

Stock Code 3311



Silitech Technology Corporation

2024 Annual Report (Translation)

(This English translation is prepared in accordance with the Chinese version and is for reference only. If there is any inconsistency between the Chinese version and this translation, the Chinese version shall prevail.)

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Silitech annual report is available at www.silitech.com

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**Name of Any Exchanges Where the Company's Securities Are Traded
Offshore and Information:** None.

Corporate Website: www.silitech.com

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Letter to Shareholders

Dear Shareholders,

In 2024, the global economy was influenced by geopolitical tensions, inflationary pressures, and persistent friction in US-China trade relations, resulting in a highly volatile and unstable market environment. Regional economic recovery progressed unevenly, and divergent national growth trends largely offset one another, contributing to a lack of substantial global economic momentum. In response to these macroeconomic challenges, Silitech undertook continuous adjustments and strategically reallocated resources to ensure optimal utilization of resources, thereby strengthening the competitive position and enhancing operational effectiveness within the industry.

1.1 Operating Results of Previous Year

In 2024, the Company's consolidated revenue was NT\$2.414 billion, a 15.8% increase from the previous year (NT\$2.084 billion). The Automotive Components accounted for 46.6% share of total revenue, and the main products are automotive interior components; the Mechanical Integration contributed a 53.4% share of the total revenue, and the main products are wearable products, smart lock modules, netcom optical mechanism components and gaming console products. An overview of the operations of each factory in 2024, Silitech Taiwan factory continued to deepen customer relationships, provide value-added products and closely meet customer demands, so the operation performance has grown; Malaysian Penang factory maintained stable long-term orders for automotive components. Despite the slowdown in the automotive market, the factory continued to actively seek new orders and adjust the production and manufacturing processes timely, resulting in stable operations. Malaysian Kuala Lumpur factory made efforts to diversify the product processes and increase production capacity. Shenzhen Xurong factory reduced the scale in the second half of the year to lower operating costs, leading to estimate non-recurring costs and related expenses. Overall operating results in 2024 were impacted by the downsizing of the Shenzhen Xurong factory, resulting in the consolidated gross profit of NT\$281 million, the gross profit margin of 11.6%, the operating profit of NT\$13.67 million, the operating profit margin rate of 0.6%, the net profit after tax of NT\$55.08 million, the net profit rate after tax of 2.3% and earning per share of NT\$0.81.

1.2 Summary of Business Plan for Current Year

1.2.1 Business Plan

Silitech utilized new materials and new processes combined with core technologies to continuously enhance the core competitiveness. Following the pulse of automotive industry and the transformation of manufacturing technology, Silitech enhanced the competitiveness in automotive components market, and actively developed components that integrate optical,

mechanical and electronic elements, as well as early-stage R&D design and cross-industry applications to satisfy customer demands and align with market trends. By strengthening the Company's resilience and product competitiveness, Silitech focused on deepening and extending core technology processes to provide customers with high value-added products and services.

1.2.2 Development Strategy

Silitech will dynamically adjust its global layout, expand its business capacity, and participate in the early-stage R&D and design of automotive and wearable products. By utilizing new materials and processes combined with core technologies, the Company will enhance product competitiveness and promote the application and development of Automotive Components and Mechanical Integration components. Additionally, Silitech will plan “focused” capital expenditures and factory expansions will be implemented in stages. Capital expenditure will primarily be directed toward innovative product development, the introduction of new processes, and automation upgrades, ensuring efficient utilization and maximizing benefits. To diversify risks and respond to market fluctuations, production capacity will be distributed across different factories to ensure a quick response to customer needs. Finally, Silitech will leverage the group's global resource advantages, continuously optimize supply chain management, capitalize on procurement benefits, and provide flexible logistics services to regional customers to enhance cost advantages. Furthermore, from a group-wide perspective, Silitech will seize opportunities for product and company transformation with the utilization of the group's resources. After completing the public tender offer to acquire a 45% stake in FDK Corporation in March, Silitech will strengthen the collaboration between the two companies, expand our business scale, and provide customers with more competitive products and services, thereby enhancing the operational advantages of both parties and achieving sustainable development and long-term competitive advantages.

1.3 Effect of External Competition, Legal Environment and Overall Business Environment

In the latest economic forecast, IMF lowered its economic growth forecast for 2025 from 3.3% to 3.2%, which is still lower than the long-term average of 3.8% over the 20 years preceding the epidemic. After Trump takes office, the anticipated impact of various policy measures, such as tariffs and trade policies, and their implementation timelines on global geopolitics, unilateralism, and inward-looking industrial policies will lead to increase uncertainty in consumer demand, heighten volatility in foreign exchange and government bond markets, and raise the risk of economic downturn. In Taiwan, driven by domestic demand and foreign trade exports, Chung-Hua Institution for Economic Research estimates that Taiwan's economic growth rate in 2024 will be around 4.30%. However, due to global political and economic uncertainties, the estimated economic growth rate for 2025 is expected to be 3.22%, with the growth trend increasing quarter by quarter due to base period factors.

Looking forward to 2025, affected by the aforementioned uncertainties, Silitech will optimize its operational capabilities, expand production capacity, and continue transformation. In terms of

products, the Company will focus on Automotive Components, Mechanical Integration, and cross-industry application products, striving to enhance its competitive advantages in the automotive and IoT sectors. In addition, through the acquisition of a 45% stake in FDK Corporation and the establishment of a collaborative relationship, it is expected to significantly enhance overall performance and create synergies across production, sales, and research and development, enabling Silitech to steadily pursue the development goals of revenue and profit growth. On the issue of sustainable development, the Company refers to the GRI criteria, stakeholder feedback and consolidation of assessment information from various departments to assess significant ESG (environmental, social, corporate governance) issues. Environmental issues such as environmental impact and management/green production, and social issues such as Labor-employer relationship/occupational safety and health, corporate governance issues such as socio-economic and regulatory compliance/strengthening the role of directors/stakeholder communication, etc. Through assessment of significant ESG issues, the Company will establish relevant risk management policies or strategies, implement corporate social responsibility and corporate governance norms, steadily promote the Company's development goals, and thereby create common prosperity for shareholders, employees, customers, and suppliers.

