refer to the "Director Training Record for 2024 (Year 113 ROC)" in this annual report for details.</p> <p>(6) Implementation of Risk Management Policy and Assessment Standards: The Company has implemented internal control and audit systems and continuously monitors and evaluates various types of risk. For major corporate decisions, directors with conflicts of interest must disclose relevant details, abstain from discussion and voting, and may not exercise voting rights on behalf of other directors. On December 26, 2024, the Board approved the “Risk Management Policies and Procedures,” which require the annual identification, prevention, monitoring, and control of significant risks, along with reporting execution progress and improvement actions to the Board. The Risk Management Team collaborates with R&D, sales, finance, HR, IT, and environmental safety departments to identify financial, strategic, operational, and hazard-related risks that may affect the</p>	

Evaluation items	Operation status (Note)			Difference from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and the reasons No
	Yes	No	Yes	
			<p>Company’s long-term sustainability. Strategies such as risk transfer, mitigation, and avoidance are applied to reduce potential risks and enhance operational resilience.</p> <p>(7) Implementation of Customer Policies: The Company adheres to a customer-first principle, maintaining stable and strong relationships with clients to deliver excellent service and create long-term profitability.</p> <p>(8) Directors’ and Officers’ Liability Insurance: The Company has purchased liability insurance for its directors and key managerial personnel to enhance the protection of shareholder rights.</p>	
IX. Please describe the improvements made in response to the most recent Corporate Governance Evaluation results released by the Taiwan Stock Exchange Corporate Governance Center, and identify any items yet to be improved along with proposed priority actions and measures. (This section is not required for companies not included in the evaluation.)		V	<p>The Company has continued to implement relevant measures based on its internal Corporate Governance Best Practice Principles in response to the results of the Corporate Governance Evaluation. We remain committed to upholding the principles of corporate governance, including the protection of shareholders’ rights and interests.</p> <p>The Company closely monitors the latest corporate governance indicators and policy updates released by competent authorities and the Taiwan Stock Exchange, and will adjust its governance framework as necessary to maintain strong governance performance and promote sustainable corporate development.</p> <p>The Company has also completed and submitted the Corporate Governance Self-Evaluation Report as required by the authorities. The results of this evaluation have been communicated by the competent authority. Looking ahead, the Company will continue to cooperate with and support the promotion and improvement initiatives of corporate governance evaluation in order to further enhance its corporate governance practices.</p>	No significant difference occurred

Note: Regardless of whether “Yes” or “No” box is ticked for the operation status, an explanation should be detailed in the “summary description” column.

Note 3: Evaluation form of Certified Public Accountants

Serial No.	Evaluation items	Yes	No
1	There is no relationship, involving direct or material indirect financial interest, between the CPA and the Company .	V	
2	There is no material and close business relationship between the CPA and the Company .	V	
3	There was no potential employment relationship between the CPA and the Company at the time of auditing the Company.	V	
4	The CPA has no loan borrowed from or lent to the Company.	V	
5	The CPA did and does not accept gifts or gifts of great value (the value exceeding the standard social etiquette) from the Company or any of the Company's directors and managers.	V	
6	The CPA has audited the Company for less than seven years.	V	
7	The CPA does not hold any shares in the Company.	V	
8	The CPA, their spouse or dependents, or their audit team members did not and have not held any positions as directors, managers, or positions with significant influence on the audits of the Company during the audit period or in the last two years, and it is also confirmed that they will not hold the aforementioned positions during the future audit periods.	V	
9	The CPA is in compliance with the requirements for independence as specified in the Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No.10 and has submitted a statement of independence.	V	
10	The CPA completed the Company's financial statements and issued a audit (review) report for each period as scheduled.	V	
11	The annual tax return is filed before the tax return deadline of the following year.	V	
12	The CPA regularly keeps the Company informed of the latest taxation and securities laws and regulations and updated IFRS Accounting Standards.	V	
13	The CPA assists in the communication and coordination with the competent authority.	V	
14	The Company has received the accounting firm's Audit Quality Indicators (AQIs) report to assess the CPA's professionalism, quality, independence, supervision, and innovation.	V	

Note 4: Directors' advanced study in 2023

Title	Name	Course Title	Course hours	Date
Chairman	CHEN, HSUEH-SHEN	Financial Statement Analysis and Accounting Trends SDGs and ESG Sustainability Management	3 hrs. 3 hrs.	2024.10.17 2024.12.20
Corporate Director	CHEN, SHYUE-JER	Financial Statement Analysis and Accounting Trends Corporate Sustainability Development and Lean Manufacturing	3 hrs. 3 hrs.	2024.12.12 2024.12.19
Director	CHENG, CHIH-FA	Corporate Governance and Sustainability Training Workshop Advanced Practical Seminar for Directors, Supervisors (Including Independent Directors), and Corporate Governance Officers – Economic Outlook and Market Opportunities in New Southbound Policy Countries Advanced Practical Seminar for Directors, Supervisors (Including Independent Directors), and Corporate Governance Officers – Risks and Considerations of Artificial Intelligence for Enterprises Corporate Governance and Securities Regulations – Understanding Regulatory Oversight for Senior Executives of TWSE/TPEX-Listed Companies	3 hrs. 3 hrs. 3 hrs. 3 hrs.	2024.04.10 2024.05.10 2024.05.10 2024.05.27
Director	JHANG, CHUN-RONG	Insider Shareholding Awareness Seminar for TPEX-Listed and Emerging Stock Companies ESG Investment and Corporate Social Responsibility	3 hrs. 3 hrs.	2024.09.11 2024.10.03
Independent director	CHIA, CHAO-YI	AI Strategy and Governance ESG Investment and Corporate Social Responsibility	3 hrs. 3 hrs.	2024.07.09 2024.10.03
Independent director	GONG, SHUANG-SYONG	AI Strategy and Governance ESG Investment and Corporate Social Responsibility	3 hrs. 3 hrs.	2024.07.09 2024.10.03
Independent director	LIN, KAI	Financial Statement Analysis and Accounting Trends Corporate Governance and Securities Regulations	3 hrs. 3 hrs.	2024.10.17 2024.12.23

(IV) If the Company has established the Compensation Committee, it shall disclose the composition, duties and operation of the Committee:

(1) Information on members of the Compensation Committee

Conditions Name	Professional qualification and experience	Independence	The number of public offering companies which he/she concurrently works for as an Independent Director
CHIA, CHAO-YI Independent director (Note 3)	With more than five years of working experience required by the business of the Company, and Doctor Degree of Reliability Engineering, University of Maryland, USA, he does not have one of the circumstances specified in Article 30 of the Company Act.	(1) Not an employee of the Company or its related enterprises. (2) Not a director, Supervisor of the Company or its related. (3) Not a natural person shareholder who and whose spouse, minor children hold, or hold in others' name, 1% or more of the total number of shares issued by the Company or the shares (the number of shares takes top ten).	None
GONG, SHUANG-SYONG Independent director (Note 3)	With more than five years of working experience required by the business of the Company, he has ever served as a Certified Public Accountant of Deloitte & Touche, and does not have one of the circumstances specified in Article 30 of the Company Act.	(4) Not a spouse, relative in the second-degree relationship or the lineal relative by blood in the three-degree relationship of the manager listed in (1) or the personnel listed in (2) and (3). (5) Not a director, Supervisor or employee of corporate shareholders who directly holds more than 5% of the total shares issued by the Company, holds the shares (the number of shares takes the top 5), or appoints the representative as a director or Supervisor of the Company in accordance with Paragraph 1 or 2, Article 27 of the Company Act.	1
LIN, KAI Independent director (Note 3)	With more than five years of working experience required by the business of the Company, he currently serves as Chief Lawyer of Haw Yeu Attorneys-at-Law, and does not have one of the circumstances specified in Article 30 of the Company Act.	(6) Not a director, Supervisor or employee of other companies whose director number or more than half of the voting shares and are controlled by the same person as that of the Company. (7) Not a director, Supervisor or employee of other companies or institutions whose director, Supervisor or employee is each other the same person or spouse as the Chairman, President or the person equivalent in position of the Company. (8) No spouse relation or family relation in the second-degree relationship with other directors.	2

(2) Implementation of the evaluation of the Remuneration Committee

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Implemented once a year	January 1, 2024 to December 31, 2024.	Performance evaluation of the Remuneration Committee and individual Remuneration Committee members	Self-evaluation of the Remuneration Committee and its members	<p>Self-evaluation of the Remuneration Committee:</p> <p>I. Involvement in the Company's operations</p> <p>II. Improvement of the quality of decision-making of the Remuneration Committee</p> <p>III. Composition and structure of the Remuneration Committee</p> <p>IV. Appointment and continuing education of Remuneration Committee members</p> <p>V. Internal control</p> <p>Comprehensive comments</p> <p>The average attendance of the Company's Remuneration Committee in 2024 was 100.00%. The members of the Remuneration Committee had a clear understanding of the Company and the industry the Company belongs to, and they gave full play to their abilities and made positive contributions to the Company's performance in evaluating and supervising the operations of the Company.</p> <p>Report of the Salary and Compensation Committee on February 27, 2025.</p>

(3) Information on the operation of the Remuneration Committee

I. There are three Remuneration Committee members of the Company in service.

II. The office term of the incumbent committee members: From June 22, 2022 to June 21, 2025. The Company had held 2 (A) Remuneration Committee meetings in 2024 with the qualifications and attendance of the members as follows:

Title	Name	Actual attendance (B)	Number of meetings attended by proxy	Actual attendance rate (%) (B/A) (Note)	Remarks
Convener	GONG, SHUANG-SYONG	2	0	100.00%	-
Member	CHIA, CHAO-YI	2	0	100.00%	-
Member	LIN, KAI	2	0	100.00%	-
Other matters to be recorded:					
I. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, describe the date, term, proposal contents, resolutions of the Board of Directors, and The Company’s handling of the opinions of the Remuneration Committee (for example, when the remuneration approved by the Board of Directors is superior to the recommendations of the Remuneration Committee, the differences and reasons should be detailed):					
Meeting time	Proposal content and follow-up processing			Resolution	The Company’s handling of the opinions of the Remuneration Committee
2024.02.29	1.Approval of the proposed amounts for directors’ remuneration and employees’ compensation for fiscal year 2023 (ROC Year 112). 2.Approval of the proposed provision for bonuses for fiscal year 2024 (ROC Year 113).			Approved by all members present	Proposed to and approved by all the attended board directors at the board meeting
2024.12.12	1. Approval of the proposed provision for employees’ compensation and directors’ remuneration for fiscal year 2024 (ROC Year 113). 2. Approval of the proposed year-end bonus distribution guidelines for managerial officers for fiscal year 2024 (ROC Year 113). 3. Approval of the proposed salary adjustment budget for fiscal year 2025 (ROC Year 114). 4. Approval of the proposed budgeted provision for employees’ compensation and directors’ remuneration for fiscal year 2025 (ROC Year 114).			Approved by all members present	Proposed to and approved by all the attended board directors at the board meeting
II. If with respect to any resolution of the Remuneration Committee, any member has a dissenting or qualified opinion that is on record or stated in a written statement, the date, term, proposal content, the opinions of all members, and the handling of the said opinions by the Remuneration Committee shall be stated: None					

Note:

(1) If a member of the Remuneration Committee resigns before the end of the fiscal year, the relevant resignation date should be indicated in the remarks column, and the actual attendance rate (%) shall be calculated based on the number of meetings held by the Remuneration Committee and the actual attendance during the period of employment.

(2) If there is re-election of the Remuneration Committee members held before the end of the fiscal year, the newly elected and former Remuneration Committee members should be listed with their status indicated in the remarks column as the former, newly elected, or re-elected, and the respective re-election date. The actual attendance rate (%) shall be calculated based on the number of meetings held by the Remuneration Committee and the actual attendance during the period of employment.

(V) Implementation Status of Sustainability Development and Differences from the “Practical Guidelines for Sustainable Development of TWSE/TPEX Listed Companies” and the Reasons

Promotion items	Implementation status (Note 1)			Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons No
	Yes	No	Yes	
I. Has the Company established a governance structure for promoting sustainable development, set up a dedicated (or concurrent) unit for sustainability, authorized senior management to handle related matters, and implemented board-level supervision?	V		<p>To fulfill the Company's commitment to sustainable development and enhance its overall ESG risk management capabilities, the Company established a Sustainability Development Committee on November 7, 2024 (ROC Year 113), as approved by the Board of Directors. The Committee is composed of five members, including three independent directors and two directors. It convenes at least twice annually, with additional meetings held as needed.</p> <p>The responsibilities of the Committee include:</p> <ul style="list-style-type: none"> Formulating the Company’s sustainability-related systems and policies, Reviewing and approving the sustainability report, Supervising the direction and implementation of sustainability strategies and action plans, Regularly tracking the progress of execution, and Reporting annual performance results to the Board of Directors. <p>To support ongoing management of greenhouse gas inventory, verification, and disclosure, the Committee has developed related plans and</p>	No significant difference occurred

Promotion items	Implementation status (Note 1)			Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons No
	Yes	No	Yes	
			<p>submitted progress reports to the Board. The most recent report was presented on December 26, 2024.</p> <p>Board Oversight on Sustainability: The Board of Directors receives regular reports from the management team, including ESG performance updates. It reviews proposed action plans, goals, and strategies, assesses the feasibility and progress of implementation, and provides guidance or suggestions for adjustment when necessary, thereby ensuring effective governance over the Company’s sustainability development efforts.</p>	
II. Does the Company, in accordance with the principle of materiality, conduct risk assessments of environmental, social, and corporate governance (ESG) issues related to its operations, and establish corresponding risk management policies or strategies?	V		<p>(1) Environmental Aspect: The Company is committed to fulfilling its corporate social responsibility by continuously improving environmental protection measures and promoting a healthy living environment. To reduce the environmental and safety impacts of its production activities, the Company actively pursues pollution prevention, waste reduction, and energy-saving initiatives. Measures include using energy-efficient</p>	No significant difference occurred

Promotion items	Implementation status (Note 1)			Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons No
	Yes	No	Yes	
			<p>lighting, encouraging employees to conserve water and electricity, and enhancing awareness of environmental protection. The Company aims to improve resource utilization efficiency, reduce waste, and comply with all environmental health and safety regulations. Through internal and external communication, promotion, and operational audits, the Company implements comprehensive management programs to prevent workplace hazards and minimize environmental impacts, contributing to long-term environmental sustainability.</p> <p>(2) Social Aspect:</p> <p>1.The Company has established internal operating rules, including trade secret protection policies, workplace regulations, and computerized information system handling procedures, to mitigate information security risks arising from IT applications and environmental changes. Strong emphasis is placed on cybersecurity and confidential data protection. The Company has installed firewalls, cybersecurity devices, and antivirus software to defend against external</p>	

Promotion items	Implementation status (Note 1)			Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons No
	Yes	No	Yes	
			<p>attacks such as hacking, viruses, and ransomware. A disaster recovery management process is in place to ensure rapid and effective restoration of systems in the event of disruption, providing complete disaster prevention and recovery solutions to minimize risk and data loss.</p> <p>2.The Company periodically assesses operating costs, profitability, price indices, internal and external salary equity, and performance management, and incorporates social responsibility considerations into its compensation policy. Ethical standards and corporate conduct guidelines are regularly communicated to all employees. Any violations are handled in accordance with the severity of the case and linked to the performance appraisal system.</p> <p>3.In accordance with occupational safety and environmental protection laws and regulations, dedicated EHS (Environment, Health, and Safety) personnel conduct regular audits of all departments and plant areas to ensure compliance and continual improvement, with</p>	

Promotion items	Implementation status (Note 1)			Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons No
	Yes	No	Yes	
			<p>the goal of maintaining a safe and healthy working environment.</p> <p>(3) Corporate Governance Aspect:</p> <p>1.The Company has established internal control systems to ensure that all personnel and operations comply with relevant laws and regulations.</p> <p>2.A dedicated stakeholder section with a contact window and email address is available on the Company’s website, providing a channel for shareholders and customers to submit inquiries, complaints, or suggestions.</p>	
<p>III. Environmental Issues</p> <p>(1) Has the Company established an appropriate environmental management system based on the characteristics of its industry?</p>	V		<p>(1)The Company has obtained ISO 14001 (certified on February 26, 2020, valid until February 25, 2026) and ISO 45001 (certified on May 6, 2020, valid until May 5, 2026) environmental and occupational safety management certifications. In accordance with environmental regulations, the Company engages qualified contractors for the removal and treatment of waste. Resource recycling and reuse are actively promoted to enhance waste management efficiency. Green supply chain</p>	<p>No significant difference occurred</p> <p>No significant difference occurred</p>

Promotion items	Implementation status (Note 1)			Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons No
	Yes	No	Yes	
(2) Has the Company made efforts to improve energy efficiency and use environmentally friendly or low-impact renewable materials?	V		practices are implemented to reduce the environmental impact of operations, and wastewater generated during production is treated by the Company’s in-house wastewater treatment facilities to meet discharge standards, thereby minimizing impact on receiving surface water bodies.	No significant difference occurred
	V		(2)To optimize resource use, the Company promotes and implements initiatives such as electronic forms, waste classification, recycling, and waste reduction. Efforts include reusing paper, recovering solvents used in production processes, and maximizing resource efficiency through green circular practices. Waste classification and recycling of reusable materials help reduce environmental pollution. The Company also focuses on improving water and energy efficiency by incorporating water recycling systems into production processes and replacing equipment with variable-frequency drives to achieve effective energy-saving goals.	
(3) Has the Company assessed the potential risks and opportunities of climate change on its present and future	V		(3)All of the Company’s production sites are located away from fault lines, soil liquefaction	No significant difference occurred

Promotion items	Implementation status (Note 1)			Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons No
	Yes	No	Yes	
<p>operations and taken corresponding actions?</p> <p>(4) Has the Company compiled data on greenhouse gas emissions, water consumption, and total waste output over the past two years, and formulated policies to reduce GHG emissions, lower water usage, or manage waste more effectively?</p>			<p>zones, and flood-prone areas, effectively minimizing potential physical risks from climate change. Internally, the Company digitizes workflows and approvals through electronic forms and promotes paperless meetings to reduce paper consumption. In daily operations, paper is reused where possible (e.g., double-sided printing, reusing discarded sheets), and collection bins are placed near printers to support recycling. Measures are in place to reduce energy use and carbon emissions, including setting office air conditioning temperatures between 28–36°C, turning off lights during lunch breaks and after work, and using timers for equipment to reduce peak electricity loads.</p> <p>(4) Through its ISO 14001 Environmental Management System, the Company tracks water consumption, total waste volume, and electricity usage, and submits relevant reports in accordance with regulatory requirements. Annual plans for water saving, energy saving, and waste reduction are integrated into the Company’s environmental goals. Future</p>	No significant difference occurred

Promotion items	Implementation status (Note 1)			Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons No
	Yes	No	Yes	
			actions include introducing water footprint assessments, carbon inventory tracking, and greenhouse gas reduction measures, with clear targets and strategies. These initiatives aim to fulfill corporate social responsibility and reduce the environmental impact of business operations.	
IV. Social Issues (1) Has the Company established relevant management policies and procedures in accordance with applicable laws and international human rights conventions?	V		(1)The Company complies with relevant labor laws and international human rights conventions and continuously monitors human rights and social issues. It regularly reviews its operational policies to ensure the protection of employees’ lawful rights and interests. Comprehensive work rules have been established that clearly incorporate labor law provisions. These rules are periodically updated by responsible departments to remain current. All employees have access to up-to-date internal information via the Company’s intranet, and their rights are well protected. In addition, channels for employee suggestions and complaints are provided, and regular labor-management meetings and welfare committee	No significant difference occurred