Chairman: Yu-Heng Chiao

Corporate Governance Report

2.1 Information On Board Directors, President, Vice Presidents, Assistant Vice Presidents and the Heads of Various Divisions and Branches

2.1.1 Information on Board Directors

As of 2025/4/20

Title	Nationality or Registration Country	Name	Gender Age	Date Elected	Term	Date First Elected (Note 1)	Shareholding When Elected		Current Shareholding		Shares Currently Held by Spouse and Underage Children		Shares Held in Name of Others		Key Education/Work Experience	Other Current Positions Within the Company	Other Officer, Director or Supervisor Who Are Spouse or Relative within Second Degree			Note 2
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Position	Name	Relationship	
Chairman	R.O.C.	Yu-Heng Chiao	Male 61-70	2024/6/4	3 years	2020/8/31	10,000	0.01%	10,000	0.01%	0	0%	0	0%	MBA, Golden Gate University, USA Vice Chairman, Walsin Lihwa Corporation	Note 3	None	None	None	None
Director	R.O.C.	Walsin Technology Corporation Representative	Female 51-60	2024/6/4	3 years	2020/8/31	17,000,000	25.00%	17,000,000	25.00%	0	0%	0	0%	MBA, University of East Anglia, UK Manager, Director, AVP of Walsin Technology Corporation	Note 4	None	None	None	None
	R.O.C.	Chin-Hui Chen				2020/8/31	0	0%	0	0%	0	0%	0	0%						
Director	R.O.C.	Lite-On Technology Corporation Representative	Male 51-60	2024/6/4	3 years	2001/10/24	11,707,548	17.21%	11,707,548	17.21%	0	0%	0	0%	International Business Program Attendance, NTU-FUDAN EMBA Electrical Engineering, University of South California, USA Special Assistant to Chairman & Vice Chairman, LITEON CEO, LITEON Smart Life and Applications Business Group General Manager, LITEON Shanghai Operational Center CEO, LITEON New Mechanical Competence Business Group General Manager, LITEON Mechanical Competence Business Group General Manager, LITEON Networking Access Business Unit General Manager, China Bridge Express Trading Co., Ltd	Note 5	None	None	None	None
	R.O.C.	Tom Soong				2021/7/9	0	0%	0	0%	0	0%	0	0%						

Title	Nationality or Registration Country	Name	Gender Age	Date Elected	Term	Date First Elected (Note 1)	Shareholding When Elected		Current Shareholding		Shares Currently Held by Spouse and Underage Children		Shares Held in Name of Others		Key Education/Work Experience	Other Current Positions Within the Company	Other Officer, Director or Supervisor Who Are Spouse or Relative within Second Degree			Note 2
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Position	Name	Relationship	
Director	R.O.C.	Lite-On Technology Corporation Representative Anson Chiu	Male 61-70	2024/6/4	3 years	2001/10/24	11,707,548	17.21%	11,707,548	17.21%	0	0%	0	0%	Department of Industrial Management, Lunghwa University of Science and Technology CEO, Lite-On Technology Corp. Power Conversion Business Group General Manager, Lite-On Technology Corp. Power Conversion Business Group Director, NB Business Unit, Lite-On Technology Corp. Power Conversion Business Group	Note 6	None	None	None	None
	R.O.C.					2020/3/31	0	0%	0	0%	0	0%	0	0%						
Independent Director	R.O.C.	Tien-Chun Tsai	Male 51-60	2024/6/4	3 years	2021/7/9	0	0%	0	0%	0	0%	0	0%	EMBA, Peking University Guanghua Master of Accounting, National Taiwan University Independent Director, Wellstech optical Co., Ltd CFO, Nature Beauty Group Financial Dept. Manager, Yulon Motor Co., Ltd. AVP, Ta-Yung Shin Yeh Co., Ltd. Head of 13th Auditing Department, Deloitte & Touche CPA Firm	Note 7	None	None	None	None
Independent Director	R.O.C.	Te-Pin Chi	Male 71-80	2024/6/4	3 years	2021/7/9	0	0%	0	0%	0	0%	0	0%	Electrical Engineering, National Taipei University of Technology Supervisor, representative of HannsTouch Solution Incorporated General Manager of Cable BG, Walsin Lihwa Corporation Chairman and General Manager, Hannspree (Shanghai), Inc. Deputy General Manager, InfoVision Optoelectronics (Kunshan) Co., Ltd. COO, Hannspree Inc. Deputy General Manager, Hannstar Display Corp. General Manager, Walsin Development Ltd. General Manager, Joint Venture Wuhan Walsin Wire & Cable Co., Ltd. Deputy General Manager, PT. INTAI INDUSTRIES	Note 8	None	None	None	None

Title	Nationality or Registration Country	Name	Gender Age	Date Elected	Term	Date First Elected (Note 1)	Shareholding When Elected		Current Shareholding		Shares Currently Held by Spouse and Underage Children		Shares Held in Name of Others		Key Education/Work Experience	Other Current Positions Within the Company	Other Officer, Director or Supervisor Who Are Spouse or Relative within Second Degree			Note 2
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Position	Name	Relationship	
Independent Director	R.O.C.	I-Ming Chen	Male 71-80	2024/6/4	3 years	2024/6/4	0	0%	0	0%	0	0%	0	0%	Applied Mathematics, National Chung Hsing University Manager, Hewlett-Packard Taiwan Deputy General Manager, Ho-Sing Clothing Co. Ltd. AVP, Walsin Lihwa Corporation	Note 9	None	None	None	None

Note 1: Anson Chiu served as the Company's director from March 31, 2020 to July 14, 2020 and from July 09, 2021 until now.

Note 2: Where the Chairman of the Board of Directors and the President or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent director seats, and more than half of all directors must not concurrently serve as employees or managers) must be disclosed.

Below notes of other positions of the Company or other companies only display public offering companies and important subsidiaries thereof.

Note 3: (Chairman, Yu-Heng Chiao)

Chairman and CEO, HannStar Board Corporation, Global Brands Manufacture Ltd. and Walton Advanced Engineering, Inc.

Chairman, Walsin Technology Corporation, Prosperity Dielectrics Co., Ltd., Info-Tek Corporation and Silitech Technology Corporation.

Vice Chairman and CSO of Career Technology (MFG.) Co., Ltd.

Director, Walsin Lihwa Corporation.

Director, representative of Inpaq Technology Co., Ltd.

Note 4: (Director, Chin-Hui Chen)

Director, representative of Silitech Technology Corporation.

Vice President of Walsin Technology Corporation.

Note 5: (Director, Tom Soong)

Chairman and Corporate Sustainability Development Division Chief Sustainability Officer (CSO), Lite-On Technology Corporation.

Director, Co-tech Development Corporation, Lite-On Singapore Pte. Ltd., Lite-On China Holding Co. Ltd. and Lite-On Electronics Company Limited.

Director, representative of Silitech Technology Corporation.

Note 6: (Director, Anson Chiu)

Director, Lite-On Singapore Pte. Ltd., Lite-On China Holding Co. Ltd. and Lite-On Electronics Company Limited.

Director, representative of Silitech Technology Corporation and Dragonjet Corp.

Director, representative and President of Lite-On Technology Corporation.

Note 7: (Independent Director, Tien-Chun Tsai)

Independent Director, Silitech Technology Corporation.

Note 8: (Independent Director, Te-Pin Chi)

Independent Director, Silitech Technology Corporation.

Note 9: (Independent Director, I-Ming Chen)

Remuneration Committee member of HannStar Board Corporation.

Remuneration Committee member of Global Brands Manufacture Ltd.

Remuneration Committee member of Walton Advanced Engineering, Inc.

2.1.2 Major Shareholders of the Institutional Shareholders

Name of Institutional Shareholder	Major Shareholders	Shareholdings
Walsin Technology Corporation (as of 2025/4/19)	Walsin Lihwa Corporation	18.30%
	HannStar Board Corporation	8.71%
	Global Brands Manufacture Ltd.	4.36%
	Walton Advanced Engineering, Inc.	2.75%
	Yu-Heng Chiao	2.65%
	Maybank Kim Eng Securities Sdn. Bhd. Investment Account under the Custody of Citibank Taiwan Ltd.	2.33%
	Giga Investment Corp.	1.37%
	Chin-Xin Investment Co., Ltd.	1.28%
	Tsai Yi Corporation	1.11%
	Winbond Electronics Corporation	1.09%
Lite-On Technology Corporation (as of 2024/8/21)	Fuh Hwa Taiwan Technology Dividend Highlight ETF	6.26%
	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	4.66%
	Ta-Rong Investment Co., Ltd.	3.64%
	Raymond Soong	3.38%
	Yuanta/P-shares Taiwan Dividend Plus ETF	2.77%
	Ming-Hsing Investment Co., Ltd.	2.59%
	New Labor Pension fund	2.33%
	Chunghwa Post Co., Ltd.	2.05%
	Fuh Hwa Securities Investment Trust Co., Ltd. Managed for Fubon Life Insurance Discretionary Account	2.04%
	Ta-Sung Investment Co., Ltd.	2.01%

2.1.3 Major Shareholders of the Company's Major Institutional Shareholders

Name of Institutional Shareholder	Major Shareholders	Shareholdings
Walsin Lihwa Corporation (as of 2025/3/18)	Chin-Xin Investment Co., Ltd.	6.15%
	Winbond Electronics Corporation	6.14%
	TECO Electric and Machinery Co., Ltd.	5.22%
	Rong Jiang Co., Ltd.	4.95%
	LGT Bank (Singapore) Investment Account under the Custody of Business Department, Standard Chartered Bank (Taiwan) Ltd.	4.54%
	Hauli Investment Corp.	2.65%
	Yu-Hui Chiao	1.74%
	Norges Bank Investment Account under the Custody of Citibank Taiwan Ltd.	1.67%
	Yu-Heng Chiao	1.62%
	Chunghwa Post Co., Ltd.	1.49%
HannStar Board Corporation (as of 2025/4/20)	Walsin technology Corporation	20.32%
	Walsin Lihwa Corporation	12.06%
	Career Technology (Mfg.) Co., Ltd.	5.44%
	Chin-Xin Investment Co. Ltd.	3.55%
	Yu-Heng Chiao	2.19%
	Xing Xing Investment Co., Ltd.	2.15%
	Pai-Yung Hong	1.91%
	Prosperity Dielectrics Co., Ltd.	1.07%
	Tsai Yi Corporation	0.96%
	Yu Yue Co., Ltd.	0.89%
Global Brands Manufacture Ltd. (as of 2025/4/20)	HannStar Board Corp.	40.65%
	Fuh Hwa Taiwan Technology Dividend Highlight ETF	3.48%
	Yu-Heng Chiao	1.18%
	JP Morgan Securities Co., Ltd. Investment Account under the Custody of JP Morgan Chase Bank N.A. Taipei Branch	1.01%
	Allianz Taiwan Daba Fund Segregated Account	0.80%
	Min-Hui Liao	0.80%
	Uni-President Black Horse Fund Segregated Account	0.72%
	Ensign Peak Advisors Investment Account under the Custody of HSBC Bank (Taiwan) Ltd.	0.71%
	Mitsubishi UFJ Morgan Stanley Securities Trading Account under the Custody of HSBC Bank	0.69%

	Société Générale European Options Investment Account under the Custody of HSBC Bank	0.65%
Walton Advanced Engineering, Inc. (as of 2025/4/13)	Walsin Lihwa Corporation	21.17%
	Winbond Electronics Corporation	9.67%
	Prosperity Dielectrics Co., Ltd.	6.16%
	Walsin Technology Corporation	6.16%
	HannStar Board Corporation	2.85%
	Yu-Heng Chiao	1.97%
	Yu-Lon Chiao	0.94%
	ACWI Investment Trust Fund Account under the Custody of Business Department, Standard Chartered International Commercial Bank	0.70%
	Chun-Fen Lee	0.49%
	Erh-Yun Liang	0.43%
Giga Investment Corp. (as of 2025/3/31)	Giga-Byte Technology Co., Ltd.	100.00%
Chin-Xin Investment Co., Ltd. (as of 2025/3/31)	Winbond Electronics Corporation	37.69%
	Walsin Lihwa Corporation	36.99%
	Huali Investment Corp.	4.43%
	Yu-Cheng Chiao	3.14%
	Yu-Lon Chiao	3.14%
	Yu-Heng Chiao	3.14%
	Yu-Chi Chiao	3.14%
	Walsin Technology Corporation	1.86%
	HannStar Board Corporation	1.34%
	Prosperity Dielectrics Co., Ltd.	0.72%
Tsai Yi Corporation (as of 2025/3/31)	Walsin Lihwa Corporation	33.97%
	Walsin Technology Corporation	26.62%
	Chin-Xin Investment Co., Ltd.	8.23%
	Global Brands Manufacture Ltd.	6.83%
	Ching An Investment Corporation	3.95%
	Jung Yang Investment Corporation	3.85%
	Prosperity Dielectrics Co., Ltd.	3.36%
	Walton Advanced Engineering, Inc.	3.35%
	HannStar Board Corporation	2.91%
	Hannstar Display Corporation	2.00%
Winbond Electronics Corporation (as of 2025/3/16)	Walsin Lihwa Corporation	22.11%
	Chin-Xin Investment Co., Ltd.	6.31%
	LGT Bank (Singapore) Investment Account under the Custody of Business Department, Standard Chartered Bank (Taiwan) Ltd.	1.72%

	Yu-Cheng Chiao	1.53%
	New Labor Pension Fund	1.44%
	Cathay Life Insurance Co., Ltd.	1.37%
	Vanguard Total International Stock Index Fund Investment Account, a Series of Vanguard Star Funds, under the Custody of JPMorgan Chase Bank N.A., Taipei Branch	1.00%
	Pai-Yung Hong	0.97%
	Vanguard Emerging Markets Stock Index Fund Investment Account under the Custody of JPMorgan Chase Bank N.A., Taipei Branch	0.96%
	Yu-Heng Chiao	0.58%
Ta-Song Investment Co., Ltd. (as of 2025/2/28)	Tom Soong	43.66%
	Guang-Xing Investment Co., Ltd.	56.34%

2.1.4 Professional Qualifications of Directors and Independence of Independent Directors

As of 2025/4/20

Qualification Name	Professional Qualifications and Experience (Note 1)	Eligibility of Independent Status	Number of Other Public Companies in Which the Director also Serves Concurrently as an Independent Director
Yu-Heng Chiao	Extensive and diversified experience in corporate management and leadership.	Not an independent director.	0
Walsin Technology Corporation Representative Chin-Hui Chen	Extensive experience in human resource strategic planning, corporate organization analysis, and salary and performance management.		0
Lite-On Technology Corporation Representative Tom Soong	Extensively experienced in talent selection and corporate management.		0
Lite-On Technology Corporation Representative Anson Chiu	Abundant experience in the Asian semiconductor industry.		0
Tien-Chun Tsai	Well versed in financial, accounting and corporate governance fields, with professional qualifications as CPA in ROC and CFA in USA.	All independent directors are in compliance with Article 3 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", please refer to Note 2 for details	0
Te-Pin Chi	Extensive industry experience and strategic planning skills.		0
I-Ming Chen	Extensive experience in human resource management and work experience required for the Company's business needs		0

Note 1: (1) None of the provisions in Article 30 of the Company Law is applicable to the directors.