Promotion items	Implementation status (Note 1)			Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons No
	Yes	No	Yes	
			<p>meetings are held to ensure smooth communication and strengthen labor relations.</p> <p>(2)To promote gender equality in the workplace, the Company implements parental leave policies and offers additional benefits such as family care leave and menstrual leave. Guided by international human rights principles and a commitment to gender equality, the Company has also included provisions in its work rules addressing gender equality and sexual harassment prevention, along with clearly defined complaint and disciplinary procedures.</p> <p>Implementation Guidelines:</p> <p>1.Diversity, Inclusion, and Equal Employment Opportunities:</p> <ul style="list-style-type: none"> ◦ The Company prohibits unlawful discrimination and ensures equal opportunities for all employees. Discrimination based on race, color, age, gender, sexual orientation, religion, disability, or political affiliation is strictly forbidden. Everyone has the right to equal protection without discrimination. ◦ Inhumane treatment is not tolerated. <p>Harassment, physical abuse, or threats thereof</p>	

Promotion items	Implementation status (Note 1)			Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons No
	Yes	No	Yes	
			<p>are strictly prohibited.</p> <ul style="list-style-type: none"> ◦ The Company is committed to protecting labor rights and fostering a harmonious labor-management relationship. It ensures fairness in hiring, compensation and benefits, training, evaluation, and promotion. An effective grievance mechanism is in place to prevent and address violations of employee rights. <p>2.Providing a Safe and Healthy Working Environment:</p> <ul style="list-style-type: none"> ◦ A safe, healthy, non-discriminatory, and harassment-free workplace is maintained. ◦ The Company supports employees in maintaining physical and mental well-being and work-life balance. ◦ The work environment complies with environmental regulations and incorporates appropriate management and technology measures to prevent pollution. <p>3.Supporting Employee Well-being:</p> <ul style="list-style-type: none"> ◦ Regular free health check-ups are provided to promote physical and mental health. <p>4.Prohibition of Child Labor and Forced Labor:</p> <ul style="list-style-type: none"> ◦ The Company complies with local minimum 	

Promotion items	Implementation status (Note 1)			Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons No
	Yes	No	Yes	
(2) Has the Company established and implemented reasonable employee welfare measures (including compensation, leave, and other benefits), and appropriately reflected business performance or results in employee compensation?	V		<p>age requirements and does not employ child labor.</p> <ul style="list-style-type: none"> ◦ All employment is voluntary, and forced or involuntary labor is strictly prohibited, ensuring that all terms of employment are freely agreed upon. <p>(2)The Company has clearly defined a variety of employee welfare measures. In addition to legally required benefits such as labor insurance, national health insurance, and retirement contributions, the Company provides comprehensive and diverse welfare offerings, including group insurance, educational scholarships for employees’ children, marriage and childbirth subsidies, and other support to care for employees and their families.</p> <p>The employee compensation policy is based on individual capabilities, contributions to the Company, performance, competitiveness in the market, and the Company’s future operational risk considerations.</p> <p>According to Article 18 of the Company’s Articles of Incorporation, if the Company has</p>	No significant difference occurred

Promotion items	Implementation status (Note 1)			Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons No
	Yes	No	Yes	
			<p>profits for the year, at least 3% shall be allocated as employee remuneration, to be distributed in cash or shares as approved by the Board of Directors. Eligible employees of subsidiaries may also be included in the distribution. In addition, up to 3% of profits may be allocated as directors’ remuneration based on a Board resolution. This mechanism encourages employees to innovate and grow with the Company while sharing in the operating results.</p> <p>Supervisors are encouraged to proactively care for employees, and employees are free to raise any concerns directly with their supervisors or the HR department, with the assurance of timely responses.</p> <p>The Company also conducts annual market salary surveys and adjusts compensation based on market trends, economic conditions, and individual performance to maintain overall pay competitiveness. In 2024 (ROC Year 113), the average annual salary adjustment for employees in Taiwan, including managerial and non-managerial positions, was 5.16%.</p>	

Promotion items	Implementation status (Note 1)			Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons No
	Yes	No	Yes	
(3) Does the Company provide employees with a safe and healthy working environment and conduct regular occupational safety and health training?	V		<p>To promote inclusive and sustainable economic growth, the Company values workplace diversity and equality. Equal pay and promotion opportunities are guaranteed regardless of gender. As of the end of 2024, 22% of employees were female, and 12% of management positions were held by women.</p> <p>(3)The Company has established occupational safety and health procedures, including safety operations guidelines, emergency response protocols, and incident/injury reporting procedures, to ensure that all employees adhere to safety rules and to prevent workplace accidents. Various safety and health measures are actively promoted to minimize risk and maintain a safe and friendly working environment.</p> <p>All new employees receive pre-employment safety and hazard awareness training as part of orientation. The Company also provides regular health check-ups and engages professional physicians to offer physical and mental health consultations based on employee needs.</p> <p>The Company is certified under the ISO 45001</p>	No significant difference occurred

Promotion items	Implementation status (Note 1)			Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons No
	Yes	No	Yes	
			<p>Occupational Health and Safety Management System, and conducts risk assessments for various operations to identify potential hazards. Audits and reviews are carried out to ensure timely risk control and support continuous improvement.</p> <p>Occupational Accident Statistics for 2024 (ROC Year 113):</p> <ul style="list-style-type: none"> ◦ Number of major occupational accidents: 0 ◦ Injured employees: 0 ◦ Injury rate as a percentage of total workforce: 0% ◦ Preventive measures: Enhanced workplace and driving safety education, active care by supervisors for employees’ physical and mental condition to ensure workplace safety. <p>Fire Incident Statistics for 2024 (ROC Year 113):</p> <ul style="list-style-type: none"> ◦ Number of fire incidents: 0 ◦ Injuries or fatalities: 0 ◦ Injury/fatality rate as a percentage of total workforce: 0% ◦ Preventive measures: In compliance with fire safety regulations, the Company conducts regular fire equipment inspections and 	

Promotion items	Implementation status (Note 1)			Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons No
	Yes	No	Yes	
(4) Has the Company established an effective career development and training program for employees?	V		<p>maintenance, fire safety training, and electrical system checks to prevent fire-related incidents.</p> <p>(4)All departments across the Company encourage employees to pursue external training aligned with their job functions to enhance professional capabilities. The Company provides comprehensive and diverse learning resources to support continuous knowledge growth and skill development. Building a complete and diversified career development pathway remains a key focus of the Company’s talent strategy.</p> <ul style="list-style-type: none"> ◦ New Employee Orientation: Includes training on company policies and ethical standards, including human rights. ◦ Mandatory and On-the-Job Training: Focused on specialized systems, technical skills, and role-specific knowledge essential for various positions. 	No significant difference occurred
(5) Does the Company comply with relevant laws and international standards regarding customer health and safety, privacy, marketing, and product labeling, and has it established policies and grievance mechanisms to protect consumer or client rights?	V		<p>(5)In accordance with government regulations and industry standards, the Company ensures the quality of its products and services. Customer feedback is highly valued. In addition to direct visits, the Company provides</p>	No significant difference occurred

Promotion items	Implementation status (Note 1)			Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons No
	Yes	No	Yes	
(6) Has the Company established a supplier management policy requiring suppliers to comply with environmental protection, occupational safety and health, and labor/human rights standards, and how is this implemented?	V		<p>a product inquiry contact window and email address on its official website, allowing customers to submit questions, complaints, or suggestions.</p> <p>The Company adheres to principles of integrity in all aspects of product marketing, labeling, and customer data protection, strictly avoiding any deceptive, misleading, or fraudulent behavior that could harm customer trust or rights. Customer privacy is safeguarded through confidentiality agreements and compliance with personal data protection laws, ensuring comprehensive protection of client interests.</p> <p>(6)The Company includes clauses in its procurement contracts requiring suppliers and their products to comply with all applicable legal regulations. Supplier responsibilities in environmental protection and social responsibility are explicitly stated.</p> <p>If a primary supplier is found to have violated corporate social responsibility (CSR) policies in ways that significantly impact the environment or society, the Company reserves the right to</p>	No significant difference occurred

Promotion items	Implementation status (Note 1)			Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons No
	Yes	No	Yes	
			immediately terminate or cancel the contract. Prior to engaging in any transaction, the Company conducts due diligence on the supplier’s overall qualifications and publicly available information. Suppliers with quality certifications must provide relevant documentation for Company review. The Company also conducts regular assessments and requires self-evaluations from different categories of suppliers. If a supplier fails an evaluation, it is required to make improvements and reapply. If it fails again, the Company will seek alternative suppliers to ensure standards are upheld.	
V. Has the Company prepared a sustainability report or other reports disclosing non-financial information by referencing internationally recognized reporting frameworks or guidelines? Has the report obtained assurance or verification from an independent third-party organization?		V	The Company engaged a professional ESG consulting team at the end of 2024 to assist in the preparation and guidance of its sustainability report. Moving forward, the Company will continue to comply with relevant regulatory requirements and progressively implement sustainability-related initiatives and development in alignment with ESG best practices.	The Company will prepare a sustainability report in accordance with the requirements of the competent authorities.
<p>VI. If the Company has established its own Sustainable Development Best Practice Principles based on the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” please describe the implementation status and any differences between the two sets of principles:</p> <p>The Company has formulated its own Sustainable Development Best Practice Principles in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.” Implementation is carried out progressively, taking into account the Company’s current operating conditions and applicable laws and</p>				

Promotion items	Implementation status (Note 1)			Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons No
	Yes	No	Yes	
regulations.				
There are no material differences between the Company’s principles and those set forth in the TWSE/TPEX guidelines.				
VII. Other Key Information to Understand the Company’s Sustainability Implementation				
(1) Environmental Protection				
To fulfill its social responsibility of protecting the environment, the Company ensures that all wastewater is properly treated to meet discharge standards before being released to the industrial zone’s centralized wastewater treatment facility. Waste gases generated during the production process are also treated using air pollution control equipment to comply with relevant environmental regulations before emission.				
The Company actively promotes a resource recycling and reuse policy to reduce waste generation and mitigate environmental impact. Energy-saving lighting is used to reduce electricity consumption as part of the Company’s contribution to environmental protection and sustainable operations. The goal is to achieve a win-win outcome for both economic development and environmental conservation.				
In addition, the Company educates employees on environmental management, ensures compliance with environmental laws and regulations (including hazardous substance restrictions and pollution prevention agreements), and promotes pollution reduction at the source, energy conservation, and resource reuse awareness.				
(2) Human Capital				
The Company offers an incentive-based compensation system, including performance bonuses and year-end awards. Clear promotion pathways are in place to encourage professional growth. A safe and healthy work environment is maintained, featuring dedicated nursing rooms for female employees, annual health check-ups, health education consultations, and occupational safety and health management to prevent workplace accidents and illnesses.				
The Company also supports employee well-being through various engagement activities, such as team dinners, annual banquets, employee trips, and discounts at partner stores.				
(3) Donations to Disadvantaged Groups and Community Engagement				
The Company has consistently contributed to and sponsored disadvantaged groups in society. In response to government calls during the post-pandemic recovery period, it actively supported social welfare and mutual aid initiatives.				
The Company also participates in community contributions, including donations to local organizations such as the Hsinchu Industrial Park Volunteer Fire Brigade and Xingtian Temple.				
Adhering to the principle of "giving back to society," the Company will continue to support charitable causes and sponsor activities that benefit disadvantaged communities.				

Sustainability Development Committee Operation Overview

I. The Company's Sustainability Development Committee is composed of five members.

II. The current term of the Committee members is from November 7, 2024 to June 21, 2025.

In fiscal year 2024 (ROC Year 113), the Sustainability Development Committee convened one meeting (A). The qualifications and attendance of the members are as follows:

Title	Name	Actual attendance (B)	Number of meetings attended by proxy	Actual attendance rate (%) (B/A) (Note)	Remarks
Convener	CHIA, CHAO-YI	1	0	100.00%	-
Member	GONG, SHUANG-SYONG	1	0	100.00%	-
Member	LIN, KAI	1	0	100.00%	-
Member	CHEN, HSUEH-SHEN	1	0	100.00%	
Member	CHEN, SHYUE-JER	1	0	100.00%	

Main Responsibilities of the Sustainability Development Committee:

1. Formulate, promote, and strengthen the Company's sustainability development policies, annual plans, and strategies.
2. Review, monitor, and revise the implementation and effectiveness of sustainability initiatives.
3. Supervise the disclosure of sustainability-related information and review the Sustainability Report.
4. Oversee the execution of tasks related to the Company's Sustainable Development Best Practice Principles or other sustainability matters as resolved by the Board of Directors.

Other Disclosures:

I. If the Board of Directors does not adopt or modifies the recommendations made by the Sustainability Development Committee, the Company shall disclose the following:

the date and session of the Board meeting, the proposal discussed, the resolution passed by the Board, and how the Company handled the Committee's opinion.

If the resolution approved by the Board provides more favorable terms (e.g., compensation) than those recommended by the Committee, the Company shall explain the differences and the reasons for such decisions.

Meeting time	Proposal content and follow-up processing	Resolution	The Company's handling of the opinions of the Remuneration Committee
2024.12.26	1. Approval of the proposed adoption of the "Procedures for the Preparation and Filing of the Sustainability Report." 2. Approval of the proposed addition of the Company's "Sustainability Information Management Policy."	Approved by all members present	Proposed to and approved by all the attended board directors at the board meeting

II. If any member of the Sustainability Development Committee expressed dissenting or qualified opinions regarding resolutions, and such opinions were recorded or submitted in writing, the Company shall disclose the meeting date, session, agenda item, all members' opinions, and how the opinions were handled: None.

Climate-Related Information of the Company

I Implementation Status of Climate-Related Information

Item	Implementation Status
<p>1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.</p>	<p>Oversight and Governance of Climate-Related Risks and Opportunities by the Board of Directors and Management</p> <p>In 2024 (ROC Year 113), the Company established the Sustainability Development Committee to integrate the risks and opportunities of climate change into corporate governance. The Company is gradually enhancing its governance structure to strengthen climate risk management and seize transition opportunities.</p> <p>1.Board of Directors</p> <p>The Board of Directors holds ultimate responsibility for the oversight of climate-related risk and opportunity management. It conducts semi-annual reviews of the potential impact of climate issues on the Company's business strategies and financial performance. The Board also deliberates on key sustainability topics, including climate risk assessments, greenhouse gas (GHG) reduction targets, and energy transition strategies, to ensure that climate actions align with the Company's long-term strategy.</p> <p>The Board, through the Sustainability Development Committee, monitors climate change trends, regulatory updates, carbon pricing scenarios, and market responses, and provides strategic guidance and resource allocation recommendations accordingly.</p> <p>2.Management Responsibilities</p> <p>The General Manager leads the Company's Sustainability Task Force, coordinating across departments to implement climate-related strategies and action plans, which include:</p> <ul style="list-style-type: none"> ◦ GHG inventory and target setting ◦ Renewable energy procurement and energy efficiency improvements ◦ Climate risk identification and scenario analysis ◦ Development of green energy initiatives <p>The management team reports to the Sustainability Development Committee semi-annually on sustainability progress and significant climate issues. Additionally, climate impact assessments and sustainability risk factors are incorporated into the Company's annual business planning process.</p>

Item	Implementation Status
2. Describe how the identified climate-related risks and opportunities impact the organization's businesses, strategy, and financial planning over the short, medium, and long term.	<p>Impact of Identified Climate-Related Risks and Opportunities on the Company's Business, Strategy, and Financial Planning (Short, Medium, and Long Term)</p> <p>The Company assesses the potential impacts of climate change on its operations through materiality analysis and risk identification processes. This includes evaluating possible effects on its core business, production and supply chains, manufacturing processes, and customer demand across different time horizons.</p> <p>Direct risks may include natural disasters such as droughts and water shortages, typhoons, flooding from heavy rainfall, and earthquakes, which could affect production facilities and operational continuity. Indirect risks may arise from regulatory responses to climate change, such as government policies related to carbon reduction, energy transition, and resource pricing. These could impact raw material, electricity, and water costs, as well as lead to product pricing fluctuations.</p> <p>Based on current assessments, no material climate-related risks have been identified that would pose a significant threat to the Company's operations in the short, medium, or long term.</p>
3. Describe the financial impact of extreme weather events and transition actions.	The Company has currently assessed that extreme climate events and transition actions have no material financial impact on its operations.
4. Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management framework.	The Company has completed the establishment of a sustainability management structure; however, the integration and consolidation of processes for climate risk assessment, identification, and response management have not yet been finalized. Relevant content and procedures will be disclosed upon completion.
5. If scenario analysis is used to assess the resilience of the organization to climate-related risks, describe the scenarios used, key assumptions, parameters, analytical factors, and main financial impacts.	The Company is currently in the process of preparing its Sustainability Report; however, it has not yet conducted scenario analysis to assess the resilience of its operations to climate-related risks. Therefore, this item is not applicable at this stage.
6. If the Company has a transition plan to manage climate-related risks, describe its content and the metrics and targets used to identify and manage physical and transition risks.	The Company is currently continuing to disclose its Sustainability Report; however, it has not yet completed the evaluation and planning of a transition plan to manage climate-related risks. Relevant content will be disclosed upon completion.
7. If internal carbon pricing is used as a planning tool, disclose the basis for the carbon price applied.	The Company's current business scope and external operations do not involve the use of internal carbon pricing as a planning tool; therefore, this item is not applicable.
8. If climate-related targets are set, describe the activities covered, GHG emission scopes, time horizons, annual progress toward targets, and, if applicable, details on the use of carbon offsets or Renewable Energy Certificates (RECs), including the sources and quantities.	<p>In accordance with the Sustainability Roadmap for TWSE/TPEX Listed Companies issued by the Financial Supervisory Commission (FSC) in March 2022, the Company is classified as a listed company with paid-in capital under NT\$5 billion, and is therefore subject to the requirements of Phase III. Under this phase, the Company is required to complete its greenhouse gas (GHG) inventory by 2026 (ROC Year 115) and complete third-party verification by 2028 (ROC Year 117).</p> <p>Following the relevant regulatory guidelines, the Company plans to initiate its GHG inventory by the end of 2025 (ROC Year 114) and will complete third-party assurance for Scope 1 and Scope 2 emissions accordingly.</p>
9. Greenhouse Gas Inventory and Assurance Status, Emission Reduction Targets,	In accordance with the Sustainability Roadmap for TWSE/TPEX Listed Companies

Item	Implementation Status
<p>Strategies, and Action Plans (To be detailed separately in Sections 1-1 and 1-2)</p>	<p>released by the Financial Supervisory Commission (FSC) in March 2022, the Company, as a listed company with paid-in capital under NT\$5 billion, falls under Phase III of the roadmap.</p> <p>Accordingly, the Company is required to complete its greenhouse gas (GHG) inventory by 2026 (ROC Year 115) and achieve third-party assurance by 2028 (ROC Year 117), in compliance with the mandatory GHG inventory and verification requirements.</p> <p>In alignment with the regulatory timeline and relevant guidance issued by the competent authorities, the Company plans to begin its GHG inventory by the end of 2026 and complete third-party assurance for Scope 1 and Scope 2 emissions accordingly.</p>

II Greenhouse Gas Inventory and Assurance Status for the Most Recent Two Years

(1) Greenhouse Gas Inventory Information	Implementation Status
<p>Disclose the Company's greenhouse gas (GHG) emissions (in metric tons CO₂e), emissions intensity (in metric tons CO₂e per NT\$ million), and the scope of data coverage for the most recent two years.</p>	<p>Greenhouse Gas (GHG) Emissions Summary – World-Shine Group (Excluding Subsidiaries) Base Year: 2024 (ROC Year 113) Total GHG Emissions: 18,856.556 metric tons CO₂e/year Emissions Intensity: 7.322 metric tons CO₂e per NT\$ million Data Coverage: Scope 1: Diesel (generators, forklifts, trucks), Gasoline (official vehicles) – CO₂, CH₄, N₂O Dry ice and fire extinguishers – CO₂ Septic tanks – CH₄ Refrigeration and air conditioning equipment (air conditioners, chillers, dryers, freezers, water dispensers, refrigerators) – HFCs Scope 2: Purchased electricity – CO₂, CH₄, N₂O Scope 3: Business travel – CO₂ Waste disposal and transportation – CO₂</p>

Note 1:

Direct emissions (Scope 1) refer to greenhouse gas emissions from sources that are owned or controlled by the Company.