(2) All independent directors have more than 20 years of work experience in commercial, legal, financing, accounting, or necessary for the corporate business.

(3) For the education/work experience and position of directors, please refer to Section 2.1.1 for Information on Board Directors.

Note 2: Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies:

(1) The person, the spouse, and relative within the second degree of kinship, who not an employee, director or supervisor of the Company or the affiliates of the Company.

(2) The person, the spouse, and underage children, who not hold more than 1% of the shares or who is among the top-10 natural person shareholders.

(3) Not a manager listed in (1) or a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship or closer to anyone listed in (2).

(4) Not a director or supervisor of the Company or the affiliates of the Company.

(5) Have not received compensation for providing commercial, legal, financial or accounting services to the Company or its affiliates in the last two years.

2.1.5 Diversity and Independence of the Board of Directors

◆ Board Diversity

The members of the board of directors should generally possess the knowledge, skills and experience necessary to perform their duties. In order to achieve the ideal goals of corporate governance, the board of directors should have the following capabilities:

1. Ability to make sound business judgments.
2. Ability to perform accounting and financial analysis.
3. Ability to manage a business.
4. Ability to handle crisis management.
5. Knowledge of the industry.
6. International market perspective.
7. Leadership ability.
8. Decision-making ability.

Based on the Company's medium- and long-term development strategy and effectiveness of resolution function of the board, the Company has stated explicitly its board diversity policy in the Corporate Governance Best Practice Principles. The implementation status of current directors: Mr. Yu-Heng Chiao, Ms. Chin-Hui Chen, Mr. Tom Soong and Mr. Anson Chiu are experts in leadership, business judgment, business management, crisis management, and have industry knowledge and international market perspective; Mr. Tien-Chun Tsai is good at financial, accounting and corporate governance fields; Mr. Te-Pin Chi has extensive industry experience; Mr. I-Ming Chen has work experience required for human resources management and the Company's business needs.

The current board of directors is composed of seven directors, including four directors and three independent directors. None of the directors is employee; independent directors account for 43%; one independent director's tenure is less than 3 years, and two independent directors' tenure is between 3 and 9 years; three directors are less 60 years old(inclusive), two directors are between 61 and 70 years old, and two directors are over 70 years old. The current seven directors include one female director, representing 14% of total directors.

Diversity achievement as follows:

Diversity Items Name	Gender	Age			Independent Directors' Tenure		Professional Background	Ability to Make Sound Business Judgments	Ability to Perform Accounting and Financial Analysis	Ability to Manage a Business	Ability to Handle Crisis Management	Knowledge of the Industry	International Market Perspective	Leadership Ability	Decision- Making Ability
		Less than 60	61 70	Over 70	Less than 3 Years	3 9 Years									
Yu-Heng Chiao	Male		v				Corporate management	v	v	v	v	v	v	v	v
Chin-Hui Chen	Female	v					Business management	v	v	v	v	v	v	v	v
Tom Soong	Male	v					Electrical engineering	v		v	v	v	v	v	v
Anson Chiu	Male		v				Industrial management	v		v	v	v	v	v	v
Tien-Chun Tsai	Male	v				v	Corporate management	v	v	v	v	v	v	v	v
Te-Pin Chi	Male			v		v	Electrical engineering	v		v	v	v	v	v	v
I-Ming Chen	Male			v	V		Corporate management	v	v	v	v	v	v	v	v

The specific management goals and achievement of the board members diversity policy:
To promote gender diversity on the Board of Directors, the Company aims to increase the proportion of female board members to over one-third. Currently, male directors account for 86% (6 seats) and female directors account for 14% (1 seat). The Company will make every effort to increase the number of female board members to three in order to achieve this goal. If the number of directors of either gender on the board of directors is less than one-third, explain the reasons and the planned measures to be taken to enhance director gender diversity: Although the number of board members of a different gender has not yet reached one-third of the total board seats, the Company complies with the requirement of having at least one board member of a different gender, currently accounting for 14%. The composition of the Board of Directors is primarily based on considerations such as professional background, experience, and the ability to contribute to the Company's future development. Looking forward, the Company will seek talent through various channels to implement its board diversity policy.

◆ **Board Independence**

In accordance with the Articles of Incorporation, the members of board shall include a minimum of three independent directors, and the number of independent directors shall not be less than the minimum of one-fifth of the total number of director seats. The current board of directors is composed of seven directors, including three independent directors representing 43% of total directors. The terms of two independent directors are no more than three terms. All independent directors exercise their powers objectively and review the management and control of the Company's existing or potential risks, etc., so as to supervise the effective implementation of the Company's internal control and improve the Company's business development and corporate governance operations. There are no director who are spouses or relatives within the second degree of kinship among the directors of the Company, and complies with the provisions of Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.

In accordance with the Rules for evaluating board of directors and functional committee performance, the Company evaluate the structure of the Board, and the contribution, profession and independence of individual directors regularly in order to ensure there are new viewpoints and forward-looking guidance.

2.1.6 Information on President, Vice Presidents, Assistant Vice Presidents and the Heads of Various Divisions and Branches

As of 2025/4/20

Title	Nationality	Name	Gender	Date Appointed	Shares Held		Shares Held by Spouse and Underage Children		Shares Held in Name of Others		Key Education/Work Experience	Other Current Positions Within the Company	Other Officer, Director or Supervisor Who Are Spouse or Relative within Second Degree			Note 1
					Number of Shares	%	Number of Shares	%	Number of Shares	%			Position	Name	Relationship	
President	R.O.C.	Yu-Chen Hsu	Female	2021/1/1	101,000	0.15%	0	0%	0	0%	EMBA, China Europe International Business School Hospitality Management, Cesar Ritz Colleges Switzerland Marketing Diploma, UC Berkeley, USA Director of Sales & Marketing, Info-Tek Corporation	Note 2	None	None	None	None
CFO / Financial Officer / Corporate Governance Officer	R.O.C.	Wei-Lin Chen	Female	2020/10/27	17,000	0.03%	0	0%	0	0%	MBA, George Washington University, USA Finance Manager, Silitech Technology Corporation Treasury Officer, Bank of Boston Taipei Branch	Note 3	None	None	None	None
Accounting Officer	R.O.C.	Chi-Tien Chen	Male	2020/10/27	0	0%	0	0%	0	0%	IMBA, TamKang University Accounting Assistant Manager, Silitech Technology Corporation Accounting Specialist, Lite-On Technology Corporation	None	None	None	None	None

Note 1: Where the President or person of an equivalent post (the highest level manager) and Chairman of the Board of Directors are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent director seats, and more than half of all directors must not concurrently serve as employees or managers) must be disclosed.