Energy indirect emissions (Scope 2) refer to emissions resulting from the generation of purchased electricity, heat, or steam consumed by the Company.

Other indirect emissions (Scope 3) refer to emissions that are a consequence of the Company's activities but occur from sources owned or controlled by other entities, excluding energy-related indirect emissions.

Note 2:

The data coverage for Scope 1 (direct emissions) and Scope 2 (energy indirect emissions) shall follow the schedule specified in Article 4-1, Paragraph 2 of the "Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" issued by the Taiwan Stock Exchange. Disclosure of Scope 3 (other indirect emissions) is on a voluntary basis.

Note 3:

The greenhouse gas inventory is based on the Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1, published by the International Organization for Standardization (ISO).

Note 4:

Emissions intensity may be calculated per unit of product/service or per unit of revenue. However, the Company shall at a minimum disclose emissions intensity calculated based on revenue (NT\$ million).

(2) Greenhouse Gas Assurance Information	Implementation Status
Describe the greenhouse gas assurance status for the most recent two years, including the assurance scope, assurance provider, assurance standards, and assurance opinion	<p>Greenhouse Gas Assurance Information</p> <p>In April 2025, the Company conducted third-party verification of its 2024 (Base Year) greenhouse gas inventory.</p> <p>Verification Scope:</p> <p>Shih Her Technologies Inc. – BU2</p> <p>Shih Her Technologies Inc. – Hsinchu Plant (BU4)</p> <p>Shih Her Technologies Inc. – Guangfu Plant (BU5)</p> <p>Shih Her Technologies Inc.– Guangfu Second Plant (BU5-2)</p> <p>Shih Her Technologies Inc.– Tainan Plant (BU3)</p> <p>Shih Her Technologies Inc.– Tainan Second Plant (BU6)</p> <p>Verification Body:</p> <p>Greenhouse Gas Verification Body, Industrial Technology Research Institute (ITRI)</p> <p>Verification Standard:</p> <p>Voluntary Greenhouse Gas Program – ISO 14064-1:2018</p>

Note 1:

The assurance process shall be conducted in accordance with the timeline stipulated in Article 4-1, Paragraph 3 of the Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies.

Note 2:

The assurance provider must comply with the relevant requirements set forth by the Taiwan Stock Exchange (TWSE) and the Taipei Exchange (TPEX) for sustainability report assurance institutions.

Note 3:

For disclosure content, please refer to best practice examples available on the TWSE Corporate Governance Center website.

(3) Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans	Implementation Status
<p>Disclose the base year and corresponding greenhouse gas (GHG) emissions data, the Company's GHG reduction targets, strategies, specific action plans, and the progress made toward achieving the reduction targets.</p>	<p>Base Year: 2024 (ROC Year 113) Total GHG Emissions: 18,856.556 metric tons CO₂e/year Reduction Strategy Set an aggressive reduction target to achieve a 5% reduction in total operational GHG emissions by 2035, with a milestone commitment of 15% reduction by 2025. Plan a long-term strategy for carbon credit deployment, invest in green energy, and develop solar power storage systems. Internally build geopolitical expertise to understand and respond to evolving global risks and trends that may affect carbon and energy strategies. Specific Action Plans – 10 Energy-Saving Initiatives 1. Install variable-frequency drive (VFD) automation for dust collectors and sandblasting machines. 2. Automate VFD control for scrubber circulation water pumps. 3. Apply VFD automation to chillers and chilled water circulation pumps. 4. Implement variable-frequency control for waterjet machines. 5. Optimize cooling tower temperature control and improve VFD performance. 6. Improve air compressor pressure control optimization. 7. Evaluate replacement of low-efficiency motors at production sites with high-efficiency ones. 8. Optimize chilled water pump flow by adjusting temperature and inlet/outlet pressure for chillers. 9. Install electrostatic rods in cooling towers to increase freezing efficiency and reduce energy consumption. 10. Apply descaling agents to refrigerant systems of chillers to reduce heat exchange losses and enhance overall efficiency.</p>

Note 1:

The implementation schedule shall comply with the timeline specified in Article 4-1, Paragraph 4 of the Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies.

Note 2:

The base year should correspond to the year in which the GHG inventory is completed using the consolidated financial reporting boundary.

For example, under Article 4-1, Paragraph 2 of the same regulations, companies with paid-in capital exceeding NT\$10 billion are required to complete the inventory for fiscal year 2024 by 2025; therefore, the base year is 2024.

If a company completes its consolidated inventory earlier, it may designate the earlier year as its base year. Emission data for the base year may be calculated based on a single year or an average over multiple years.

Note 3:

Disclosure content may refer to the best practice examples published by the Corporate Governance Center of the Taiwan Stock Exchange.

(VI) Implementation of Ethical Corporate Management and Explanation of Any Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies

Promotion items	Implementation status (Note 1)			Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons No
	Yes	No	Yes	
I.Establishment of Ethical Corporate Management Policies and Programs				
(1)Has the Company established an integrity management policy approved by the Board of Directors, and clearly stated such policy and practices in internal regulations and external documents, including the commitment of the Board and senior management to implement the policy?	V		(1)The Company has established the “Procedures and Guidelines for Ethical Corporate Management,” which clearly defines the Company’s integrity policy. Externally, the Company emphasizes honesty in dealing with clients; internally, it strictly enforces employee self-discipline and compliance with internal regulations. The spirit of ethical management is incorporated into the internal control system to ensure practical implementation. The policy is publicly disclosed on the Company’s website. The Board of Directors and senior management exercise their duties with caution and a strong commitment to ethical conduct.	No significant difference occurred
(2)Has the Company established a risk assessment mechanism for unethical conduct, regularly analyzed and assessed business activities with higher risk of unethical behavior, and formulated prevention programs that at least include preventive measures for the acts listed under Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”?	V		(2)The Company’s internal control system and ethical management guidelines expressly prohibit directors, employees, and actual controllers from offering, promising, requesting, or accepting any form of improper benefits—either directly or indirectly—during the course of business. This includes kickbacks, commissions, facilitation payments, or other improper advantages offered to or received from clients, agents, contractors, suppliers, or other stakeholders. These provisions serve as the basis for the Company’s anti-corruption and unethical conduct prevention program.	No significant difference occurred
(3)Has the Company specified procedures, codes of conduct, disciplinary measures, and grievance mechanisms in its prevention program for unethical conduct, and implemented and reviewed the program regularly?	V		(3)The ethical guidelines clearly stipulate that employees shall not exploit their position for personal or third-party gain, nor shall they accept hospitality, gifts, kickbacks, or any illicit benefits arising from acts related to or in violation of their job duties. Violations are subject to disciplinary action, including dismissal. The Company’s management philosophy is firmly	No significant difference occurred

Promotion items	Implementation status (Note 1)			Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons No
	Yes	No	Yes	
			grounded in integrity, which serves as the cornerstone of its business operations.	
II. Implementation of Ethical Corporate Management				
(1) Does the Company assess the integrity records of its counterparties and include integrity-related clauses in contracts with trading partners?	V		(1)The Company conducts preliminary assessments for all external business engagements and ensures fairness and transparency in all transactions. During procurement and transactions, counterparties' basic information is collected to verify their authenticity, and past transaction records are reviewed to evaluate their commercial integrity. Contractual terms are reviewed by the legal department and include integrity clauses outlining mutual rights and obligations, explicitly prohibiting unlawful commercial behavior and avoiding engagement with entities that have a history of unethical conduct.	No significant difference occurred
(2) Has the Company established a dedicated unit under the Board of Directors to promote ethical corporate management, and does it report at least annually to the Board on the integrity policy, the prevention program for unethical conduct, and its implementation status?	V		(2)The Company has designated the Office of the General Manager as the unit responsible for promoting ethical corporate management, under the supervision of the Board of Directors. The Audit Committee and Internal Audit Office implement oversight in accordance with the annual audit plan approved by the Board and report at least once a year to the Board on the Company's ethical management policy, prevention program for unethical conduct, and implementation status.	No significant difference occurred
(3) Has the Company established a conflict of interest policy, provided appropriate channels for reporting, and effectively implemented such measures?	V		(3)The Company's Board Meeting Rules include a conflict-of-interest avoidance mechanism. Any director with a personal or represented legal entity interest in the matters discussed must disclose the nature of the conflict and, if the matter may harm the Company's interests, must abstain from discussion and voting, and may not act as a proxy for another director. The Procedures and Guidelines for Ethical Corporate Management require employees to report any actual or	No significant difference occurred

Promotion items	Implementation status (Note 1)			Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons No
	Yes	No	Yes	
(4) Has the Company established effective accounting and internal control systems to ensure ethical business practices, and does the internal audit unit formulate an audit plan based on the risk assessment of unethical conduct to verify compliance with the prevention program, or has an external auditor been commissioned for such verification?	V		potential conflict of interest—such as situations involving personal, spouse, parent, child, or interested parties receiving improper benefits—to both their direct supervisor and the designated unit. Supervisors are responsible for providing proper guidance. The Audit Committee also assists the Board in supervising the Company’s implementation and provides proper reporting channels for employees. (4)To ensure the effective implementation of ethical corporate management, the Company has established robust accounting and internal control systems. Internal auditors formulate annual audit plans based on risk assessment and conduct regular audits to ensure compliance with the above systems and ethical policies. External auditors also review the execution status of the Company’s internal control systems annually.	No significant difference occurred
(5)Does the Company regularly conduct internal and external training on ethical corporate management?	V		(5)During onboarding training, new employees are introduced to the Company’s Ethical Corporate Management Policy and relevant regulations. Ongoing educational sessions are conducted periodically to reinforce compliance and awareness. The finance and audit supervisors also participate in external ethics training annually and select courses relevant to their roles.	No significant difference occurred
III.Operation of the Company’s Whistleblowing Mechanism (1)Has the Company established a specific whistleblowing and reward system, provided convenient reporting channels, and designated appropriate personnel to handle reports regarding accused parties?	V		(1)Employees are expected to remain vigilant and report any suspected violations of ethical standards to their supervisors. The Company has set up a "Suggestion Box" managed by designated personnel who are responsible for handling whistleblower reports. Reasonable comments or complaints are addressed promptly. Any employee who reports misconduct is included in the investigation process and is provided with protective measures to prevent unfair	No significant difference occurred

Promotion items	Implementation status (Note 1)			Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons No
	Yes	No	Yes	
(2)Has the Company defined standard operating procedures (SOPs) for investigating whistleblower reports, including follow-up measures and confidentiality mechanisms?	V		retaliation or treatment. Disciplinary actions, including dismissal, may be taken based on the severity of the misconduct, in accordance with Company policies. (2)Article 21 of the Company’s “Procedures and Guidelines for Ethical Corporate Management” clearly stipulates that independent whistleblower mailboxes and hotlines shall be established and published on both the Company’s internal and external websites. These may also be managed by an independent third party. Dedicated investigation personnel are assigned to handle such cases in accordance with internal procedures, ensuring complete confidentiality and thorough documentation of all reports and related individuals.	No significant difference occurred
(3)Has the Company adopted measures to protect whistleblowers from unfair treatment or retaliation as a result of their disclosures?	V		(3)The Company participates in the investigation of any reported violations of professional ethics and ensures the confidentiality and protection of whistleblowers. The Company guarantees that no whistleblower will be subject to unfair treatment or retaliation, and no improper actions will be taken against them.	No significant difference occurred
IV.Enhanced Information Disclosure Does the Company disclose the contents of its ethical corporate management policies and the effectiveness of their implementation on its official website and the Market Observation Post System (MOPS)?	V		The Company has established the “Procedures and Guidelines for Ethical Corporate Management”, which are disclosed on the Company's official website (http://www.sht.com.tw) and on the Market Observation Post System (MOPS).	No significant difference occurred
V.If the Company has established its own ethical corporate management guidelines in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies,” please describe their implementation and any differences from the stated principles: The Company conducts its business activities based on the principles of fairness, honesty, trustworthiness, and transparency. To implement its ethical corporate management policy and proactively prevent unethical behavior, the Company has established the “Procedures and Guidelines for Ethical Corporate Management”, which clearly define the conduct expected of personnel when performing their duties. The designated responsible unit reports regularly to the Board of Directors. The operation of the system fully aligns with the established guidelines, and no differences exist between the implementation and the ethical corporate management principles.				

Promotion items	Implementation status (Note 1)			Difference from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons No
	Yes	No	Yes	
VI. Other Material Information Helpful to Understanding the Company’s Implementation of Ethical Corporate Management: 1. The Company complies with relevant laws and internal control systems and strictly prohibits unethical or unlawful conduct. 2. The Board Meeting Rules include a conflict-of-interest policy requiring directors to disclose the nature of any conflict in meeting matters involving their own or a represented legal entity’s interest. Where conflicts may harm the Company’s interest, directors must express opinions or answer questions but shall abstain from discussion and voting, and may not vote on behalf of other directors. 3. The Company adheres to the Company Act, Securities and Exchange Act, and relevant TWSE/TPEX regulations as the foundation for its ethical corporate management practices. All commercial interactions must be free from unethical conduct. 4. The Company has implemented the “Procedures for Handling Material Inside Information and Preventing Insider Trading”, which prohibit insiders or individuals who learn of material information through their duties from disclosing such information to others. 5. The Company reinforces its ethical management philosophy through compliance with laws and internal control systems, and regularly promotes the guidelines for ethical corporate conduct to employees.				

(VII) If the Company has established Corporate Governance Guidelines and related regulations, please disclose how such information can be accessed:

To strengthen its corporate governance system, the Company has established relevant regulations, including the Rules of Procedure for Shareholders' Meetings, Rules of Procedure for Board Meetings, Rules for Election of Directors, Performance Evaluation Guidelines for the Board of Directors and Functional Committees, Corporate Governance Best Practice Principles, Sustainable Development Best Practice Principles, Ethical Corporate Management and Code of Conduct, Scope of Duties of Independent Directors, Audit Committee Charter, and Remuneration Committee Charter.

All of the above documents are publicly available on the Market Observation Post System (MOPS) and on the Company’s official website.

(VIII) Other Important Information to Enhance Understanding of the Company's Corporate Governance Practices:

1. The Company has established internal control procedures related to the handling of material information. These have been communicated

to all directors, officers, and employees, and are published on the Company's internal portal to ensure compliance and prevent insider trading.

2. Upon appointment, new directors, managers, and insiders are provided with the latest edition of the "Regulations and Guidelines on Insider Shareholding for TWSE/TPEX Listed Companies" issued by the Taipei Exchange, to facilitate their compliance with relevant laws.
3. Relevant departments regularly engage in in-depth communication with the Company's certified public accountants regarding the audit of financial statements and the implementation of internal controls.
4. The Company has set up an Investor Relations section on its official website (<http://www.sht.com.tw>), where financial, operational, and corporate governance information is fully disclosed.

(IX) Status of Internal Control System Implementation
1.Statement on Internal Control System

Shih Her Technologies Co., Ltd.
Statement on Internal Control System

Date: March 11, 2025

For the fiscal year 2024 (ROC Year 113), based on our self-assessment, the Company hereby states the following:

- 1.The Board of Directors and management of the Company acknowledge that establishing, implementing, and maintaining an internal control system is their responsibility. The Company has already established such a system to reasonably ensure the achievement of the following objectives:
 - Operational effectiveness and efficiency (including profitability, performance, and safeguarding of assets),
 - Reliability, timeliness, and transparency of reporting, and
 - Compliance with applicable laws, regulations, and internal policies.
- 2.Due to inherent limitations, no matter how well designed, an effective internal control system can only provide reasonable assurance for the achievement of the above objectives. Moreover, the effectiveness of an internal control system may change over time as circumstances evolve. However, the Company has built a self-monitoring mechanism within its internal control framework, and corrective actions are promptly taken when deficiencies are identified.
- 3.In accordance with the “Regulations Governing Establishment of Internal Control Systems by Public Companies” (hereinafter the “Regulations”), the Company evaluates the design and operating effectiveness of its internal control system using the criteria set out in the Regulations. These criteria categorize internal control into five components of the control process:
 - (1) Control Environment,
 - (2) Risk Assessment,
 - (3) Control Activities,
 - (4) Information and Communication, and
 - (5) Monitoring Activities.Each component includes several elements, which can be referred to in the Regulations.
- 4.The Company has adopted the above evaluation criteria to assess the design and operational effectiveness of its internal control system.
- 5.Based on the assessment results, the Company concludes that as of December 31, 2024, its internal control system (including supervision and management of subsidiaries), covering the achievement of operational efficiency and effectiveness, the reliability and timeliness of reporting, and compliance with applicable laws and regulations, was effective in both design and implementation and can reasonably ensure the achievement of these objectives.
- 6.This statement will be publicly disclosed as a key section of the Company’s annual report and prospectus. Any misrepresentation or concealment therein shall bear legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange

Act.

7. This statement was approved by the Board of Directors on March 11, 2025, with zero dissenting votes out of seven directors present.

Shih Her Technologies Inc.

Chairman: Signature and seal

President: Signature and seal

2. Special Audit of Internal Control by External Auditor: Not applicable.

(X) Penalties Imposed on the Company or Its Insiders

As of the most recent fiscal year and up to the date of publication of this annual report, no penalties have been imposed on the Company or its insiders pursuant to the law, nor has the Company imposed any penalties on its insiders for violations of internal control system regulations that would have a material impact on shareholders' rights or the Company's stock price.

(XI) Significant Resolutions of the Shareholders' Meeting and the Board of Directors in the Most Recent Year and up to the Annual Report Publication Date

1. Important resolutions of shareholders' meeting
Shareholders' meeting in 2023:

Date	Resolutions	Details	Implementation
2023.06.07 Shareholders' meeting in 2023	* Approved the operating report and financial statements in 2022.	Total votes of attended shareholders: 36,285,655 votes, Approval votes: 35,575,029 votes (25,350,349 votes exercised through electronic voting) Disapproval votes: 13,061 votes (13,061 votes exercised through electronic voting) Abstention/ Non-voting votes: 697,565 votes (16,565 votes exercised through electronic voting) Approval votes account for 97.90% of total votes of attended shareholders, so the case was approved without objections after the chairperson consults the voting of all attended shareholders.	Completed the declaration in accordance with Company Act.
	* Approved the earnings distribution in 2022.	Total votes of attended shareholders: 36,285,655 votes, Approval votes: 35,575,029 votes (25,350,349 votes exercised through electronic voting) Disapproval votes: 13,061 votes (13,061 votes exercised through electronic voting) Abstention/ Non-voting votes: 697,565 votes (16,565 votes exercised through electronic voting) Approval votes account for 98.04% of total votes of attended shareholders, so the case was approved without objections after the chairperson consults the voting of all attended shareholders.	Determined that ex-dividend base date is set on July 30, 2023 and the date of issuance is set on August 18, 2023. (Cash dividend of NTD 1.2 per share) (Report case: capital reserve was used for issuing cash dividend of NTD 2.0 per share)

Date	Resolutions	Details	Implementation
	* Approved revision of some articles of “Rules of Procedure for Board of Directors” of the Company.	<p>Total votes of attended shareholders: 36,285,655 votes, Approval votes: 35,583,029 votes (25,358,349 votes exercised through electronic voting) Disapproval votes: 3,061 votes (3,061 votes exercised through electronic voting) Abstention/ Non-voting votes: 699,565 votes (18,565 votes exercised through electronic voting)</p> <p>Approval votes account for 98.06% of total votes of attended shareholders, so the case was approved without objections after the chairperson consults the voting of all attended shareholders.</p>	They were announced on the website of the Company on June 7, 2023 and handled according to the revised procedure.