Below notes of other positions of the Company or other companies only display public offering companies and important subsidiaries thereof.

Note 2: Director of Silitech (BVI) Holding Ltd., Silitech (Bermuda) Holding Ltd. and Silitech Technology Corporation Sdn. Bhd.; President of Info-Tek Corporation's Taiwan Factory.

Note 3: Director of Silitech (BVI) Holding Ltd., Silitech (Bermuda) Holding Ltd. and Silitech Technology Corporation Sdn. Bhd.

2.2 Remuneration of Directors & Managers in the Most Recent Year

2.2.1 Remuneration of Directors and Independent Directors

Unit: NT\$ thousands

Title	Name	Directors Remuneration								Total Remuneration (A+B+C+D) and Ratio of Total Remuneration to Net Income		Remuneration Earned by a Director Who is an Employee of the Company or of the Company's Consolidated Entities								Total Remuneration (A+B+C+D+E+F+G) and Ratio of Total Remuneration to Net Income		Remuneration from Ventures Other than Subsidiaries or from the Parent Company		
		Base Compensation (A)		Severance Pay and Pensions (B)		Compensation to Directors (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay and Pensions (F)		Employees' Compensation (G)								
		The Company	All Companies In Financial Statements	The Company	All Companies In Financial Statements	The Company	All Companies In Financial Statements	The Company	All Companies In Financial Statements	The Company	All Companies In Financial Statements	The Company	All Companies In Financial Statements	The Company	All Companies In Financial Statements	The Company	All Companies In Financial Statements	The Company		All Companies In Financial Statements			The Company	All Companies In Financial Statements
																		Cash	Stocks	Cash	Stock			
Chairman	Yu-Heng Chiao	410	410	0	0	1,404	1,404	135	135	Amount 1,949 Ratio 3.54%	Amount 1,949 Ratio 3.54%	0	0	0	0	0	0	0	0	Amount 1,949 Ratio 3.54%	Amount 1,949 Ratio 3.54%	None		
Juristic-person Director	Walsin Technology Corporation																							
Director	Walsin Technology Corporation Representative Chin-Hui Chen																							
Juristic-person Director	Lite-On Technology Corporation																							
Director	Lite-On Technology Corporation Representative Tom Soong																							
Director	Lite-On Technology Corporation Representative Anson Chiu																							
Independent Director	Tien-Chun Tsai	1,800	1,800	0	0	0	0	325	325	Amount 2,125 Ratio 3.86%	Amount 2,125 Ratio 3.86%	0	0	0	0	0	0	0	0	Amount 2,125 Ratio 3.86%	Amount 2,125 Ratio 3.86%	None		
Independent Director	Te-Pin Chi																							
Independent Director	I-Ming Chen (Appointed on 2024/6/4)																							
Independent Director	Te-Chen Chiu (Retired on 2024/6/4)																							

Remark:

- Independent Directors' remuneration policies, procedures, standards and structure, as well as the linkage to responsibilities, risks and time spent:
According to Article 12-5 of the Articles of Incorporation, remuneration to directors shall be duly determined by the Board of Directors with reference to the level of their participation in the business operations and the values of their contributions, as well as the level prevalent in fellow firms at home and abroad. The Company may establish a separate but reasonable set of remuneration rules for independent directors. According to Article 15 of the Articles of Incorporation, the Company shall allocate the Directors' compensation no more than 3% from the profit before tax. In addition, the Company executes related operations according to "Rules for Evaluating Board of Directors and Functional Committee Performance" and "Procedures for Directors' Remuneration".
- Except as disclosed in the above chart, remuneration to directors received due to the services provided to all companies listed in the financial statements (such as acting as advisors of parent companies/all companies /investees listed in the financial statements who are not an employee thereof) in the most recent year: None.

Range of Remuneration to Directors

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities
NT\$0 ~ NT\$999,999	Walsin Technology Corporation, Chin-Hui Chen, Lite-On Technology Corporation, Tom Soong, Anson Chiu, Tien-Chun Tsai, Te-Pin Chi, I-Ming Chen, Te-Chen Chiu	Walsin Technology Corporation, Chin-Hui Chen, Lite-On Technology Corporation, Tom Soong, Anson Chiu, Tien-Chun Tsai, Te-Pin Chi, I-Ming Chen, Te-Chen Chiu	Walsin Technology Corporation, Chin-Hui Chen, Lite-On Technology Corporation, Tom Soong, Anson Chiu, Tien-Chun Tsai, Te-Pin Chi, I-Ming Chen, Te-Chen Chiu	Walsin Technology Corporation, Chin-Hui Chen, Lite-On Technology Corporation, Tom Soong, Anson Chiu, Tien-Chun Tsai, Te-Pin Chi, I-Ming Chen, Te-Chen Chiu
NT\$1,000,000 ~ NT\$1,999,999	Yu-Heng Chiao	Yu-Heng Chiao	Yu-Heng Chiao	Yu-Heng Chiao
NT\$2,000,000 ~ NT\$3,499,999				
NT\$3,500,000 ~ NT\$4,999,999				
NT\$5,000,000 ~ NT\$9,999,999				
NT\$10,000,000 ~ NT\$14,999,999				
NT\$15,000,000 ~ NT\$29,999,999				
NT\$30,000,000 ~ NT\$49,999,999				
NT\$50,000,000 ~ NT\$99,999,999				
Over NT\$100,000,000				
Total	NT\$4,074 thousand	NT\$4,074 thousand	NT\$4,074 thousand	NT\$4,074 thousand

*The remuneration content disclosed in this Table differs from the income concept of the Income Tax Act; therefore, this Table acts as a form of information disclosure and does not serve for the purpose of taxation

2.2.2 Remuneration of Supervisors: Not Applicable. (The Company has set up Audit Committee.)

2.2.3 Remuneration of President and Vice President

Unit: NT\$ thousands

Title	Name	Salary (A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Total Remuneration (A+B+C+D) and Ratio of Total Remuneration to Net Income		Remuneration from Ventures other than Subsidiaries or from the Parent Company
		The Company	All Companies In Financial Statements	The Company	All Companies In Financial Statements	The Company	All Companies In Financial Statements	The Company		All Companies In Financial Statements		The Company	All Companies In Financial Statements	
								Cash	Stock	Cash	Stock			
President Yu-Chen Hsu		1,367	1,367	0	0	1,632	1,632	400	0	400	0	Amount 3,399 Ratio 6.17%	Amount 3,399 Ratio 6.17%	None

*The remuneration content disclosed in this Table differs from the income concept of the Income Tax Act; therefore, this Table acts as a form of information disclosure and does not serve for the purpose of taxation.