Shareholders’ meeting in 2024:

Date	Resolutions	Details	Implementation
2024.06.07 Shareholders’ meeting in 2024	* Approval of the 2023 Annual Business Report and Financial Statements.	<p>Number of Shares Represented by Shareholders Present: 34,194,396 shares Votes in Favor: 33,229,963 shares (including 17,108,382 electronic votes) Votes Against: 25,209 shares (including 25,209 electronic votes) Abstentions/No Votes: 939,224 shares (including 909,135 electronic votes)</p> <p>Votes in favor accounted for 97.17% of the total voting rights of shareholders present. The proposal was approved as presented after the Chairperson consulted all shareholders present and no objections were raised.</p>	The statutory filings required under the Company Act have been completed.
	* Approval of the 2023 Earnings Distribution Proposal.	<p>Number of Shares Represented by Shareholders Present: 34,194,396 shares Votes in Favor: 33,240,963 shares (including 17,119,382 electronic votes) Votes Against: 77,209 shares (including 77,209 electronic votes) Abstentions/No Votes: 876,224 shares (including 846,135 electronic votes)</p> <p>Votes in favor accounted for 97.21% of the total voting rights of shareholders present. The proposal was approved as presented after the Chairperson consulted all shareholders present and no objections were raised.</p>	<p>The ex-dividend date has been set for July 28, 2024, and the cash dividend distribution date is August 16, 2024. A cash dividend of NT\$1.2 per share will be distributed.</p> <p>(Report Item: A cash dividend of NT\$1.6 per share will be distributed from capital surplus.)</p>

Date	Resolutions	Details	Implementation
	* Approval of the Amendments to Certain Provisions of the Company's 'Rules of Procedure for Shareholders' Meetings'.	<p>Number of Shares Represented by Shareholders Present: 34,194,396 shares Votes in Favor: 33,291,380 shares (including 17,169,799 electronic votes) Votes Against: 25,209 shares (including 25,209 electronic votes) Abstentions/No Votes: 877,807 shares (including 847,718 electronic votes)</p> <p>Votes in favor accounted for 97.35% of the total voting rights of shareholders present. The proposal was approved as presented after the Chairperson consulted all shareholders present and no objections were raised.</p>	The revised procedures have been implemented in accordance with the amendments, and the announcement was published on the Company's website on June 27, 2024.

2.Important resolutions of board of directors

Date	Resolutions	Details	Implementation
2024.06.27	* Approval of the Proposal to Set the Record Date for Cash Distribution from Capital Surplus, as well as the Ex-Dividend Date and Payment Date for the 2023 Earnings Distribution.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	The ex-dividend date has been set for July 28, 2024, and the payment date for August 16, 2024.
	* Approval of the Proposal to Establish a NT\$100 Million Short-Term Credit Line with China Trust Commercial Bank.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	The credit facility agreement with China Trust Commercial Bank has been finalized and executed.
	* Approval of the Proposal to Extend the NT\$150 Million Short-Term Credit Facility and the USD 1 Million Derivatives Limit with E.SUN Bank.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	The credit facility agreement with E.SUN Bank has been finalized and executed.
	* Approval of the Personnel Change of Mr. Ho Wen-Chin in the Company's BU5 Division.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	The dismissal has been duly reported in accordance with the law.
	* Approval of the Personnel Change of Mr. Ho Chi-Yuan in the Office of the President.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	The dismissal has been duly reported in accordance with the law.
2024.08.08	* Approval of the Consolidated Financial Statements for the Second Quarter of 2024.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	The filing and public announcement have been duly completed in accordance with regulatory requirements.

Date	Resolutions	Details	Implementation
	* Approval of the Proposal to Extend the NT\$150 Million Short-Term Credit Facility with Hua Nan Bank, Dazhong Branch.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	The credit facility agreement with Hua Nan Bank, Dazhong Branch has been finalized and executed.
2024.11.07	* Approval of the Consolidated Financial Statements for the Third Quarter of 2024.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	The filing and public announcement have been duly completed in accordance with the requirements of the competent authority.
	* Approval of the Proposal to Amend Certain Provisions of the Company's 'Corporate Governance Best Practice Principles,' 'Rules of Procedure for Board of Directors Meetings,' and 'Audit Committee Charter'.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	The amendments were approved by the Board of Directors in accordance with the applicable regulations.
	* Approval of the Proposal to Amend Certain Provisions of the Company's 'Guidelines for the Ongoing Education of Directors'.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	The amendments were approved by the Board of Directors in accordance with the applicable regulations.
	* Approval of the Establishment of the 'Sustainable Development Committee' and the Adoption of the 'Sustainable Development Committee Charter'.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	The establishment of the Sustainable Development Committee was duly approved by the Board of Directors in accordance with applicable regulations.
	* Approval of the Appointment of the Members of the First Term of the Company's Sustainable Development Committee.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	All directors present unanimously elected Independent Director Chao-Yi Chia as the Convener and Chairperson of the current term of the Sustainable Development Committee.
2024.12.26	* Approval of the Proposal Reviewed by the Remuneration Committee Regarding the Accrual Amounts for Employee Compensation and Directors' Remuneration for the Year 2024.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	The proposal was approved by the Remuneration Committee on December 12, 2024, and is hereby submitted to the Board of Directors for resolution in accordance with the law.
	* Approval of the Proposal Reviewed by the Remuneration Committee Regarding the Standards for Year-End Bonus Distribution to the Company's Managers	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	The proposal was approved by the Remuneration Committee on December 12, 2024, and is submitted to the Board of Directors for approval in accordance with applicable regulations.

Date	Resolutions	Details	Implementation
	for the Year 2024.		
	* Approval of the Proposal Reviewed by the Remuneration Committee Regarding the Salary Adjustment Budget for the Year 2025.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	The proposal was reviewed and approved by the Remuneration Committee on December 12, 2024, and is submitted to the Board of Directors for approval in accordance with the law.
	* Approval of the Proposal Reviewed by the Remuneration Committee Regarding the Budgeted Accrual Amounts for Employee Compensation and Directors' Remuneration for the Year 2025.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	The proposal was reviewed and approved by the Remuneration Committee on December 12, 2024, and is submitted to the Board of Directors for approval in accordance with the law.
	* Approval of the Proposed Financial Budget of the Company for the Year 2025.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	Not disclosed externally; executed monthly in accordance with the budget.
	* Approval of the Proposed Renaming of the 'Audit Committee' to the 'Audit and Risk Committee,' and the Corresponding Amendments to Certain Provisions of the Company's 'Audit and Risk Committee Charter'.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	In order to align with the Company's actual operational needs and to enhance the Board of Directors' oversight and understanding of the Company, the renaming has been proposed.
	* Approval of the Proposal to Establish the Company's 'Risk Management Policies and Procedures'.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	The addition was duly approved by the Board of Directors in accordance with applicable regulations.
	* Approval of the Proposal to Establish the Company's 'Procedures for the Preparation and Filing of Sustainability Reports'.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	The addition was duly approved by the Board of Directors in accordance with applicable regulations.
	* Approval of the Proposal to Establish the Company's 'Sustainability Information Management Policy'.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	The addition was duly approved by the Board of Directors in accordance with applicable regulations.
	* Approval of the Proposal to Amend Certain Provisions of the Company's 'Procedures for Handling Material Internal Information and Prevention of Insider Trading'.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	The amendment was duly approved by the Board of Directors in accordance with applicable regulations.

Date	Resolutions	Details	Implementation
	* Approval of the Proposed Audit Plan for the Year 2025.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	The filing has been completed in accordance with regulations, and execution is carried out monthly according to the plan.
	* Approval of the Proposed 2025 Audit Plan for the Domestic Subsidiary — Chang Yu, and the 2025 Audit Plans for Key Overseas Subsidiaries — Shenzhen WPG, Dongguan WPG, WPG Holdings, WPG Precision, and WPG Field.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	Handled in accordance with Article 41 of the Regulations Governing the Establishment of Internal Control Systems by Public Companies.
	* Approval of the Proposed Amendments to the Internal Control System — Production Cycle — of the Overseas Subsidiaries: WPG Group (Shenzhen WPG and Dongguan WPG) and WPG Precision.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	Handled in accordance with Article 38 of the Regulations Governing the Establishment of Internal Control Systems by Public Companies.
	* Approval of the Amendments to the Internal Audit Implementation Rules — Including the Audit of Sustainability Information Management and the Audit of Procedures for Handling Material Internal Information and Prevention of Insider Trading.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	In accordance with the amended provisions of the Internal Control Guidelines dated April 22, 2024.
	* Approval of the Proposal to Extend the NT\$180 Million Credit Facility and the USD 500,000 Derivatives Limit with SinoPac Bank, Hsinchu Branch.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	The credit facility agreement with SinoPac Bank, Hsinchu Branch has been finalized and executed.
2025.03.11	* Approval of the Proposal Reviewed by the Remuneration Committee Regarding the Determination of Directors' and Employees' Compensation Amounts for the Year 2024.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Director Hsueh-Che Chen abstained from voting on this proposal due to his concurrent role as a company manager. The proposal was approved with the unanimous consent of all other directors present.	The proposal was reviewed and approved by the Remuneration Committee on February 27, 2025, and is submitted to the Board of Directors for approval in accordance with applicable regulations.
	* Approval of the Proposal Reviewed by the Remuneration Committee to Revise the Basis for Allocating the Pre-Tax Profit	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	The proposal was reviewed and approved by the Remuneration Committee on February 27, 2025, and is submitted to the Board of Directors for approval in

Date	Resolutions	Details	Implementation
	Ratio for Employees' and Directors' Compensation.		accordance with applicable regulations.
	* Approval of the Proposal Reviewed by the Remuneration Committee Regarding the Bonus Accrual for the Year 2025.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	The proposal was reviewed and approved by the Remuneration Committee on February 27, 2025, and is submitted to the Board of Directors for approval in accordance with applicable regulations.
	* Approval of the Proposal Reviewed by the Remuneration Committee to Define the Scope of 'Entry-Level Employees' of the Company.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	The proposal was reviewed and approved by the Remuneration Committee on February 27, 2025, and is submitted to the Board of Directors for approval in accordance with applicable regulations.
	* Approval of the Financial Statements and Business Report for the Year 2024.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	The filing and public announcement have been duly completed in accordance with the requirements of the competent authority.
	* Approval of the Earnings Distribution Proposal for the Year 2024.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	Approved by the Board of Directors on March 11, 2025, and submitted for acknowledgment at the 2025 Annual General Meeting of Shareholders.
	* Approval of the Proposal to Distribute Cash Dividends from Capital Surplus.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	Approved by the Board of Directors on March 11, 2025, and submitted for reporting at the 2025 Annual General Meeting of Shareholders.
	* Approval of the Assessment of the Independence and Competence of the Certified Public Accountants for the 2025 Financial Statement Audit.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	Amended in accordance with Article 47 of the CPA Act, Statement No. 10 of the ROC Certified Public Accountant Professional Ethics Standards, and the Audit Quality Indicators.
	* Approval of the Internal Control System Statement for the Year 2024.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	The 2024 Internal Control System Statement was issued in accordance with the 'Regulations Governing the Establishment of Internal Control Systems by Public Companies,' declaring that both the design and implementation of the system are effective — with full compliance declared for all applicable laws and regulations under the legal compliance section.

Date	Resolutions	Details	Implementation
	* Approval of the Proposal to Amend Certain Provisions of the Company's Articles of Incorporation.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	Approved by the Board of Directors and submitted to the 2025 Annual General Meeting of Shareholders for discussion.
	* Approval of the Proposal to Nominate Candidates for Directors and Independent Directors.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	The Board of Directors nominated the list of candidates for Directors and Independent Directors on March 11, 2025, and submitted it to the 2025 Annual General Meeting of Shareholders for election.
	* Approval of the Proposal to Lift the Non-Compete Restrictions for Newly Appointed Directors and Their Representatives.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	Upon approval by the Board of Directors, the proposal to lift the restriction is submitted to the 2025 Annual General Meeting of Shareholders for discussion.
	* Approval of Matters Related to Convening the 2025 Annual General Meeting of Shareholders.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	The 2025 Annual General Meeting of Shareholders is scheduled to be held at 9:00 a.m. on Wednesday, June 11, 2025.
2025.04.16	* Approval of the Company's Proposed Issuance of the Third Unsecured Domestic Convertible Bonds.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	Upon approval by the Board of Directors, the proposal shall be submitted to the competent authority for registration and effectiveness.
	* Approval of the Company's Proposed Capital Increase through a Cash Offering of Common Shares.	Independent Directors' Opinions: None. Company's Response to Independent Directors' Opinions: Not applicable. Resolution: Approved with the unanimous consent of all directors present.	Upon approval by the Board of Directors, the proposal shall be submitted to the competent authority for registration and effectiveness.

(XII) In the most recent year and up to the date of publication of the annual report, if the directors had different opinions on the important resolutions adopted by the board of directors, which were recorded and declared in writing, the main contents of such important resolutions: None.

(XIII) In the most recent year and up to the date of publication of the annual report, summary of the resignation and dismissal of the Company's Chairman, President, Accounting Supervisor, Financial Head, Internal Audit Head, Corporate Governance Supervisor and R&D Director: None

V Certified Public Accountant information regarding fee

1. Disclosure of Non-Audit Fees

If the non-audit fees paid to the signing CPA, the CPA's firm, and its affiliated entities exceed one-quarter of the audit fees, the Company shall disclose the amounts of audit and non-audit

fees, as well as the nature of the non-audit services provided:

Unit: NTD 1,000

Name of accounting firm	Name of Certified Public Accountant		Audit period	Remark
KPMG	Cheng An-Chih	Huang Yonghua	January 1, 2024 ~ December 31, 2024	

Note: Tax Certification-Related Fees

(2) If the Company has changed its CPA firm and the audit fee for the year of the change is lower than that of the previous year, the Company shall disclose the audit fees before and after the change and explain the reasons for the decrease: Not applicable.

(3) If the audit fee has decreased by more than 10% compared to the previous year, the Company shall disclose the amount and percentage of the decrease and the reasons for it: Not applicable.

VI Information on the replacement of CPAs:

(I) About former CPAs

Date of replacement	Approved by board of directors on March 14, 2023		
Reason and description of replacement	In order to meet the needs of internal mobilization of , CPAs CHEN, CHEN-CHIEN and HUANG, YUNG-HUA were replaced by CPAs HUANG, YUNG-HUA and Cheng An-Chih from KPMG Taiwan from first quarter 2023.		
Client or CPA terminated or declined the commission	Persons involved		CPA
	Situation		Client
	Voluntary termination of commission		V
	Declined (discontinued) commission		
Audit report opinions other than unqualified opinions issued within the most recent two years and the reason thereof	None		
Any disagreement with the issuer	Yes		Accounting principles or practices
			Disclosures in financial statements
			Audit scope or procedures
			Others
	None	V	
	Description		
Other matters for disclosure (Disclosures required under Article 10, Subparagraph 6, Item 1-4 to Item 1-7 of the Guidelines)	None		

(II) Regarding succeeding Certified Public Accountant

Name of firm	KPMG
Name of Certified Public Accountant	Chen Zhenqian and Huang Yonghua
Date of appointment	Approved by board of directors on March 14, 2023
Consultation about accounting treatment or accounting principle adopted for any specific transactions and whether to issue financial report prior to appointment, and results	None
Succeeding Certified Public Accountants' written opinions that are different from those of the former Certified Public Accountants	None

(III) The former Certified Public Accountant's reply to matters under Items 1 and 2-3, Paragraph 6, Article 10 of this rule:

VII. The Chairman, President, Manager in charge of financial or accounting affairs of the Company, who has worked in the firm which the Certified Public Accountant works for or its affiliated enterprises in the recent year: None

VIII. Changes in the transfer and pledge of equity among directors, managers, and shareholders with more than 10% of equity in the most recent year and up to the date of the publication of the annual report and up to the date of publication of the annual report.

1. Changes in equity transfer and equity pledge of directors, Supervisors, managers and major shareholders

Unit: Share

Title	Name	2024		As of April 13, 2025	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares
Chairman	CHEN,HSUEH-SHEN	0	0	0	0
Director	GUAN LIN INVESTMENT CORPORATION LIMITED Representative: CHERN,SHYUE-JER	0	0	0	0
Representative of director and President	CHERN,SHYUE-JER	0	0	0	0
Director	CHENG,CHIH-FA	0	0	0	0
Director	JHANG,CHUN-RONG	0	0	4,000	0
Independent director	CHIA, CHAO-YI	0	0	0	0
Independent director	GONG,SHUANG-SYONG	0	0	0	0
Independent director	LIN,KAI	0	0	0	0
Major shareholders	GUAN LIN INVESTMENT	0	0	0	0

Title	Name	2024		As of April 13, 2025	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares
	CORPORATION LIMITED				
Division Chief	CHEN,HSUEH-YUAN	0	0	0	0
Director	JUAN,WU-FU	0	0	0	0
Accounting Manager	LIN,CHIN-YUAN	0	0	0	0
Financial Manager	KU,HUI-YU	(28,000)	0	0	0
Deputy Manager of audit	CHEN,MING-LI	0	0	0	0

2.The person to whom the equity is transferred is the related party: None.

3.The person to whom the equity is pledged is the related party: None

IX. Information on relationships among the top ten shareholders including related parties,
spouses or relatives within the second degree of kinship

Information on relationships among the top ten shareholders

April 29, 2024 Unit: shares

Name (Note 1)	Shares held by the shareholder Shares held		Shares held by spouses and minor children		Total shares held in others' names Shares held		Names and relationships of the top ten shareholders who are related parties as defined in SFAS 6, or spouses or relatives within second degree of kinship (Note 3)	
	The number of shares	Shareholding ratio	The number of shares	Shareholding ratio	The number of shares	Shareholding ratio	Name	Relationship
Representative of GUAN LIN INVESTMENT CORPORATION LIMITED: CHEN, HSUEH-CHUAN	8,558,190	15.07%	0	0	0	0	CHEN, HSUEH-CHUAN	Major shareholder of the Company
Yi De CO., LTD. Representative: LIN, YU-YAN	2,322,000	4.09%	0	0	0	0	CATCHER TECHNOLOGY CO., LTD	parent company
CHERN, SHYUE-JER	2,165,657	3.81%	0	0	0	0	CHEN, HSUEH-YUAN CHEN, HSUEH-SHEN	Second-degree relative Second-degree relative
Ke Yue CO., LTD. Representative: LIN, YU-YAN	1,966,000	3.46%	0	0	0	0	CATCHER TECHNOLOGY CO., LTD	parent company
Yi Sheng CO., LTD. Representative: LIN, YU-YAN	1,538,000	2.71%	0	0	0	0	CATCHER TECHNOLOGY CO., LTD	parent company
CHEN, CHING-HAO	1,305,935	2.30%	0	0	0	0	-	-
CHANG, YUNG-CHIA	1,006,998	1.77%	0	0	0	0	-	-

Name (Note 1)	Shares held by the shareholder Shares held		Shares held by spouses and minor children		Total shares held in others' names Shares held		Names and relationships of the top ten shareholders who are related parties as defined in SFAS 6, or spouses or relatives within second degree of kinship (Note 3)	
	The number of shares	Shareholding ratio	The number of shares	Shareholding ratio	The number of shares	Shareholding ratio	Name	Relationship
CHEN, HSUEH-YUAN	998,104	1.76%	0	0	0	0	CHEN, HSUEH-SHEN, CHEN, SHYUE-JER	Second-degree relative
TOPCO SCIENTIFIC Co., Ltd. Representative: C.L. Pan	868,092	1.53%	0	0	0	0	Chang Li-Ling	parent company
CHEN, YU-XIANG	828,657	1.46%	0	0	0	0	-	-

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

Note 2: The calculation of the shareholding ratio is based on the number of shares held in own name, by the spouse or minor children, or in others' names.

Note 3: The relationship of the shareholders disclosed above, including corporate and natural-person shareholders, shall be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

X. Number of shares held in the same investee enterprise by the Company, the Company's directors, managers, and the enterprises directly or indirectly controlled by the Company, and the calculation of the consolidated shareholding percentage.

Comprehensive shareholding ratio

April 13, 2025 Unit: Share; %

Shift in investment (Notes)	Reinvested businesses		Invested by directors, Supervisors, managers and businesses directly or indirectly controlled		Invested comprehensively	
	The number of shares	Shareholding ratio	The number of shares	Shareholding ratio	The number of shares	Shareholding ratio
Minerva Works Pte Ltd.	404,800	36.80	0	0	404,800	36.80
Skill High Management Ltd.	57,300,000	100.00	0	0	57,300,000	100.00
Shih Full Management Ltd.	35,500,000	100.00	0	0	35,500,000	100.00
Shih Hang Management Ltd	14,100,000	100.00	0	0	14,100,000	100.00
Shih-Pu Management Limited	9,100,000	100.00	0	0	9,100,000	100.00
CHANG YORK TECHNOLOGIES INC.	5,000,000	100.00	0	0	5,000,000	100.00
YUAN GUANG TECHNOLOGIES INC.	1,500,000	100.00	0	0	1,500,000	100.00
SHIH-PING TECHNOLOGIES (SHENZHEN) CO.,LTD.	0	100.00	0	0	0	100.00
SHI JU TECHNOLOGY (HEFEI) CO.,LTD.	0	100.00	0	0	0	100.00
SHI TIAN PHOTOELECTRIC TECHNOLOGY (XIAMEN) CO.,LTD.	0	100.00	0	0	0	100.00
DONGGUAN SHIH PING PHOTOELECTRIC TECHNOLOGY CO., LTD	0	100.00	0	0	0	100.00
CHENGDU SHIZHENG TECHNOLOGY CO., LTD	0	100.00	0	0	0	100.00
NANJING HUNG JIE SEMICONDUCTOR TECHNOLOGY CO.,LTD.	0	35.71	0	0	0	35.71

III. Fund Raising

I. Capital and share the Company

(I) Source of share capital

1. Formation process of share capital

Unit: NTD 1,000; 1,000 shares

Month & year	Issuing price (NTD)	Authorized share capital		Paid-up capital stock		Remarks		
		The number of shares	Amount	The number of shares	Amount	Source of share capital	Those who use property other than cash to offset share capital	Others
June 1997	10	500	5,000	500	5,000	Established with NTD 5,000,000	None	Note 1
May 1999	10	6,000	60,000	6,000	60,000	Cash capital increase of NTD 55,000,000	None	Note 2
November 1999	10	8,500	85,000	8,500	85,000	Cash capital increase of NTD 25,000,000	None	Note 3
August 2000	10	11,000	110,000	11,000	110,000	Cash capital increase of NTD 25,000,000	None	Note 4
June 2004	10	14,300	143,000	14,300	143,000	The surplus was converted into a capital increase of NTD 33,000,000	None	Note 5
September 2005	10	18,590	185,900	18,590	185,900	The surplus was converted into a capital increase of NTD 42,900,000	None	Note 6
August 2006	10	23,590	235,900	23,590	235,900	Cash capital increase of NTD 50,000	None	Note 7
August 2006	10	29,167	291,670	29,167	291,670	The surplus was converted into a capital increase of NTD 55,770,000	None	
July 2007	10	50,000	500,000	29,167	291,670	-	None	Note 8
October 2007	10	50,000	500,000	30,625	306,254	The surplus was converted into a capital increase of NTD 14,584,000	None	Note 9
May 2008	10	50,000	500,000	33,942	339,424	Cash capital increase of NTD 33,170,000	None	Note 10
September 2008	10	50,000	500,000	35,474	354,736	The surplus was converted into a capital increase of NTD 15,312,000	None	Note 11
April 2009	10	100,000	1,000,000	35,474	354,736	Increase in authorized capital		Note 12
August 2009	10	100,000	1,000,000	38,905	389,045	The surplus was converted into a capital increase of NTD 34,309,000	None	Note 13
October 2009	10	100,000	1,000,000	43,747	437,473	Corporate bond of NTD 48,428,000	None	Note 14

Month & year	Issuing price (NTD)	Authorized share capital		Paid-up capital stock		Remarks		
		The number of shares	Amount	The number of shares	Amount	Source of share capital	Those who use property other than cash to offset share capital	Others
January 2010	10	100,000	1,000,000	47,655	476,545	Corporate bond of NTD 39,072,000	None	Note 15
April 2010	10	100,000	1,000,000	47,885	478,850	Corporate bond of NTD 2,305,000	None	Note 16
July 2010	10	100,000	1,000,000	47,885	478,850	-	None	Note 17
July 2011	10	100,000	1,000,000	47,885	478,850	-	None	Note 18
November 2011	10	100,000	1,000,000	48,019	480,187	Corporate bond of NTD 1,337,000	None	Note 19
December 2011	10	100,000	1,000,000	49,996	499,964	Corporate bond of NTD 19,777,000	None	Note 20
March 2012	10	100,000	1,000,000	56,604	566,036	Corporate bond of NTD 66,072,000	None	Note 21
June 2012	10	100,000	1,000,000	56,826	568,264	Corporate bond of NTD 2,228,000	None	Note 22
March 2013	10	100,000	1,000,000	57,433	574,334	Corporate bond of NTD 6,070,000	None	Note 23
June 2013	10	100,000	1,000,000	57,501	575,009	Corporate bond of NTD 674,000	None	Note 24
November 2015	10	100,000	1,000,000	56,775	567,749	Canceled treasury stock of NTD 7,260,000	None	Note 25
August 2016	10	100,000	1,000,000	56,775	567,749	-	None	Note 26

Note 1: JIAN-SAN-REN -ZI No.187192 was approved on June 23, 1997.

Note 2: JIAN-SAN-GENG-ZI No.192277 was approved on June 25, 1999.

Note 3: JING-(088)-ZHONG-ZI No.88993429 was approved on November 29, 1999.

Note 4: JING-(089)-SHANG No.135425 was approved on October 3, 2000.

Note 5: JING-SHOU-ZHONG-ZI No.09333219470 was approved on December 20, 2004.

Note 6: JING-SHOU-ZHONG-ZI No.09433010550 was approved on October 20, 2005.

Note 7: JING-SHOU-ZHONG-ZI No.09532665910 was approved on August 11, 2006.

Note 8: JING-SHOU-ZHONG-ZI No.09632447140 was approved on July 16, 2007.

Note 9: JING-SHOU-ZHONG-ZI No.09632913950 was approved on October 19, 2007.

Note 10: JING-SHOU-ZHONG-ZI No.09732185110 was approved on May 1, 2008.

Note 11: JING-SHOU-ZHONG-ZI No.09733105050 was approved on September 18, 2008.

Note 12: JING-SHOU-ZHONG-ZI No.09832078820 was approved on April 13, 2009.

Note 13: JING-SHOU-ZHONG-ZI No.09832927310 was approved on August 27, 2009.

Note 14: JING-SHOU-ZHONG-ZI No.09833221550 was approved on October 12, 2009.

Note 15: JING-SHOU-ZHONG-ZI No.09931531680 was approved on January 11, 2010.

Note 16: JING-SHOU-ZHONG-ZI No.09931876940 was approved on April 7, 2010.

Note 17: JING-SHOU-ZHONG-ZI No.09932307660 was approved on July 13, 2010.

Note 18: JING-SHOU-ZHONG-ZI No.10032256880 was approved on July 14, 2011.

Note 19: JING-SHOU-ZHONG-ZI No.10032715320 was approved on November 4, 2011.

Note 20: JING-SHOU-ZHONG-ZI No.10131542110 was approved on January 10, 2012.

Note 21: JING-SHOU-SHANG-ZI No.10101068130 was approved on April 17, 2012.

Note 22: JING-SHOU-SHANG-ZI No.10101133180 was approved on July 6, 2012.

Note 23: JING-SHOU-SHANG-ZI No.10201061050 was approved on April 11, 2013.

Note 24: JING-SHOU-SHANG-ZI No.10201129330 was approved on July 11, 2013.

Note 25: JING-SHOU-SHANG-ZI No.10401247890 was approved on November 19, 2015.

Note 26: JING-SHOU-SHANG-ZI No.10501196500 was approved on August 11, 2016.

2. Types of shares

April 13, 2025 Unit: Share

Types of shares	Authorized stock				Remarks
	Outstanding capital stock	Stock without registration of change	Un-issued capital stock	Total	
Inscribed common stock	56,774,890	0	43,225,110	100,000,000	None

3. Relevant information of shelf registration system: None.

(II) Shareholder structure

April 13, 2025 Unit: the number of people, share

Shareholder structure Quantity	Government institution	Financial institution	Other corporate entities	Individuals	Foreign institutions and outsiders	Total
Number of people	0	11	42	9,619	58	9,730
Increase (decrease) in the number of shares held	0	333,292	17,046,787	36,311,423	3,083,388	56,774,890
Shareholding ratio	0%	0.59%	30.02%	63.96%	5.43%	100.00%

Note: The latest date to stop transferring is April 13, 2024

(III) Equity dispersion (face value of NTD 10 per share)

April 13, 2025

Name of major shareholder Shares	Increase (decrease) in the number of shares held	Shareholding ratio
Representative of GUAN LIN INVESTMENT CORPORATION LIMITED: CHEN, HSUEH-CHUAN	8,558,190	15.07%
Yi De CO., LTD. Representative: LIN, YU-YAN	2,322,000	4.09%
CHERN, SHYUE-JER	2,165,657	3.81%
Ke Yue CO., LTD. Representative: LIN, YU-YAN	1,966,000	3.46%
Yi Sheng CO., LTD. Representative: LIN, YU-YAN	1,538,000	2.71%
CHEN, CHING-HAO	1,305,935	2.30%
CHANG, YUNG-CHIA	1,006,998	1.77%
CHEN, HSUEH-YUAN	998,104	1.76%
TOPCO SCIENTIFIC Co., Ltd. Representative: C.L. Pan	868,092	1.53%
CHEN, YU-XIANG	828,657	1.46%
Total	21,557,633	37.96%

(IV) Dividend Policy and Implementation Status

1. Dividend Policy as Specified in the Articles of Incorporation:

If the Company has earnings in a given fiscal year, no less than 3% of the earnings shall be allocated as employee remuneration, and no more than 3% shall be allocated as directors' compensation, provided that any accumulated losses must first be offset.

The Company's annual earnings, as determined in the final accounts, shall be distributed in the following order:

1. Payment of taxes.
2. Offsetting accumulated losses from previous years.
3. Allocation of 10% to legal reserve, unless the legal reserve has already reached the Company's total paid-in capital.
4. Allocation or reversal of special reserves in accordance with relevant laws and regulations.
5. Any remaining earnings, together with undistributed retained earnings from previous years, shall be proposed by the Board of Directors as an earnings distribution plan, and submitted to the Shareholders' Meeting for approval as dividends and bonuses to shareholders.

The allocation of employee remuneration shall be resolved by a two-thirds attendance of the directors and approved by a majority of those present, and subsequently reported to the shareholders' meeting. Employee remuneration may be distributed in cash or shares, and may include eligible employees of the Company's subsidiaries, with relevant rules authorized to be established by the Board of Directors.

2. Proposed (or Approved) Dividend Distribution for the Current Fiscal Year:

For the fiscal year 2024 (ROC Year 113), the Board of Directors, on March 11, 2025, resolved to distribute:

Cash dividends of NT\$78,732 thousand (NT\$1.4 per share), and Cash distribution from capital surplus of NT\$112,474 thousand (NT\$2.0 per share). This proposal is pending approval by the Shareholders' Meeting on June 11, 2025.

3. Dividend Policy for the Next Three Years:

The Company operates in a steadily growing industry. Taking into account future capital expenditure plans and funding needs, and with a focus on sound financial planning for long-term sustainable development, the Company intends to distribute no less than 20% of annual earnings as dividends each year, with cash dividends accounting for no less than 50% of the total distribution.

(V) Proposed Bonus Share Issuance and Its Impact on Operational Performance and EPS: There is no proposed bonus share issuance in this shareholders' meeting; therefore, this section is not applicable.

(VI) Employee and Director Remuneration

1. Ratio or Range of Employee and Director Remuneration Specified in the Articles of Incorporation: If the Company generates earnings in a given fiscal year, no less than 3% shall be allocated as employee remuneration, and no more than 3% shall be allocated as director remuneration, provided that any accumulated losses must first be covered.
2. Basis for Estimating the Current Period's Employee and Director Remuneration, Method for Calculating the Number of Shares to Be Distributed (if applicable), and Accounting Treatment for Any Differences: The Company estimates employee and director remuneration based on the prescribed percentages in its Articles of Incorporation. If there is any discrepancy between the estimated and the actual amount approved by the Board of Directors, the difference will be recognized in the following year's profit or loss.
3. Board of Directors' Resolution on Remuneration Distribution: Cash or Share-Based Distribution for 2024 (Fiscal Year 113):

(1) Approved by the Board of Directors, the remuneration distribution is as follows:

- NT\$38,000 thousand in cash for employee remuneration
- NT\$7,600 thousand in cash for director remuneration

The above amounts are consistent with the expenses recognized in the 2024 financial statements; no discrepancy exists.

(2) If Employee Remuneration Is Distributed in Shares: The Company did not propose any stock-based remuneration for employees.

4. Actual Distribution for the Previous Fiscal Year (2023 / ROC Year 112): The actual amounts distributed for 2023 were:

- NT\$35,000 thousand for employee remuneration
- NT\$6,500 thousand for director remuneration

These amounts were identical to the figures previously estimated and recognized.

Therefore, there were no differences and no further adjustments required.

(IX) Situation where the Company repurchases its shares: None.

Buyback Period	3 rd time
Purpose of the Buyback	Transfer to employees
Buyback Period	2022/11/10~2023/01/07
Number of shares bought back	Common share 1,500,000 shares
Buyback Interval Price (NT\$)	35.00~65.00
Number of Shares Repurchased	Common share 538,000 shares

Total value of shares bought back	31,330,384 dollars
The average buyback price per share	58.23 dollars
Number of shares cancelled and transferred	0 shares
Cumulative number of shares held by the Company	538,000 shares
Number of shares bought back as a percentage of total outstanding shares	0.95%

II. Issuance of corporate bond: None.

III. Issuance of preferred shares: None.

IV. Issuance of overseas depository receipts: None.

V. Issuance of employee stock options: None.

VI. Issuance of restricted stock awards: None.

VII. Issuance of new shares in connection with mergers/acquisitions or the receipt of shares transferred by other companies: None.

VIII. Implementation of capital utilization plans: None.

IV. Business Operations Overview

I. Business Activities

(I) Scope of Business

1. Main Business Activities of the Company

The Company is engaged in the maintenance, trading, research and development, design, manufacturing, processing, and assembly of semiconductor equipment, optoelectronic equipment, and precision clean regeneration parts.

2. Operating proportion

Unit: NTD 1,000

Product Business/Items	The 2023 (Consolidated)	
	Amount of net operating income	Amount of net operating income
Service Revenue from Precision Equipment Clean Regeneration	2,306,433	89.56
Trading income	259,752	10.08
Labor service income	9,220	0.36
Total	2,575,405	100

3. The main products (services) of the Company currently

- Precision cleaning and reprocessing of manufacturing equipment
- Sales of manufacturing equipment, industrial equipment, and components.
- R&D, design, manufacturing, processing, and assembly of process equipment and components.
- Import and export trade business of process equipment and parts.
- Others

4. New products (services) to be developed by the Company

R&D project	Intended use
Development of ALD De-Coating Technology for Semiconductor Components	Development of applications for repeated coating and recycling of semiconductor equipment and facility components to achieve cost reduction.

(II) Industry Overview

1. Current Status and Development of the Industry

(1) Semiconductor Industry

(A) Current Global Semiconductor Industry Development

As global inflation continues to ease and end-market demand gradually recovers, the increasing demand driven by emerging AI applications continues to fuel rapid growth in the semiconductor industry. Additionally, in light of geopolitical tensions, the resilience of the semiconductor supply chain has become a global focus. To strengthen their competitiveness in the semiconductor sector, countries around the world are actively introducing supportive policies to promote local manufacturing, enhance R&D

capabilities, and encourage global expansion by major international semiconductor companies.

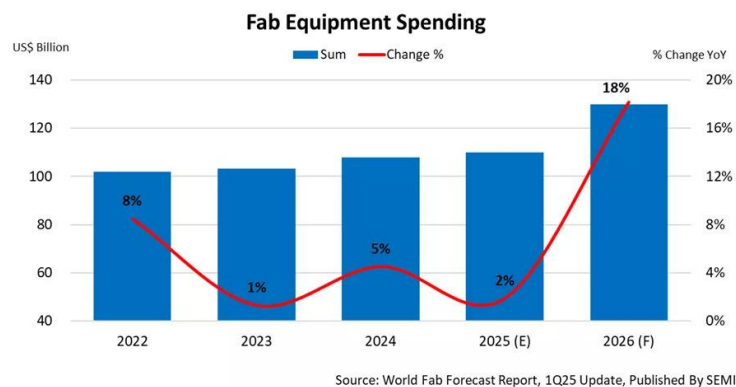
According to the World Semiconductor Trade Statistics (WSTS), the global semiconductor market is projected to reach USD 611.2 billion in 2024, representing a year-over-year growth of 16.0%. In 2025, the market is expected to grow further to USD 687.4 billion, an increase of 12.5%, reflecting strong market performance.

Additionally, the latest forecast from DIGITIMES projects that global semiconductor industry revenue will continue its growth trajectory in 2025, with an estimated year-over-year increase of 13.4%, reaching a new high of USD 714.0 billion. This sustained double-digit growth momentum is primarily driven by the booming development of AI applications, which are accelerating the expansion of the AI industry and continuously boosting demand for AI/HPC chips and memory products.



According to the Semiconductor Equipment and Materials International (SEMI), global wafer fab equipment spending is expected to grow by 2% in 2025, reaching USD 110 billion, marking the sixth consecutive year of growth since 2020. Taiwan's wafer fab equipment spending is projected to reach USD 21 billion in 2025, ranking third globally.

SEMI further forecasts that wafer fab equipment spending will increase by 18% in 2026, reaching USD 130 billion. The growth is driven by strong demand from high-performance computing (HPC) and memory for data center expansion, as well as the rising integration of artificial intelligence (AI), which increases silicon content in edge devices—boosting investment in wafer fab equipment.



(B) Current Status of Semiconductor Industry Development in China

With the rise of global protectionism, major economies have been making significant efforts to build self-sufficient ICT supply chains, with the semiconductor industry receiving particular focus. In order to curb China's development in semiconductors and advanced technology, the United States has implemented restrictions through the CHIPS Act and collaborated with countries such as the Netherlands and Japan to limit China's access to semiconductor equipment, materials, specialty chemicals, and Electronic Design Automation (EDA) software.

According to market research firm TrendForce, China is currently most aggressively expanding its capacity in the 28nm and more mature process nodes. It is estimated that by 2027, China's share of global mature process capacity could reach 39%, primarily supporting applications in the automotive, consumer electronics, server, and industrial control sectors.

Data from SEMI shows that China is the largest semiconductor consumption market in the world, and strong domestic demand provides substantial momentum for the semiconductor equipment industry. In recent years, Chinese semiconductor equipment companies have made continued progress in technological breakthroughs and localization efforts. Leading firms such as NAURA Technology, AMEC (Advanced Micro-Fabrication Equipment Inc.), and ACM Research Shanghai have achieved success in R&D and market expansion, gradually becoming important players in the competitive landscape.

As of 2024, China's self-sufficiency rate in semiconductor equipment has risen to 13.6%. For segments such as etching, cleaning, photoresist removal, and chemical mechanical polishing (CMP) equipment, self-sufficiency has surpassed double digits. Although there is still a gap compared to international leaders in lithography equipment, steady progress continues to be made.