2.2.4 Distribution of Employees' Compensation to Managers

Unit: NT\$ thousands

	Title	Name	Stock	Cash	Total	Ratio of Total Amount to Net Income
Managers	President	Yu-Chen Hsu	0	815	815	1.48%
	CFO / Financial Officer / Corporate Governance Officer	Wei-Lin Chen				
	Accounting Officer	Chi-Tien Chen				

2.2.5 Analysis of the ratio of total remunerations for Directors, President and vice presidents to Net Income (Loss) in the last two years and description of the policy, standards and packages of remunerations, procedure for making such decision and relation to business performance:

- ♦ Analysis of the ratio of total remunerations for Directors, President and vice presidents to Net Income (Loss) in the last two years:

	Ratio of Total Amount to Net Income (Loss)			
	2023		2024	
	The Company	All Companies In Financial Statements	The Company	All Companies In Financial Statements
Directors	5.71%	5.71%	7.40%	7.40%
President & Vice Presidents	2.84%	2.84%	6.17%	6.17%

♦ **Description of the policy, standards and packages of remunerations, procedure for making such decision and relation to business performance and future risk:**

1. Policy, standards and packages of remunerations

The Board of Directors will resolve the director's remunerations by considering the value of the director's participation and contribution to the Company's operations, and also referring to the domestic and international industry standards. In accordance with Article 15 of the Articles of Incorporation, after the Company reserved a sufficient amount from profit to offset its accumulated losses, the Company shall allocate the directors' compensation no more than 3% from the profit (before tax) of each fiscal year and it shall only be distributed by cash. The Company periodically assesses the remunerations of the directors in accordance with the Rules for Evaluating Board of Directors and Functional Committee Performance. The internal evaluation items include alignment of the goals and missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationship and communication, the director's professionalism and continuing education and internal control. In addition, the Company appoints an external independent professional institution to evaluation and issue the report. Relevant performance evaluations and remuneration rationality are resolved by the Remuneration Committee and the Board of Directors.

Remuneration to Manger is handled in accordance with the Company's Regulations for Remuneration Management, reference to the achievement of the Company's annual planned operating performance goals, such as revenue, profit, the results achieved by project and participation in sustainable management. And in accordance with Article 15 of the Articles of Incorporation, the Company shall allocate employees' compensation from 2%~10% from the profit of each fiscal year.

2. Procedure for making remuneration decision

In order to assess the compensation of the directors and managers periodically, the determination of an individual director's remuneration shall be based on the evaluation results of his or her performance in accordance with the Rules for Evaluating Board of Directors and Functional Committee Performance, Procedures for Directors' Remuneration and Regulations for Remuneration Management; and shall be linked to company business performance indicators.

Performance measurement scope includes financial indicators (operating profit and including but not limited to the achievement rate of quantitative operating indicators) and non-financial indicators (operational risk management, internal control management, quality and environmental management, project execution and sustainable management).

Director- and manager-relevant performance appraisal and remuneration rationality are evaluated and resolved by the Remuneration Committee and the Board of Directors every year, reference to the domestic and international industry standards, the extent of the Company's overall operational participation, contribution value, personal performance achievement rate and future risks. The remuneration system of directors and manager will be

reviewed in a timely manner based on actual operating conditions and relevant laws and regulations, and provide reasonable remuneration.

3. Relation to business performance and future risk

The Company's policy and standards of remunerations are based on overall operating status, performance achievement rate and contribution in order to enhance the effectiveness of the board and management team. Also referring to the domestic and international industry standards to ensure that the Company's management remuneration is competitive in the industry to retain outstanding management talent.

The performance of manager is combined with risk control to ensure that possible risk within the scope of responsibility can be managed and prevented.

2.3 Implementation of Corporate Governance

2.3.1 Operation of Board of Directors:

- ◆ The Board of Directors totally held 14 (A) meetings in the most recent year (up to the date of publication of the annual report). The attendance records for Directors are as follows:

Title	Name	Attended in Person (B)	Attended by Proxy	Attendance Percentage (%) 【B/A】	Remarks
Chairman	Yu-Heng Chiao	13	1	93	Re-elected on 2024/6/4
Director	Walsin Technology Corporation Representative Chin-Hui Chen	13	1	93	Re-elected on 2024/6/4
Director	Lite-On Technology Corporation Representative Tom Soong	3	11	21	Re-elected on 2024/6/4
Director	Lite-On Technology Corporation Representative Anson Chiu	13	1	93	Re-elected on 2024/6/4
Independent Director	Tien-Chun Tsai	14	0	100	Re-elected on 2024/6/4
Independent Director	Te-Pin Chi	13	1	93	Re-elected on 2024/6/4
Independent Director	I-Ming Chen	9	0	100	Appointed on 2024/6/4
Independent Director	Te-Chen Chiu	5	0	100	Retired on 2024/6/4

Other details that need to be recorded in meeting minutes:

- In the event of the occurrence of any of the following scenarios with the operation of the Board of Directors, the dates of meetings, session number, resolution, opinions of all Independent Directors and the Company's subsequent action in response to these opinions shall be clearly stated:
 - Matters and items stipulated in Article 14-3 of the Securities and Exchange Act: The Company has set up the Audit Committee; please refer to "2.3.2 Operation of the Audit Committee".
 - In addition to the foregoing, there were other matters to be resolved by directors' board meetings about which an independent director expressed objections or reservations that had been included in records or stated in writing: No such situation.
- Director recusals due to conflicts of interests totaled: 5 times.
 - 8th Term 16th Meeting: Discussion of resolution of 5th Term 12th Remuneration Committee. Due to personal interest relation, Mr. Yu-Heng Chiao recused in the discussion and did not participate in discussion and voting.
 - 8th Term 17th Meeting: Discussion of the donation to PSA Charitable Foundation. Due to personal interest relation, Mr. Yu-Heng Chiao and Ms. Chin-Hui Chen recused in the discussion and did not participate in discussion and voting.
 - 9th Term 2nd Meeting: Discussion of retroactively processing the public issuance and the application for listing of the 2020 privately placed common shares. Due to personal interest relation, Mr. Yu-Heng Chiao and Ms. Chin-Hui Chen recused in the discussion and did not participate in discussion and voting.
 - 9th Term 5th Meeting: Discussion of resolution of 6th Term 2nd Remuneration Committee. Due to personal interest relation, Mr. Yu-Heng Chiao recused in the discussion and did not participate in discussion and voting.
 - 9th Term 7th Meeting: Discussion of the donation to PSA Charitable Foundation. Due to personal

interest relation, Mr. Yu-Heng Chiao and Ms. Chin-Hui Chen recused in the discussion and did not participate in discussion and voting.