(C) Current Status of Taiwan's Semiconductor Industry Development

According to the Industrial Technology Research Institute's Industrial Economics and Knowledge Center (ITRI IEK), Taiwan's integrated circuit (IC) industry output value is projected to reach NT\$5.3001 trillion in 2024, reflecting a year-over-year growth rate of 22.0%, which surpasses the global industry average. Driven by increasing demand in AI and high-performance computing (HPC) applications, the outlook for 2025 anticipates the industry output to reach NT\$6 trillion, with an expected annual growth rate of 16.5%, propelling Taiwan's IC industry into a new era.

Looking ahead to 2025, the global IC manufacturing industry is expected to reach new heights, fueled by both technological innovation and the evolving application of end-user electronic products. Whether through competition in advanced process technologies or the expansion of the high-bandwidth memory (HBM) market, the strategic positioning and capital investments of major players will significantly shape the industry's trajectory in the coming years.

With its leadership in advanced manufacturing processes, Taiwan is expected to continue spearheading global market development, offering substantial growth opportunities for the worldwide semiconductor industry.

(2) Optoelectronics Industry

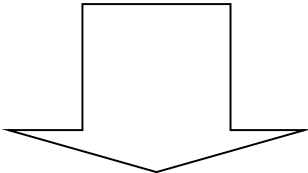
In 2024, both the shipment volume and area of TV panels are expected to grow. According to market research firm Sigmaintell, global TV panel shipments in 2025 are projected to decline slightly by 1.1% in volume, but panel area is expected to increase by 4.4% due to the trend toward larger screen sizes. Chinese panel manufacturers such as BOE and CSOT are forecasted to maintain flat shipment levels this year, while Taiwanese panel makers are expected to see modest shipment growth, benefiting from brand clients' strategy of diversifying their supplier base.

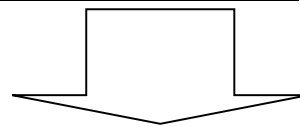
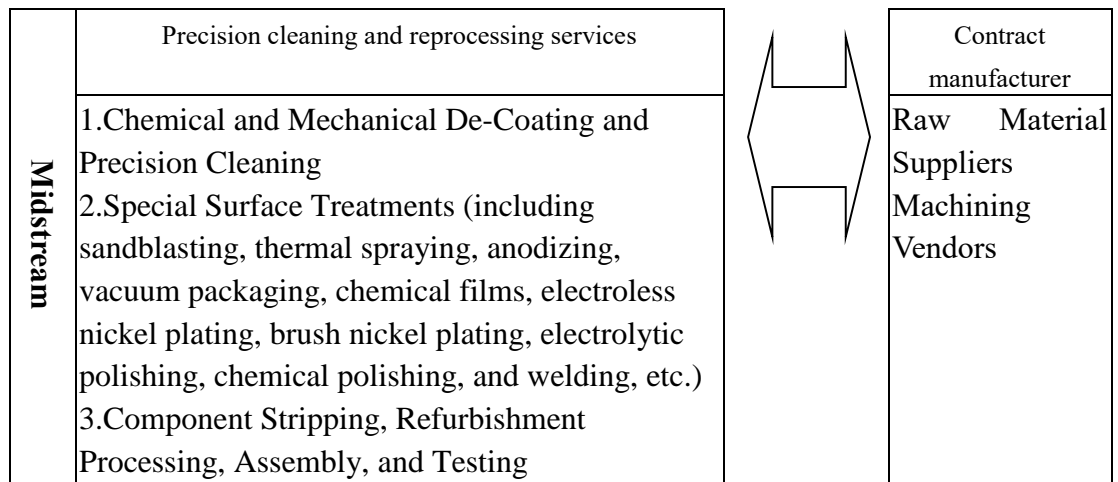
According to Sigmaintell's statistics, global TV panel shipments in 2024 are estimated at 241 million units, representing a year-over-year growth of 4.2%, with shipment area growing 7.5%. In 2025, shipment volume is projected to decline to 238 million units, down 1.1% year-over-year, while shipment area is expected to grow by 4.4%, driven by the continuing trend toward larger screen sizes.

2.Upstream, Midstream, and Downstream Industry Linkages

The upstream, midstream, and downstream relationships within the semiconductor and optoelectronics industries are summarized in the table below:

	Semiconductor and Optoelectronics Industries		
	Process Equipment / Manufacturing Equipment	Equipment Components	Types of Materials
Upstream	Diffusion Equipment	Anti-Adhesion Plate	Aluminum Alloy
	Photolithography Equipment	Shield Plate	Stainless Steel
	Etching Equipment	Carriers	Titanium Alloy
	Plasma-Enhanced CVD Equipment	Electrode Plate	Ceramic
	Sputtering Equipment	Shower Head	Quartz and Glass
	Physical Vapor Deposition (PVD) Equipment	Susceptor	Graphite
	Vacuum Equipment	Heater	
	Vacuum Pumps / Pumps	Ceramic Ring	
		Dome (Plasma Dome / Chamber Dome)	
		Liners	
		Fittings	
		Cover Bellow / Vacuum Bellows	
		Baffle Plate	





	Semiconduct or factory	Photoelectric plant	Solar cell factory	Equipment manufacturer	OEM factory
Downstream	TSMC	AUO	Motech	AMAT	PEISIN
	UMC	Innolux	Industries Inc.	ULVA	Foxsemicon
	Winbond	Corporation	United	Bestek & Co.,	Integrated
	Electronics Corporation	HannStar Display Corporation	Renewable Energy Co., Ltd. (URE)	Ltd. AFC	Technology Inc. (FITI)
	Nanya Technology Corporation	AGC Inc.		TECO Electric & Machinery Co., Ltd.	CUC
	Micron Technology	Toppan Inc.		YAC	Philips
	Macronix International Co., Ltd.	Solmate		UNAXIS	Singapore
	PSMC	Optoelectronic s Co., Ltd.		TEL	Daewoo
	Micron Technology Taiwan	E Ink Holdings Inc.		LAM	
	SPIIL				
	ASE Group				
	WIN				
	Semiconductor s Corp.				
	VIS				

3. Product Development Trends

(1) The Pervasive Integration of Artificial Intelligence (AI)

In 2025, AI will continue to evolve from assisted decision-making to autonomous decision-making, with broader applications across industries such as manufacturing, finance, healthcare, and retail. Self-learning AI will drive developments in autonomous vehicles and smart manufacturing.

(2) Continuous Innovation in Semiconductor Technologies and Advanced Process Nodes

Semiconductors remain the backbone of global high-tech industry development. In 2025, 3nm and sub-3nm advanced processes are expected to become mainstream, powering AI computing, autonomous driving, and 5G/6G communication technologies.

(3) Development of Low Earth Orbit (LEO) Satellites and 6G Communication Technologies

With companies like SpaceX accelerating the commercialization of LEO satellites, communication technology is entering an era of seamless connectivity. While 6G is expected to be widely adopted by 2030, 2025 will mark a critical phase for large-scale R&D and testing, offering higher bandwidth and lower latency to support smart cities, IoT, and metaverse applications.

4. Product Competition Landscape

Currently, the main domestic competitors in the market for precision cleaning and regeneration of process equipment components for the semiconductor and optoelectronics industries include Rongzhong Technology, Taiwan Mitsubishi Chemical, Deyang, Ke Zhi, Lianda, and Quantum.

Our company focuses on precision cleaning and regeneration services for PVD equipment components as a core product offering. Within the process segments of the semiconductor and optoelectronics industries, we are currently recognized as a market leader in the precision cleaning and regeneration services for PVD equipment parts.

(III) Technology and R&D Overview

Technology Level and Research & Development Related to Business Operations

The Company currently focuses on providing precision cleaning and regeneration services for components, which effectively extend the service life of client-side parts and enhance process yield. This contributes significant added value to clients in terms of cost control. Given the ongoing trend of clients seeking to reduce maintenance costs year over year, the Company will continue to invest in research and development to increase the value-added nature of its services.

To respond to this trend, the Company has implemented the following concrete strategies:

A. Strengthen R&D manpower

- a. Leverage the increased visibility following the Company's listing to attract top R&D talent.
- b. Collaborate with academic and research institutions as appropriate to shorten the

development timeline for technologies and processing equipment.

B. Accumulation of R&D Capabilities

- a. Enhance R&D capacity by expanding into overseas markets and gaining co-development experience through collaboration with international original equipment manufacturers (OEMs).
- b. Plan to file patents for both past and future R&D achievements at appropriate times to strengthen the Company's long-term competitive advantage.

2. R&D expenses in the most recent year and up to the date of publication of the annual report:

The R&D personnel of the Company are organized in grouping mode for the special project. The R&D Department is set under President Room and Wang Zhili, the President serves as the Process R&D Director. Process personnel are grouped to form the R&D Department.

Unit: the number of people

Item		By the end of 2023		By the end of 2024		As of March 31, 2025	
		Number of people	%	Number of people	%	Number of people	%
Distribution of education	Doctoral Degree	0	0%	0	0%	0	0%
	Master Degree	5	19%	5	19%	5	19%
	College Degree	15	58%	13	48%	13	48%
	Junior College Degree	3	12%	6	22%	6	22%
	High-school Degree	3	11%	3	11%	3	11%
	Total	26	100%	27	100%	27	100%
Average years (year)		8.12		9.32		9.41	

R&D expenses in the recent five year:

In the form of special projects, the Company will convene R&D projects by the R&D Department under the President Room, and the relevant expenses will be attributed to R&D expenses.

Unit: NTD 1,000; %

Items	2020	2021	2022	2023	2024
R&D expenses	35,063	40,177	64,492	82,490	105,674
Net revenue	2,064,156	2,136,895	2,392,764	2,288,561	2,575,405
Proportion in net revenue (%)	1.70	1.88	2.70	3.60	4.10

3. Technology or product successfully developed in the most recent year

Year	R&D achievements
2020	With the key thermal spray technology of YOF, the service life of high-order dry etching process workpieces is extended, thus reducing the overall flushing cost.
2021	Through development of Atmospheric Plasma Spray technology, the porosity of the coating is reduced and the adhesive force is increased, to improve the customer's production yield and prolong the life of the workpiece.
2022	By researching and developing shower head and ceramic plate bonding technology, the Company reduced costs for customers and increased the revenue of the Company.
2023	Strive to help customers realize the effort of cost down and enhance the Company's competitiveness through the research and development of ESC rebound & bound.
2024	Improve yield in advanced semiconductor processes and enhance equipment utilization by leveraging the characteristics of ALD films—such as zero porosity and corrosion resistance—thereby achieving cost reduction.

(IV) Short- and Long-Term Business Development Plans

1. Short-Term Development Strategies

- Optimize the product portfolio and increase the revenue contribution from precision cleaning and regeneration services related to advanced semiconductor processes.
- Maintain and expand market share in both the China and Taiwan markets.
- Enhance operational efficiency and improve service quality in precision cleaning and regeneration, aiming to shorten turnaround time, increase competitiveness, and improve net profitability.

2. Long-Term Development Strategies

- Continuously expand collaboration with new customers and original equipment manufacturers (OEMs).
- Establish an anodizing facility to provide customers with comprehensive, one-stop services covering cleaning, processing, and anodizing.
- Continue expanding operations across China, with coverage extending to customers in South China, Central China, and Western China.

II .Market and sales profile

(I) Market Analysis

1. Sales (supply) regions of major commodities (services)

Unit: NTD 1,000

Regions	2023 (consolidated)		2024 (consolidated)	
	Sales amount	Sales amount	Sales amount	Operating proportion
Taiwan	1,862,608	1,862,608	2,184,608	85%
China	425,953	425,953	390,797	15%
Total	2,282,561	2,282,561	2,575,405	100%

2. Market Share of Major Products and Services

In the domestic market, major competitors in the precision cleaning and regeneration services for process equipment components in the semiconductor and optoelectronics industries include Rongzhong Technology, Taiwan Mitsubishi Chemical, Deyang, Ke Zhi, Lianda, and Quantum.

The Company focuses primarily on precision cleaning and regeneration services for PVD equipment components, which serve as its core offering.

When segmented by process applications within the semiconductor and optoelectronics industries, the Company is currently considered a market leader in the precision cleaning and regeneration service segment for PVD equipment components.

3. Future Market Supply and Demand Conditions and Growth Potential

(1) Future Supply and Demand Conditions

The precision cleaning industry primarily provides cleaning and regeneration services for process equipment used in the semiconductor, optoelectronics, and solar energy industries. The overall market supply and demand conditions remain stable.

Since relationships between precision cleaning/regeneration service providers and customers are built on mutual trust, reliability, and timely delivery, such partnerships are typically developed over the long term. Service providers often establish facilities in alignment with customers' plant locations and construction timelines, in order to offer localized services and increase cleaning capacity.

From the customer's perspective, future demand will largely depend on the progress of fab expansions across different technology generations. Once mass production begins, the demand for component cleaning services will increase progressively, in line with the growth in equipment usage.

(2) Market Growth Potential

Taiwan's semiconductor and optoelectronics industries are expected to focus future capacity expansions on 12-inch wafer fabs and generation 6 and above panel production lines, respectively. Driven by increasing specialization and economies of scale, in-fab workflows are becoming more segmented, leading to greater demand for outsourced services. Additionally, as equipment and component sizes increase and precision requirements become more stringent, the need for professional precision cleaning services continues to rise.

Moreover, through surface treatment processes, precision cleaning providers can extend the lifespan of components, creating additional value-added opportunities, which serves as another driver for market growth.

Another major source of growth is the expansion of semiconductor and display fabs in Mainland China. The precision cleaning industry in Taiwan has developed a unique business model closely tied to the professional division of labor in the local

semiconductor and optoelectronics sectors. As the Chinese government continues to designate the integrated circuit industry as a strategic and leading sector, large-scale investments in wafer and panel fabs are accelerating.

As the industry in China matures and shifts toward global competitiveness, Taiwan's outsourcing model is likely to be replicated, creating new growth opportunities for Taiwan-based precision cleaning service providers in the Chinese market.

Furthermore, global demand for AI (Artificial Intelligence) and HPC (High-Performance Computing) continues to rise, alongside stable demand growth in smartphones, PCs, infrastructure, and the automotive sector. The semiconductor industry is expected to enter a new phase of recovery in 2025, which will further drive the growth of the Company's cleaning, regeneration, and maintenance services for semiconductor process equipment.

4. Competitive Advantages

(1) Oligopolistic Market Structure with High Entry Barriers

Currently, the cost of precision cleaning and regeneration of equipment components accounts for only a small portion of the overall operating costs in the semiconductor and optoelectronics industries. However, cleanliness directly impacts production yield, making it a critical process. For management efficiency and quality assurance, semiconductor and optoelectronics companies typically cooperate with only one or two qualified service providers. As a result, long-term experience and reputation in the industry have led to an oligopolistic market structure, creating high entry barriers for new competitors.

(2) Requirement for Economies of Scale and Professional Division of Labor

With increasing complexity and variation in equipment specifications across the semiconductor, optoelectronics, and solar energy industries, it is difficult for manufacturers to justify the investment in their own precision cleaning and regeneration capabilities due to cost and human resource constraints.

Professional precision cleaning service providers, through specialized operations, can achieve economies of scale and deliver efficient, high-quality services. By investing in dedicated equipment and technologies to handle different component types, such providers create win-win partnerships, reducing customer maintenance costs while enabling themselves to continuously invest and improve through scale and specialization.

(3) Localization of Cleaning Services

As semiconductor and optoelectronic equipment becomes larger and more complex, the associated components are also increasing in size and precision, making transportation and handling more challenging. This trend enhances the need for localized precision cleaning services, where service responsiveness and quality become critical factors for professional providers. Localization ensures greater flexibility, faster turnaround, and

alignment with customer production schedules—making it a key differentiator in the industry.

5. Favorable and Unfavorable Factors Affecting Future Prospects and Response Strategies

(1) Favorable Factors

- Long experience and steep learning curve create high entry barriers for new competitors.
- The increasing specialization and division of labor within the semiconductor and optoelectronics equipment industries reinforce the strategic importance of professional precision cleaning service providers.
- The high growth of the semiconductor and optoelectronics industries in the Asia-Pacific region is expected to drive corresponding growth in supporting industries.

(2) Unfavorable Factors and Response Strategies

- Low brand awareness, making it difficult to recruit and retain talent.

Response Strategy:

Strengthen institutionalized management and enhance brand visibility to attract suitable talent, thereby continuously advancing the Company's technical capabilities.

- Accelerated generational shifts in the semiconductor and optoelectronics industries.

As these industries rapidly evolve and expand capacity, the precision cleaning industry must keep pace with increasing equipment size and precision requirements. This trend places greater capital expenditure pressure on the Company.

Response Strategy:

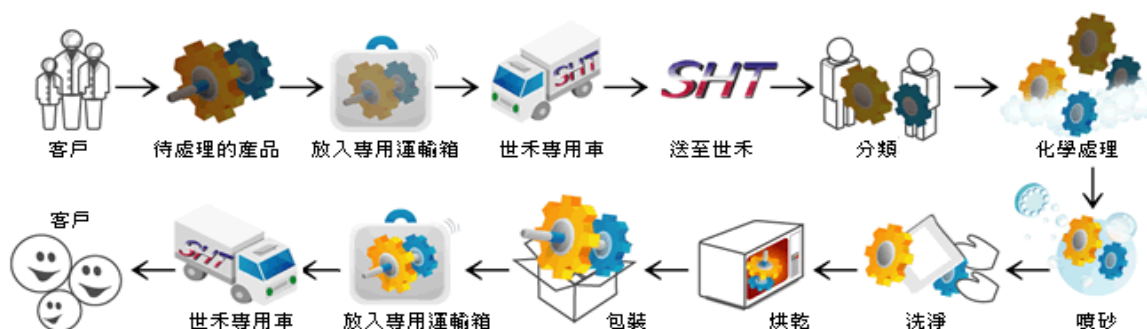
Expand scale through strategic alliances and mergers & acquisitions, thereby reinforcing economies of scale and operational efficiency.

(II) Major Products: Key Applications and Production Processes

1. Important Applications of Main Products

The company's main products are precision cleaning and regeneration processing services. Our primary clients are in the semiconductor, optoelectronics, and solar industries, for which we provide precision cleaning and regeneration services for components used in their manufacturing equipment. These services help extend the lifespan of equipment parts and reduce the frequency of purchasing new components. Additionally, our short turnaround time for precision cleaning effectively lowers the inventory costs of spare parts for our customers.

2. Main product production process



(III) Supply Status of Main Raw Materials

The company primarily provides precision cleaning services for equipment components used in the semiconductor and optoelectronics industries. In the cleaning process, raw material costs account for a relatively small portion of overall production costs. The main raw materials fall into four categories: abrasives, chemical agents, metal wires, and packaging materials. These materials are readily available both domestically and internationally. Additionally, each category of raw materials is sourced from 2 to 3 suppliers, ensuring a stable and reliable supply.

Key raw material	Intended use	Suppliers
Sand material	The high-pressure sandblasting surface treatment is intended for removing deposits.	Stable and good
Chemical materials	The surface treatment is processed with special chemical liquid used.	Stable and good
Metal wire	Stabilize and protect the surface strength of the treated items.	Stable and good
Packaging Materials	Packaging of finished products and special protective packaging materials required in the manufacturing process	Stable and good

(IV) Customers whose sale amount accounted for more than 10% of the net amount of purchase (sales) in any of the last two years

1. Major suppliers whose purchase amount accounted for more than 10% of the purchase net amount in any of the last two years: No single customer has purchase rate more than 10% in the Company.
2. Data of customers whose sale amount accounted for more than 10% of the total sale amount in the whole year of any of the last two years:

Unit: NTD 1,000; %

Items	2023				2024			
	Name	Amount	Proportion in net sales of the whole year [%].	Relationship with the issuer	Name	Amount	Ratio to net sales of the whole year [%].	Relationship with the issuer
1	Customer B	650,809	28	None	Customer B	812,644	32	None

	2023				2024			
2	Customer A	241,743	11	None	Customer A	Less than 10%	-	None
3	Others	1,396,009	61	None	Others	1,762,761	68	None
	Net sales	2,288,561	100		Net sales	2,575,405	100	

Note: If the name of the customer is not allowed to be disclosed due to the contract, or the transaction object is an individual and not related person, the code shall be used instead of name.

III. Information of employees in the most recent two years and up to the date of publication of the annual report

Unit: the number of people

Year		2023	2024	March 31, 2025
Number of employees	Direct employees	545	593	600
	Indirect employees	214	225	220
	Sales management personnel	230	217	214
	R&D personnel	26	27	27
	Total	1015	1062	1061
Average age (age)		37.22	38.16	38.61
Average service years		5.69	6.33	6.54
Proportion of the distribution of education	Master/ Doctoral Degree	2%	2%	2%
	College Degree	21%	21%	21%
	Junior College Degree	14%	13%	12%
	High-school Degree	52%	53%	53%
	Below High-school Degree	11%	11%	12%

IV. Environmental expenditure information

1. Losses Incurred Due to Environmental Pollution in the Most Recent Fiscal Year and up to the Date of the Annual Report Publication(This includes compensation and results of environmental protection inspections involving violations of environmental regulations. The disclosure should specify the date of the penalty, penalty reference number, violated regulation articles, details of the violation, and the content of the penalty):

Date	Disciplinary Doc. No.	Factory	Violation of specific laws and regulations	Violation committed	Penalty amount/NTD
2024.06.20	Fu-Shou-Huan-Kong-Zi No. 20-113-060004	Factory V	Paragraph 2, Article 24 of the Air Pollution Control Act	At the company's Guangfu Plant (Control ID: J59A6141), an inspection and testing was conducted for volatile organic compounds	100,000

Date	Disciplinary Doc. No.	Factory	Violation of specific laws and regulations	Violation committed	Penalty amount/NTD
				(VOCs) related to the "Other Metal Surface Treatment Process (M01)." According to the permit, the approved VOC reduction efficiency of the pollution control equipment A101 (scrubber tower) should exceed 79.3%. However, the VOC reduction rate on the day of inspection did not meet the required standard, thereby failing to comply with the permit conditions and constituting a violation of relevant regulations.	

The aforementioned issues have all been rectified, and a report documenting the completion of the corrective actions has been submitted to the competent authority for record and reference.

2. Environmental protection expenditures incurred in the most recent year and up to the prospectus publication date

Environmental safety cost (NT\$ 1,000)	2024	January-March/2025
Factory II	2,567	528
Factory III	13,185	3,114
Factory IV	845	37
Factory V	14,746	4,440
Total	31,343	8,119

3. Estimated Major Environmental Protection Capital Expenditures for the Next Two Fiscal Years

1. The company is committed to ensuring that all plant operations are fully compliant with environmental regulations, thereby minimizing the likelihood of abnormal incidents. In recent years, there have been no significant pollution events; therefore, these improvements have had no impact on the company's earnings, competitive position, or capital expenditures.
2. The company consistently invests in equipment and personnel training required for reducing industrial pollution. Each facility is required to conduct regular inspections and audits to ensure that pollution control measures comply with permit conditions and that all

equipment is properly maintained, in accordance with environmental regulations. Future investments will be continuously evaluated based on the effectiveness of pollution mitigation efforts.

V. Labor-Management Relations

(I) Employee Benefits, Training, Retirement System, Labor Agreements, Protection of Employee Rights, and Gender Equality Measures

Employee Benefits and Implementation Status

The company provides labor and health insurance, marriage subsidies, staff dormitories, and organizes educational training. Additionally, 0.15% of monthly sales revenue and 40% of scrap material income are allocated to the employee welfare fund. Regular recreational activities are also organized, including company outings, holiday gifts, and sports competitions.

(II) Employee Training and Development

To enhance employee quality and improve work efficiency and performance, the company provides orientation and job-specific training for all new hires. During employment, employees receive ongoing professional training based on job requirements, which includes both internal and external programs. Opportunities for further education are also provided. All training records are systematically maintained to support the development of professional talent and promote effective workforce development and utilization.

1. Corporate governance training for managers

Title	Name	Course Title	Course hours	Date
Accounting Manager	LIN, CHIN-YUAN	Ongoing Education Program for Accounting Officers of Issuers, Securities Firms, and Stock Exchanges	12 hours	2024/05/27 ~ 2024/05/28
Deputy Manager of Auditing	CHEN, MING-LI	Overview of Key Internal Audit Focus Areas and Common Deficiencies in Listed and OTC Companies	6 hours	2024/08/23
		An Analysis of Legal Compliance Audits through Case Studies on Penalties Related to Environmental Protection, Workplace Safety, Food Safety, and Occupational Health	6 hours	2024/10/15
Corporate Governance Officer	KU, HUI-YU	Promoting Corporate Sustainability through Risk Management (Online Course)	6 hours	2024/10/30
		Sustainability Committee and Chief Sustainability Officer (CSO) Roundtable	3 hours	2024/12/04
		Latest ESG-Related Regulations for Annual Report Preparation and Practical Analysis of the Impact of Net-Zero Carbon Emissions on Financial Statements	6 hours	2024/12/30

2. Staff education and training

Course title	Attendance	Course hours	Fees (NTD)
8D Training – Customer Complaint Handling, Problem Solving, and Continuous Improvement	2	12	242,160
IATF 16949:2016 – The Five Core Automotive Tools in Practice	1	14	
Class B Occupational Safety and Health Management Personnel Training	2	115	
Overview of Key Internal Audit Areas and Common Deficiencies in Listed and OTC Companies	1	6	
6-Hour Occupational Safety and Health Training for Contractors	8	6	
Class C Safety and Health Affairs Supervisor Training	2	21	

Course title	Attendance	Course hours	Fees (NTD)
Production and Material Management Techniques – Practical Workshop	2	36	
Class A Occupational Safety and Health Supervisor Training	1	6	
Corporate Greenhouse Gas Inventory Training Course	1	12	
On-the-Job Training for Safety and Health Managers	1	12	
Organic Solvent Operation Supervisor Training	1	18	
Refresher Training for Organic Solvent Operation Supervisors	2	6	
Technical-Level Toxic and Concerned Chemical Substances Emergency Response Personnel Training	1	48	
Fire Prevention Manager Refresher Training	3	6	
Security Supervisor Training	1	16	
First Aid Personnel Training	4	16	
First Aid Refresher Training	3	3	
Refresher Training for Toxic and Concerned Chemical Substances Response Personnel	10	8	
Ethics and Legal Topics – Gender Issues	1	2	
Designated Chemical Substances Operation Supervisor Training	2	18	
Refresher Training for Designated Chemical Substances Operation Supervisors	4	6	
Dust Operation Supervisor Safety and Health Refresher Training	6	6	
High-Pressure Gas Container Operator Refresher Training	1	3	
High-Pressure Gas Special Equipment Operator Training	1	35	
Problem Analysis and Creative Problem Solving	2	6	
Frontline Supervisor Training – Job Instruction	1	6	
Frontline Supervisor Training – Work Improvement	1	6	
Frontline Supervisor Training – Workplace Relationships	1	6	
Forklift Operator Refresher Training (for Forklifts over 1 Ton)	1	18	
Forklift Operator On-the-Job Refresher Training (Over 1 Ton Capacity)	2	3	
Enhancing Legal Compliance Audits through Case Studies on Environmental, Food, and Occupational Safety Penalties	1	6	
Low-Carbon Industry One-Day Class – Greenhouse Gas Inventory	1	6	
Ionizing Radiation Operator Training	5	18	
Ionizing Radiation Operator Refresher Training	5	3	
Continuing Education Program for Accounting Officers of Issuers, Securities Firms, and Stock Exchanges	1	12	
Continuing Education for Deputies of Accounting Officers of Issuers, Securities Firms, and Stock Exchanges	1	12	
How Supervisors Handle the Top 10 Common On-Site Problems	1	6	
Information Governance and Internal Control & Audit	1	6	
Occupational Safety and Health Course – Risk Management in Electromechanical Safety Hazards	1	6	
Establishing Analytical Charts with Practical Cases: Electrical Safety and Thermal Imaging Diagnosis	1	6	

3. The situation that personnel related to financial information transparency obtain relevant licenses:

International internal auditor: 1 person for the Auditing Room

Securities Foundation - cooperate internal control certificate: 1 person for the General Management Office, 1 person for the Auditing Room, and 1 person for the Finance Department.

Professional ability test certificate for stock personnel: 2 persons for Finance Department and 1 person for General Management Office.

(III) Retirement system and relative implementation

- 1.The company's employee retirement system is established in accordance with the Labor Standards Act. A set of “Employee Retirement Regulations” has been formulated, and a dedicated labor retirement reserve fund account has been set up. Each month, 3% of the total employee salaries is contributed to this reserve fund, which is deposited with the Bank of Taiwan’s Central Trust Bureau.
- 2.Starting from July 1, 2005, in compliance with the implementation of the new Labor Pension System, the company has consulted with employees regarding their preference for the new or old system. For those who opted into the new system, the company contributes 6% of their monthly salary to individual retirement pension accounts to ensure financial security after retirement.

(IV) Measures for Protecting the Work Environment and Employee Personal Safety

The company’s occupational safety and health practices fully comply with the regulations set forth by competent authorities and are certified under the ISO 14001 and ISO 45001 environmental management systems. Internal policies such as the “Occupational Safety and Health Procedures” and “Emergency Response Control Procedures” have been established to provide clear guidance on disaster prevention, emergency response, and incident reporting protocols, ensuring that all employees adhere to them.

1.Occupational Safety and Health Management Personnel and Structure:

The Environmental Safety Department, which reports directly to the General Manager, is staffed with qualified environmental and safety professionals. Each facility is also equipped with certified first-aid personnel to oversee environmental and occupational safety matters across the company.

2.Facility Safety:

The company has established detailed standards for equipment maintenance and inspection, including specific procedures for the upkeep of all equipment. Special-purpose machinery is maintained in accordance with regulations and operated only by certified personnel.

3.Environmental Hygiene:

Environmental conditions are regularly tested in accordance with government regulations. In addition, periodic health check-ups are provided to employees based on the nature of their work.

4.Education and Training:

In line with the company’s annual training plan, both onboarding safety education for new employees and regular occupational safety and health training for current staff are carried out.

(V) Labor-Management Agreements

The company operates in accordance with the Labor Standards Act, to which it is fully subject. All labor practices and internal operations comply with the provisions of the Act. An employee suggestion box is in place to receive feedback, complaints, and recommendations from staff, which serve as valuable references for improving company policies and practices.

As the company consistently prioritizes employee welfare and maintains open, two-way communication with staff, labor-management relations have remained harmonious. Since its establishment, the company has not experienced any labor disputes. Nevertheless, the company remains committed to further strengthening communication and coordination between labor and management, and will continue enhancing employee welfare measures to foster even more harmonious labor relations and minimize the potential for disputes.

(VI) Employee Code of Conduct and Ethics

To promote ethical behavior and professional conduct among employees, the company has established a comprehensive set of policies and regulations. These guidelines provide clear expectations regarding the ethical standards, rights, responsibilities, and conduct applicable to all employee levels. A summary of the key policies is as follows:

1. Approval Authority Policy:

Enhances operational efficiency through delegated management responsibility and clearly defines the scope of authority for employees at all levels.

2. Departmental Responsibilities:

Specifies the duties and functions of each department to ensure organizational clarity and operational effectiveness.

3. Attendance Regulations:

Establishes a robust attendance management system to foster discipline and punctuality among employees.

4. Immediate Reward and Disciplinary Measures:

Provides mechanisms to reward or penalize employees based on actions that result in significant benefit or loss to company operations.

5. Leave Policy:

Outlines standardized procedures for various types of employee leave, ensuring clarity and consistency.

6. New Employee Orientation Guidelines:

Helps new hires quickly adapt to their new environment, become familiar with the workplace and team, reduce uncertainty, improve productivity, and lower turnover.

7. Dormitory Management Guidelines:

Regulates the conduct, rights, and responsibilities of employees residing in company-provided housing.

8. Business Travel Policy:

Defines the application and approval process for domestic and international business trips, including expense standards.

9. Bonus Distribution Policy:

Establishes the criteria and process for issuing bonuses and profit-sharing to employees.

10. Talent Development Program:

Provides ongoing in-service training and leadership development plans to enhance employee skills and support career progression.

(VII) Handling of Material Internal Information

Shih Her Technologies Inc. places strong emphasis on the management of material information, aiming to ensure transparency, accuracy, proper disclosure, and security of corporate information.

In July 2009, the company's Board of Directors approved the "Internal Procedures for Handling Material Information", which remains the basis for the current system. The framework and its execution are summarized as follows:

1. Payroll Cycle Compliance:

All managers and employees are required to sign the "Intellectual Property Rights, Non-Compete, and Confidentiality Agreement" to safeguard proprietary and sensitive information.

2. Corporate Governance Best Practices:

To enhance information transparency, the company has implemented a spokesperson system to centralize and formalize external communications.

3. Document and Data Control Policy:

All material internal information is documented and securely stored in designated locations to prevent unauthorized access.

4. External Parties and Confidentiality:

Institutions or individuals outside the company involved in mergers and acquisitions, memoranda of understanding, strategic alliances, business collaborations, or major contract negotiations are required to sign confidentiality agreements, strictly prohibiting disclosure of any internal material information they become aware of.

5. Policy Communication:

Relevant personnel who may come into contact with internal material information are formally notified of the policy through announcements and signature-based acknowledgments.

II. Losses Incurred Due to Labor Disputes in the Most Recent Fiscal Year and Up to the Date of Annual Report Publication (This includes violations of the Labor Standards Act identified through labor inspections. The disclosure should specify the date of penalty, penalty reference number, violated statutory provisions, content of the violation, and details of the imposed penalties. In addition, the company should disclose any current or potential future estimated losses and

corresponding response measures.)

(I) Labor inspection results that violate the Labor Standards Act in 2024 and up to the prospectus publication date

Discipline date	County/City	Disciplinary Doc. No.	Violation of regulations	Statute description	Amount of fine
2024/06/20	Hsinchu County	Fu-Lao-Zi No. 1133933413 (Year 2024)	Article 80 of the Labor Standards Act	Refusal, evasion, or obstruction of a labor inspection	30,000

(II) Estimated Current and Future Losses and Response Measures:

In response to the aforementioned violation, the company will pay the imposed fine in accordance with relevant regulations, cooperate fully with labor inspections, and strengthen internal education on labor laws for responsible personnel. Measures will also be taken to ensure system stability and to comply with inspection requirements, including providing necessary documentation to labor inspectors.

The company places high importance on employee welfare and, to date, has not experienced any labor disputes. There have been no operational impacts resulting from such issues. Based on current conditions, there are no foreseeable risk factors that would suggest the likelihood of labor-related conflicts. Therefore, the possibility of incurring losses due to labor disputes in the future is considered extremely low.

III. Promoting Gender Equality

Fair and Inclusive Recruitment

(1)The company conducts open recruitment based on clearly defined academic and professional qualifications according to job categories, with no gender-based restrictions. All candidates are treated equally in the hiring process.

(2)Compliance and Communication Mechanisms

The company adheres strictly to relevant labor laws and regulations, including the Labor Standards Act, Employment Services Act, and Act of Gender Equality in Employment. To safeguard employee rights, the company has established clear operational policies, along with various communication channels such as suggestion boxes and dedicated phone lines. Employees are encouraged to express opinions or concerns through these channels. Regular labor-management meetings and employee welfare committee sessions are held to ensure open communication.

In alignment with the values of human rights, the company references international human rights

principles, including the United Nations Global Compact, the Universal Declaration of Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work. Implementation measures include:

- 1.Promoting diversity, inclusion, and equal employment opportunities
- 2.Providing a safe and healthy working environment
- 3.Supporting employees in maintaining physical and mental well-being and work-life balance
- 4.Prohibiting child labor and forced labor

(3)Sexual Harassment Prevention

The company has established and publicly posted its “Measures for the Prevention, Complaint, and Discipline of Sexual Harassment in the Workplace.” Sexual harassment is defined under two circumstances:

- 1.When explicit or implicit sexual advances, conduct, or language are used as a condition for employment, continued employment, promotion, transfer, demotion, compensation, performance evaluation, or disciplinary actions.
- 2.When sexual conduct or language causes discomfort, offends others, infringes on personal dignity or freedom, or interferes with work performance.

The term "workplace" refers to any location designated by the company for employees to perform their job duties or for job applicants to attend interviews.

To protect employees from sexual harassment, the company is committed to improving workplace facilities and enhancing education and awareness campaigns. Employees experiencing harassment may report incidents through a dedicated complaint hotline or email. All complaints are handled confidentially to protect the rights of the complainant.

VI. Information and Communication Security Management

(I)Description of Information Security Risk Management Framework, Policies, Specific Management Measures, and Resources Invested

- 1.To ensure the security of the company’s and clients’ information assets and to safeguard the rights and interests of the company and its stakeholders, the company has implemented a comprehensive information security risk assessment process. The Information Technology (IT) Department is responsible for managing all information security matters, including formulating security strategies and performing security audits. The department operates under the supervision of the General Administration Division and is jointly managed by the heads of software and hardware divisions, who coordinate all relevant operations.
- 2.The company’s information security policy and management procedures are developed in accordance with the internal control system—specifically the computer processing cycle—

and comply with government regulations and personal data protection guidelines. The company actively collects and analyzes relevant information security laws and standards, and periodically revises its internal controls and procedures to ensure compliance and continuous improvement.

3.The company places strong emphasis on risk control and the protection of information systems by establishing internal information security controls and systems. Key control measures include:

- Restricting external internet access in production departments (access requires prior approval)
- Password-controlled printing and copying
- Monitoring and auditing of network anomalies
- Mandatory approval processes for IT equipment purchases
- Prohibiting use of personal storage devices
- Banning unauthorized photography or video recording in production areas
- Strengthening physical access control and door security as needed
- Conducting quarterly account and access rights reviews
- Conducting awareness campaigns in response to major global cybersecurity threats

4.Resource Investment in Information Security

Network Security: Deployment of firewalls, network threat detection systems, anti-virus email gateways, and spam filtering systems

Endpoint Protection: Timely updates of Microsoft security patches and antivirus software on all endpoints

Human Resources: Daily maintenance of IT systems, annual ERP disaster recovery simulations, internal audits of IT processes, and external audits by certified public accountants

Customer Interaction: Cooperation with clients in automating, accelerating, and expanding third-party security assessments through platforms like Panorays to reduce cyber risk, minimize data breaches, and enhance overall cybersecurity posture

(II)Disclosure of Any Losses, Potential Impacts, and Response Measures Resulting from Major Information Security Incidents in the Most Recent Fiscal Year and up to the Date of Annual Report Publication (If Losses Cannot Be Reasonably Estimated, Please Provide Explanation):None.