3. Evaluation of achievement of enhancing the Board's performance (e.g. establishing an Audit Committee and increasing information transparency):

- (1) The Company has formulated the "Regulation and Procedure for Board of Directors Meetings" of the Company in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" to comply with the requirements. The Company discloses attendance records for directors on Market Observation Post System and the major resolutions of the Board of Directors on the Company website.
- (2) The Company has set up the Audit Committee with the main duties in accordance with Article 14-5 of the Securities Exchange Act. The Audit Committee also reviews the first, second and third quarter financial statements to implement the transparency of information disclosure.
- (3) The Company also appoints independent directors as members of the Remuneration Committee. The main responsibilities are to evaluate the remuneration policies and systems of the directors and managers in a professional and objective position and make recommendations to the Board of Directors for decision-making.
- (4) The Company has established the "Rules for Evaluating Board of Directors and Functional Committee Performance", which were enforced upon approval by the Board of Directors, and it has been , conducted regular internal board performance evaluations every year since 2018, and appointed an independent external agency to carry out external board evaluations every 3 years. The performance evaluation results will be used as a reference for the selection or nomination of directors as well as determining their individual remuneration. The results of internal evaluation for the 2024 board of directors were reported at the board meeting in February, 2025, and disclosed on the Company's website.

◆ The Execution Status of Board of Directors Evaluation

Cycle of Evaluation	Period of Evaluation	Scope of Evaluation	Method of Evaluation	Indexes and Scoring Criteria
Once a year	2024/01/01~ 2024/12/31	Performance evaluation of Board of Directors	Internal evaluation of the Board of Directors	1. Participation in the operation of the Company. 2. Improvement of the quality of the Board of Directors' decision making. 3. Composition and structure of the Board of Directors. 4. Election and continuing education of the directors. 5. Internal control.
		Performance evaluation of Functional Committee (Audit Committee / Remuneration Committee)	Internal evaluation of Functional Committee	1. Participation in the operation of the Company. 2. Awareness of the duties of the functional committee. 3. Improvement of quality of decisions made by the functional committee. 4. Makeup of the functional committee and election of its members. 5. Internal control.
		Performance evaluation of individual directors	Self-evaluation by individual board members	1. Familiarity with the goals and missions of the Company. 2. Awareness of the duties of a director. 3. Participation in the operation of the Company. 4. Management of internal relationship and communication. 5. The director's professionalism and continuing education. 6. Internal control.

2.3.2 Operation of the Audit Committee:

- ♦ The Audit Committee totally held 14 (A) meetings in the most recent year (up to the date of publication of the annual report). The attendance records for Independent Director are as follows:

Title	Name	Attended in Person (B)	Attended by Proxy	Attendance Percentage (%) 【B/A】	Remarks
Independent Director	Tien-Chun Tsai	14	0	100	Re-elected on 2024/6/4
Independent Director	Te-Pin Chi	13	1	93	Re-elected on 2024/6/4
Independent Director	I-Ming Chen	10	0	100	Appointed on 2024/6/4
Independent Director	Te-Chen Chiu	4	0	100	Retired on 2024/6/4

Other matters that need to be recorded in meeting minutes:

1. If any of the following circumstances occurs during the operation of the Audit Committee, the meeting date, meeting number, the proposal contents, contents of independent directors' objection, reservation or major suggestion, the resolution of the Audit Committee and the Company's handling of the Audit Committee's opinions shall be clearly described.

(1) Items listed in Article 14-5 of the Securities and Exchange Act:

Audit Committee	Proposals	Contents of Independent Directors' Objection, Reservation or Major Suggestion	Resolution of Audit Committee	Company's Handling of Audit Committee Member's Opinion
4 th Term 13 th Meeting 2024.02.22	1. Approval for the 2023 consolidated financial statements and financial statements. 2. Appointment of certified public accountants and assessment of their independence and suitability with Audit Quality Indicators (AQI). 3. Approval for the Company's 2023 declaration of internal control system. 4. Approval for the donation to PSA Charitable Foundation.	None	Proposal passed by the Audit Committee.	1~3: Directors approved the proposal unanimously. 4: Mr. Yu-Heng Chiao and Ms. Chin-Hui Chen recused in the discussion and did not participate in discussion and voting. All other directors approved the proposal unanimously.
4 th Term 14 th Meeting 2024.03.27	1. Adoption of the Proposal for appropriation of 2023 earnings. 2. Appointment of Chief Internal Auditor. 3. Amendment to "Audit Committee Charter".	None	Proposal passed by the Audit Committee.	Directors approved the proposal unanimously.

Audit Committee	Proposals	Contents of Independent Directors' Objection, Reservation or Major Suggestion	Resolution of Audit Committee	Company's Handling of Audit Committee Member's Opinion
4 th Term 16 th Meeting 2024.04.23	1. Approval for the first quarter of 2024 consolidated financial statements.	None	Proposal passed by the Audit Committee.	Directors approved the proposal unanimously.
5 th Term 2 nd Meeting 2024.06.21	1. To retroactively process the public issuance and the application for listing of the 2020 privately placed common shares.	None	Proposal passed by the Audit Committee.	Mr. Yu-Heng Chiao and Ms. Chin-Hui Chen recused in the discussion and did not participate in discussion and voting. All other directors approved the proposal unanimously.
5 th Term 3 rd Meeting 2024.08.01	1. Approval for the second quarter of 2024 consolidated financial statements. 2. Approval for the 2024 remuneration of the CPAs.	None	Proposal passed by the Audit Committee.	Directors approved the proposal unanimously.
5 th Term 4 th Meeting 2024.10.30	1. Approval for the third quarter of 2024 consolidated financial statements. 2. To loan of funds to others by the Company. 3. Approval for 2025 annual audit plan. 4. Amendment to "Internal Control System" and "Internal Auditing Implementation Rules". 5. Amendment to "Audit Committee Charter".	None	Proposal passed by the Audit Committee.	Directors approved the proposal unanimously.
5 th Term 6 th Meeting 2025.01.17	1. To loan of funds to others by the Company and its subsidiaries.	None	Proposal passed by the Audit Committee.	Directors approved the proposal unanimously.
5 th Term 7 th Meeting 2025.02.12	1. To launch a public tender offer to acquire the common shares of FDK Corporation, a company listed on the Tokyo Stock Exchange.	None	Proposal passed by the Audit Committee.	Directors approved the proposal unanimously.

Audit Committee	Proposals	Contents of Independent Directors' Objection, Reservation or Major Suggestion	Resolution of Audit Committee	Company's Handling of Audit Committee Member's Opinion
5 th Term 8 th Meeting 2025.02.20	1. Approval for the 2024 consolidated financial statements and financial statements. 2. Appointment of certified public accountants and assessment of their independence and suitability with Audit Quality Indicators (AQI). 3. Approval for the Company's 2024 declaration of internal control system. 4. Approval for the donation to PSA Charitable Foundation.	None	Proposal passed by the Audit Committee.	1~3: Directors approved the proposal unanimously. 4: Mr. Yu-Heng Chiao and Ms. Chin-Hui Chen recused in the discussion and did not participate in discussion and voting. All other directors approved the proposal unanimously.
5 th Term 9 th Meeting 2025.03.28	1. Adoption of the Proposal for appropriation of 2024 earnings. 2. Amendment to "Articles of Incorporation". 3. Amendment to "Procedures for the Acquisition and Disposal of Assets".	None	Proposal passed by the Audit Committee.	Directors approved the proposal unanimously.
5 th Term 10 th Meeting 2025.04.18	1. To Issue Common Shares for Cash Capital Increase.	None	Proposal passed by the Audit Committee.	Directors approved the proposal unanimously.