VII Important contracts

Contractual nature	Parties	Contract starting/ending date	Main content	Restrictions
Long-term loan contract	Hua Nan Bank – Da Chong Branch	1.13.2012 ~ 4.12.2027	Mortgage loans for land and factory	None
Mid-term loan contract	E.Sun Bank – Hsinchu Branch	8.15.2016 ~ 11.24.2026	Mortgage loans for land and factory	None
Mid-term loan contract	Chinatrust Bank	3.24.2021 ~ 8.16.2027	Mortgage loans for land and factory	None
Mid-term loan contract	Yuanta Bank – Hsinchu Branch	3.22.2022 ~ 3.27.2027	Mortgage loans for land and factory	None

VI. Financial Overview

I. Analysis of finance situation

Unit: NTD 1,000

Items \ Year	2023 (Consolidated)	2024 (Consolidated)	Differences	
			Amount	%
Current asset	1,588,148	1,788,291	200,143	12.60%
Property, Plant and Equipment	2,677,023	2,688,421	11,398	0.43%
Other assets	493,998	422,286	(71,712)	-14.52%
Total assets	4,759,169	4,898,998	139,829	2.94%
Current liability	782,483	760,328	(22,155)	-2.83%
non-current liabilities	469,811	352,357	(117,454)	-25.00%
Equity attributable to owners of parent company	3,506,875	3,786,313	279,438	7.97%
Share capital	567,749	567,749	0	0.00%
Capital reserve	357,112	267,133	(89,979)	-25.20%
Retained earnings	2,724,650	3,032,734	308,084	11.31%
Other equities	(111,306)	(49,973)	61,333	-55.10%
Non-controlling equity	0	0	0	-
Total equity	3,506,875	3,786,313	279,438	7.97%
The main reasons and impacts of major changes (including changes by more than 20% and by NTD 10 million or more) are analyzed as follows:				
1. Decrease in Capital Surplus:				
Primarily due to the distribution of cash dividends from capital surplus as part of the 2023 (Year 112) earnings appropriation.				
2. Decrease in Non-Current Liabilities:				
Mainly attributable to scheduled repayments of long-term borrowings.				
3. Increase in Other Equity:				
Primarily caused by foreign exchange differences arising from the translation of financial statements of overseas subsidiaries into the reporting currency (New Taiwan Dollar) in 2024 (Year 113), due to fluctuations in exchange rates of their functional currencies.				

II. Analysis of finance performance

Unit: NTD 1,000

Items \ Year	2023 (Consolidated)	2024 (Consolidated)	Differences	
			Amount	%
Operating income	2,288,561	2,575,405	286,844	12.53%
Business gross profit	856,014	938,441	82,427	9.63%
Business gains and losses	379,885	427,913	48,028	12.64%
Non-business income and expenditure	34,044	41,856	7,812	22.95%
Profit before tax	413,929	469,769	55,840	13.49%
Net profit (loss) in the current period	313,970	373,130	59,160	18.84%
Other comprehensive income in the current period (Net amount after tax)	-31,526	63,771	95,297	-302.28%
Total comprehensive gains and losses in the current period	282,444	436,901	154,457	54.69%
Net profit attributable to owners of parent company	313,970	373,130	59,160	18.84%
Net profit attributable to non-controlling equity	0	0	0	-
Total comprehensive gains and losses attributable to owners of parent company	282,444	436,901	154,457	54.69%
Total comprehensive gains and losses attributable to non-controlling equity	0	0	0	-
Earnings per share (NTD)	5.58	6.63	1.05	18.82%

The main reasons and impacts of major changes (including changes by more than 20% and by NTD 10 million or more) are analyzed as follows:

1、Increase in Other Comprehensive Income (Net of Tax):
The increase was primarily driven by strong profit growth resulting from rising demand for Artificial Intelligence (AI), High-Performance Computing (HPC), and the recovery of other applications. Taiwanese semiconductor manufacturers continued expanding their advanced process capacity, which in turn boosted demand for precision cleaning and regeneration services of related equipment components.

2、Increase in Total Comprehensive Income Attributable to Owners of the Parent Company:
The increase was mainly due to profit growth fueled by the surge in demand for AI, HPC, and the recovery of other applications. The ongoing capacity expansion of advanced processes by Taiwan's semiconductor companies led to strong demand for precision cleaning and regeneration services of equipment components.

III. Cash flow analysis

1. Analysis and description of cash flow changes in the most recent two years

Unit: %

Item \ Year	2023	2024	Percentage of change % (increase/decrease)
Cash flow ratio (%)	57.13	70.18	13.05
Cash flow adequacy ratio (%)	111.60	110.20	-1.4
Cash reinvestment ratio (%)	5.43	7.30	1.87
Description: Reasons for changes in ratios in the most recent two years (no analysis is required if the change was less than 20%). Cash Flow Ratio increased by 13.05% Mainly due to an 11.25% increase in consolidated revenue in 2024 (Year 113). Cash Reinvestment Ratio increased by 1.87% Attributable to a 12.03% increase in net cash inflow from operating activities and a 12.5% decrease in cash dividends in 2024 (Year 113).			

2. Remedial measures for cash deficits and liquidity analysis:

The Company did not experience shortage of cash in the most recent year.

3. Liquidity analysis for the next year (2025):

Unit: NTD 1,000

Cash balance at beginning of period (December 31, 2024)	Annual net cash flow from operating activities (2025)	Projected cash outflow for the whole year (2025)	Cash surplus (deficit) amount (2023) December 31, 2025)	Remedies for cash deficits	
				Investment plan	Financing plan
869,901	700,000	850,000	719,901	Bank loans 0	0
Analysis and description: Primarily due to the planned payment of the remaining balance for Plant 5 Phase II, expected dividend distributions, rectification work at the Hefei and Chengdu facilities, and capital expenditures across various plants.					

IV. Effect of material capital expenditure on finances and business in the most recent year

1. Source and utilization of funds for major capital expenditure

Unit: NTD 1,000

Scheduled project	Source of funds	Date of completion	Funds required	Utilization of funds				2024	2025
				2020	2021	2022	2023		
Investment in the factory of SHIZHEN G in Chengdu	Own funds and long-term bank loans	Q3 2022	560,000	228,298	133,085	117,766	6,518	7,187	67,146
Phase 2 construction of Factory V	Own funds and long-term bank loans	Q4 2022	840,000	76,128	93,058	382,054	211,924	40,057	36,779

Plant Renovation:

To support business operations by providing a well-planned and efficient production space.

Plant Construction:

In response to the growing demand for advanced semiconductor equipment in Taiwan and to support market expansion and new customer development in overseas locations such as Chengdu and Chongqing.

Equipment Acquisition:

To expand production capacity, strengthen the company's competitiveness, and enhance operational efficiency.

Investment in Subsidiaries:

To meet new customer demands and scale up business operations.

V. Investment policies in the most recent year, main reason for profits or losses, improvement plans, and the investment plan for the upcoming year:

Unit: NTD 1,000

Description Item	Amount invested as of December 31, 2022	Policy	Investment gain/loss of investees recognized in the most recent year	Main reason for profits or losses	Improvement plan	Investment plan for the coming year
Minerva Works Pte Ltd (Singapore)	11,538	Company invested in by the Company to expand the market in Singapore	1,202	Profit from normal operations	None	None
Skill High Management Limited	1,742,059	Overseas holding subsidiary established for investment in Mainland China	(38,608)	Recognition of investment loss	Improvement Measures for Losses from Equity Investments	None
CHANG YORK TECHNOLOGIES INC.	49,313	Subsidiary established to offer anodizing services	24,065	Profit from normal operations	None	None
YUAN GUANG TECHNOLOGIES	17,310	Subsidiary acquired to offer precious metal	7,968	Profit from normal	None	None

Description Item	Amount invested as of December 31, 2022	Policy	Investment gain/loss of investees recognized in the most recent year	Main reason for profits or losses	Improvement plan	Investment plan for the coming year
INC.		recycling services		operations		
Shih Full Management Limited	1,007,605	Overseas holding subsidiary established for investment in Mainland China	(32,771)	Recognition of investment loss	Improvement Measures for Losses from Equity Investments	None
Shih Hang Management Limited	431,744	Overseas holding subsidiary established for investment in Mainland China	(12,110)	Recognition of investment loss	Improvement Measures for Losses from Equity Investments	None
Shih-Pu Management Limited	293,243	Overseas holding subsidiary established for investment in Mainland China	(7,848)	Recognition of investment loss	Improvement Measures for Losses from Equity Investments	None
SHIH-PING TECHNOLOGIES (SHENZHEN) CO., LTD.	1,529,740	Wholesale, repair and assembly of semiconductor equipment, optoelectronic equipment and parts, etc.	(46,124)	Loss from normal operations	Continue to expand revenue and implement cost control measures.	None
SHI JU TECHNOLOGY (HEFEI) CO., LTD. (SHENZHEN) CO., LTD.	387,970	Wholesale, repair and assembly of semiconductor equipment, optoelectronic equipment and parts, etc.	(3,527)	Loss from normal operations	Continue to expand revenue and implement cost control measures.	None
NANJING HUNG JIE SEMICONDUCTOR TECHNOLOGY CO., LTD. (SHENZHEN) CO., LTD.	210,530	Wholesale, repair and assembly of semiconductor equipment, optoelectronic equipment and parts, etc.	30,231	Profit from normal operations	None	None
SHI TIAN PHOTOELECTRIC TECHNOLOGY (XIAMEN) CO., LTD. (SHENZHEN) CO., LTD.	290,085	Wholesale, repair and assembly of semiconductor equipment, optoelectronic equipment and parts, etc.	(8,059)	Recognition of operating loss on investment property	Continue to expand revenue and implement cost control measures.	None
DONGGUAN SHIH PING PHOTOELECTRIC TECHNOLOGY CO., LTD. (SHENZHEN) CO., LTD.	563,770	Wholesale, repair and assembly of semiconductor equipment, optoelectronic equipment and parts, etc.	(13,249)	Loss from normal operations	Continue to expand revenue and implement cost control measures.	None

Description Item	Amount invested as of December 31, 2022	Policy	Investment gain/loss of investees recognized in the most recent year	Main reason for profits or losses	Improvement plan	Investment plan for the coming year
CHENGDU SHIZHENG TECHNOLOGY CO., LTD. (SHENZHEN) CO., LTD.	618,139	Wholesale, repair and assembly of semiconductor equipment, optoelectronic equipment and parts, etc.	(60,892)	Loss from normal operations	Continue to expand revenue and implement cost control measures.	None

VI. Risk matters in the most recent year and up to the date of publication of the annual report and evaluation

(I) The impact of interest rate, exchange rate changes and inflation on the Company's gains and losses and future countermeasures

Unit: NTD 1,000

Item \ Year	2023		2024	
	Amount	Ratio to operating income	Amount	Ratio to operating income
Interest incomes	16,968	0.74%	12,399	0.48%
Interest expenses	11,992	0.52%	10,783	0.42%
Exchange gains (losses)	1,281	0.06%	10,421	0.40%

Source: Consolidated financial statements for 2024 audited by CPAs.

1. Interest Rate Fluctuations

In 2024 (Year 113), the company's consolidated interest income and interest expense were NT\$12.399 million and NT\$10.783 million, respectively, representing 0.48% and 0.42% of operating revenue, and 2.64% and 2.30% of pre-tax income. The relatively low interest expense was primarily due to continued repayment of long-term borrowings and successful negotiation with banks to maintain loan interest rates below secured lending rates.

In line with its prudent financial management approach, the company closely monitors domestic and international economic research and banking reports to anticipate interest rate trends. The company also maintains regular communication with banking partners to stay informed of current interest rate levels and control capital costs effectively.

2. Foreign Exchange Fluctuations

The average USD exchange rate in 2024 (Year 113) was NT\$32.125. The company recorded a foreign exchange gain of NT\$10.421 million during the year. The company continues to monitor macroeconomic trends and their impact on exchange rates and will take appropriate hedging measures as necessary. A natural hedging strategy is adopted to minimize the impact of currency fluctuations on the company's financial results.

3. Inflation

Global inflation has led to a sharp increase in raw material and labor costs. In response, the company has increased its inventory levels to hedge against potential price increases.

(II) Policies, Profit or Loss Causes, and Future Response Measures for High-Risk/High-Leverage Investments, Loans to Others, Endorsements/Guarantees, and Derivatives Trading:

1. High-Risk and High-Leverage Investments:

The company focuses on its core business operations and does not engage in high-risk or high-leverage investment activities.

2. Loans to Others – Execution and Future Measures:

As of the most recent fiscal year and up to the date of the annual report publication, the company has not engaged in any lending of funds to external parties. Should there be any future need to provide loans to others, the company will act in accordance with applicable laws and regulations and disclose all relevant information accurately and in a timely manner.

3. Endorsements and Guarantees – Execution and Future Measures:

As of the most recent fiscal year and up to the date of the annual report publication, the company has not provided any additional endorsements or guarantees. If such actions become necessary in the future, the company will comply with legal requirements and its internal “Procedures for Endorsements and Guarantees,” and will ensure timely and accurate public disclosure.

4. Derivatives Trading – Execution and Future Measures:

As of December 31, 2024 (Year 113), the company’s investment in derivative financial instruments amounted to NT\$10.054 million, with recognized other income of NT\$113 thousand for the year.

The company engages in derivatives trading in accordance with the “Procedures for Acquisition or Disposal of Assets” approved by the shareholders’ meeting. The instruments involved are structured investments linked to convertible corporate bonds. All transactions are carried out in compliance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and relevant laws and regulations. Required disclosures and filings are made in an accurate and timely manner.

Adhering to a conservative and prudent operational approach, the company will continue to strengthen its internal management and avoid engaging in inappropriate or high-risk transactions.

(III) Future R&D plans and expected R&D expenses

R&D project	Main goal of R&D projects
Development of ALD Film Removal Technology for Semiconductor Components	Development of Repetitive Coating and Recycling Applications for Semiconductor Equipment and Facility Components to Achieve Cost Reduction

The company plans to invest approximately NT\$98.555 million in research and development in 2025 (Year 114).

(V) Impact of Domestic and International Policy and Regulatory Changes on the Company’s Financial and Business Operations, and Corresponding Response Measures

The company conducts its daily operations in compliance with relevant domestic and international laws and regulations. It continuously monitors policy developments and regulatory changes, collecting and analyzing related information to support management decision-making and to adjust operational strategies accordingly.

The company's financial reports are prepared in accordance with applicable government regulations and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), interpretations, and bulletins as endorsed by the Financial Supervisory Commission (FSC), ensuring a fair and accurate presentation of the company's financial position.

(V) Impact of Technological Changes (Including Information Security Risks) and Industry Shifts on the Company's Financial and Business Operations, and Corresponding Response Measures

The company's core business focuses on precision cleaning, regeneration, surface treatment, and manufacturing of components used in semiconductor and optoelectronic process equipment. In alignment with the expansion strategies of the semiconductor and optoelectronics industries in Mainland China, the company continues to grow its presence in the Chinese market by extending the application of its core technologies in precision cleaning and regeneration.

To support ongoing revenue growth, the company remains committed to strict cost control, process optimization, and operational efficiency improvement. It also strengthens customer satisfaction by establishing a robust technical support system and after-sales service framework.

Looking ahead, the company will continue to closely monitor technological advancements and changes within the industry, evaluate their potential impact on operations, and implement appropriate adjustments to enhance business development and financial stability.

(VI) Impact of Corporate Image Transformation on Crisis Management and Response Measures

Since its establishment, the company has continuously strengthened internal management and enhanced service quality to build a strong corporate image and increase customer trust. In addition to planning its development toward the capital market domestically, the company's listing on the over-the-counter (OTC) market has brought significant positive impact on its public image.

Looking ahead, while striving to maximize shareholder value, the company also remains committed to fulfilling its corporate social responsibility. A positive and trusted corporate image not only enhances brand value but also plays a critical role in mitigating reputational risks and improving the company's ability to respond to crises effectively.

(VII) Expected Benefits, Potential Risks, and Response Measures Regarding Mergers and Acquisitions

As of the date of this annual report, the company has no ongoing or planned mergers or acquisitions. However, should any such plans arise in the future, the company will adopt a prudent and thorough evaluation process to assess whether the proposed merger or acquisition can generate tangible synergies. The goal will be to safeguard the interests of the company and protect shareholder value.

(VIII) Expected Benefits, Potential Risks, and Response Measures Related to Plant Expansion

The final construction payments for the Chengdu plant in Mainland China and Phase II of Plant 5 are pending, and production has commenced. The company aims to provide high-quality, timely, and localized cleaning services through these facilities, thereby increasing overall operating revenue. However, given ongoing uncertainties in the global economic environment and rising geopolitical risks, the growth momentum of operations may face delays, potentially limiting the full and timely realization of the intended benefits of the capacity expansion.

To manage such risks, the capital expenditure planning, execution, and adjustments related to plant expansion and construction by the company and its subsidiaries are subject to internal review procedures. Technical teams are responsible for conducting feasibility studies and cost-benefit analyses, tracking implementation results, and ensuring alignment with the company's long-term development strategy, financial planning, and operational performance objectives, while effectively managing potential risk impacts.

(IX) Risks and Response Measures Related to Procurement or Sales Concentration

Procurement:

The company primarily engages in precision cleaning and regeneration of semiconductor and optoelectronic components. Key materials include chemical solvents such as hydrogen peroxide, nitric acid, hydrochloric acid, as well as alumina abrasive, aluminum wire, and glass beads. These materials are sourced from multiple suppliers, with at least two suppliers available for each major item. As such, the company is not exposed to risks related to procurement concentration.

Sales:

In terms of sales, the company has established strong and stable production and sales relationships with its existing customer base, while also actively expanding its domestic and international clientele. At present, the company does not face any significant risk related to sales concentration.

(X) Impact, Risks, and Response Measures Related to Significant Transfers or Changes in Shareholding by Directors or Major Shareholders Holding More Than 10%

In the past two fiscal years and up to the date of this annual report, there have been no significant transfers or changes in shareholding by directors or major shareholders holding more than 10% that have resulted in a transfer of majority ownership or a change in control of the company.

(XI) Impact, Risks, and Response Measures Related to Changes in Management Control

There has been no change in management control during the most recent fiscal year and up to the date of this annual report; therefore, this item is not applicable.

(XII) Litigation or Non-Litigation Matters

In the past two fiscal years and up to the date of this annual report, the company has not been involved in any finalized or pending major litigation, non-litigation, or administrative proceedings that could have a material impact on shareholder rights or the company's stock price. There are no

such cases involving significant disputed facts, claimed amounts, litigation start dates, principal parties involved, or relevant proceedings.

(XIII) Other Major Risks and Response Measures

Risk of Low-Price Competition from Domestic and International Peers

There is a wide variation in the scale and technical capabilities of companies engaged in precision cleaning and regeneration services in both Taiwan and Mainland China. In recent years, certain service items have indeed faced intensified price competition. Specifically, the company has observed downward pricing pressure in the precision cleaning and regeneration of equipment components used in the optoelectronics industry and in advanced semiconductor processes.

To mitigate the impact of price competition and enhance competitiveness, the company has adopted the following strategic response measures:

- A. Maintaining High Quality – Insisting on the quality of precision cleaning and regeneration services to strengthen customer trust.
- B. Improved Delivery Accuracy – Enhancing delivery timeliness to help customers reduce spare part inventory levels and lower their operational costs.
- C. Operational Efficiency – Strengthening internal production management and process improvements to reduce operating costs.
- D. Value-Added Services – Providing differentiated services such as component modification, refurbishment, and manufacturing to increase added value.
- E. Strategic Alliances and M&A – Expanding business scale through strategic alliances and mergers/acquisitions to deepen economies of scale, widen the competitive gap, and broaden the scope of product offerings.

VII. Other Important Matters

To strengthen the company's information security management, policies have been established to protect operational data and prevent unauthorized access, alteration, destruction, or theft of information. These measures aim to ensure the accuracy, integrity, and confidentiality of the company's information assets.

The company regularly conducts information security training to raise employee awareness and reinforce their understanding of related responsibilities. In addition, an internal information security audit system has been implemented to ensure effective execution of security policies. These efforts aim to enhance cybersecurity protection comprehensively — from personnel to organizational structure.

VI. Special Disclosure Items

I.Information on Affiliated Enterprises

For details, please refer to the Market Observation Post System (MOPS):

https://mopsov.twse.com.tw/mops/web/t57sb01_q10

II.Private Placement of Securities in the Most Recent Fiscal Year and up to the Date of the Annual Report:None.

III.Other Necessary Supplementary Explanations:None.

IV.Material Events Affecting Shareholder Equity or Stock Price as Defined in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, Occurring in the Most Recent Fiscal Year and up to the Date of the Annual Report:None.

Shih-Her Technologies Inc.

Chairman: CHEN, HSUEH-SHEN