(2) Except for the foregoing items, the items that were not approved by the Audit Committee but were resolved by more than two-thirds of all directors: No such situation.

(3) Main function of the Audit Committee

A. According to Article 3 of "Audit Committee Charter", the main function of the Audit Committee is to supervise the following matters:

- a. Fair presentation of the financial reports of the Company.
- b. The appointment (and dismissal), independence, and performance of certificated public accountants of the Company.
- c. The effective implementation of the internal control system of the Company.
- d. Compliance with relevant laws and regulations by the Company.
- e. Management of the existing or potential risks of the Company.

B. The Audit Committee totally held 14 meetings in the most recent year (up to the date of publication of the annual report), the main review proposals are as follows.

- a. Review of financial statements and accounting policy
 - Submit of Audit Committee's Review Report on 2025.03.28: The Board of Directors has prepared and submitted to Audit Committee, the 2024 Business Report and

Financial Statements. The Financial Statements have been duly audited by Certified Public Accountants Yen-Chun Chen and Meng-Chieh Chiu of Deloitte & Touche. The above Business Report and Financial Statements have been examined and determined to be correct by the undersigned.

- Review the quarterly financial statements.
 - b. Internal control system and procedures
 - Review of the declaration of internal control system.
 - Review of annual audit plan.
 - Review of amendment to "Audit Committee Charter".
 - Review of amendment to "Internal Control System" and "Internal Auditing Implementation Rules".
 - Review of amendment to "Articles of Incorporation".
 - Review of amendment to "Procedures for the Acquisition and Disposal of Assets".
 - c. Matters in which a director is an interested party
 - Review of the donation to PSA Charitable Foundation on 2024.02.22 and 2025.02.20.
 - d. Major transactions of assets and derivatives
 - Review of the proposal of launching a public tender offer to acquire the common shares of FDK Corporation, a company listed on the Tokyo Stock Exchange on 2025.02.12.
 - e. A material monetary loan, endorsement, or provision of guarantee
 - Review of the proposal of loaning of funds to others by the Company on 2024.10.30.
 - Review of the proposal of loaning of funds to others by the Company and its subsidiaries on 2025.01.17.
 - f. The offering, issuance, or private placement of any equity-type securities
 - Review of the proposal of retroactively processing the public issuance and the application for listing of the 2020 privately placed common shares on 2024.06.21.
 - Review of the proposal of issuing Common Shares for Cash Capital Increase on 2025.04.18.
 - g. Assessment of independence and suitability of the Certified Public Accountants.
 - Review of independence: Certified Public Accountants Yen-Chun Chen and Meng-Chieh Chiu and their audit team are in compliance with Article 10 of The Norm of Professional Ethics for Certified Public Accountants of R.O.C. and the accountant relevant laws.
 - Review of suitability: In addition to many years of auditing services, the two CPAs are familiar with the technology industry, understand the industry trends and are responsible for the certifying services of a number of TWSE/TPEX listed companies.
 - Review of appointment of Deloitte & Touche as the Certified Public Accountants of the Company with Audit Quality Indicators (AQI) on 2025.02.20.
 - h. The appointment or discharge of a financial, accounting, or chief internal auditor.
 - Review of appointment of Chief Internal Auditor on 2024.03.27.
 - i. Audit Committee performance evaluation
 - Audit Committee completed the 2024 performance self-evaluation survey in January 2025 and reported the results on 2025.02.20.
2. Independent Director recusals due to conflicts of interests totaled: No such situation.

3. Communication between independent directors, the chief internal auditor and CPAs (which should include major events, methods, results, etc. as regards the Company's financial and business conditions):

(1) Communication matters between independent directors, chief internal auditor and CPAs:

- A. Chief internal auditor shall report to the Audit Committee regarding the formulation and amendments of internal control system.
- B. Chief internal auditor shall report to the Audit Committee regarding the implementation and results of the annual self-inspection per year.
- C. Chief internal auditor shall report to the Audit Committee regarding annual audit plan and execution results quarterly.
- D. Chief internal auditor shall report to the Audit Committee regarding the findings of each audit operation and the follow-ups to the improvement.
- E. Chief internal auditor shall provide to the Audit Committee regarding the formulation and amendments of relevant regulations.
- F. Chief internal auditor shall report on the implementation and results of the audit project assigned by the Audit Committee.
- G. Chief internal auditor shall report and communicate with independent directors individually on the latest internal audit report before Audit Committee. (Meeting at least once a quarter)
- H. CPAs will report on the results of the quarterly or annual financial reports and the legislation or changes of the relevant laws and regulations in the audit committee meeting per year.
- I. Independent directors, chief internal auditor and CPAs may communicate independently anytime if necessary.

(2) Communication between independent directors and the chief internal auditor in the most recent year (up to the date of publication of the annual report):

- A. To report and communicate with independent directors individually on the latest internal audit report before Audit Committee.
- B. To report and communicate with the Audit Committee individually on internal control actions of the Company and subsidiaries by email/con-call each month.

Date	Communication Highlights	Results
2024.02.22	1. Internal audit report. 2. 2023 declaration of internal control system.	There are no comments at this meeting.
2024.03.27	Appointment of Chief Internal Auditor.	There are no comments at this meeting.
2024.04.23	Internal audit report.	There are no comments at this meeting.
2024.08.01	Internal audit report.	There are no comments at this meeting.
2024.10.30	1. Internal audit report. 2. Approval for 2025 annual audit plan. 3. Internal Control System Amendment. 4. Internal Auditing Implementation Rules Amendment.	There are no comments at this meeting.

Date	Communication Highlights	Results
2024.01.01~ 2024.12.31	12 audit and follow-up reports were sent to the Audit Committee for review. The Convener of the Audit Committee gave advice on each audit report. Internal audit executed and reported in accordance with the instructions of the Audit Committee.	Internal audit executed and reported in accordance with the instructions of the Audit Committee.
2025.2.20	1. Internal audit report. 2. 2024 declaration of internal control system.	There are no comments at this meeting.
2025.01.01~ 2025.04.30	4 audit and follow-up reports were sent to the Audit Committee for review. The Convener of the Audit Committee gave advice on each audit report. Internal audit executed and reported in accordance with the instructions of the Audit Committee.	Internal audit executed and reported in accordance with the instructions of the Audit Committee.

(3) Communication between independent directors and CPAs in the most recent year (up to the date of publication of the annual report):

Date	Communication Highlights	Results
2024.02.22	The audit results of the consolidated financial statements and financial statements for 2023 and the legislation or changes of the relevant laws and regulations.	The consolidated financial statements and financial statements for 2023 were reported to the Board of Directors after being approved by the Audit Committee, and publicly announced and reported to the authority as scheduled.
2024.10.30	1. The review results of the consolidated financial statements for the third quarter of 2024 and the legislation or changes of the relevant laws and regulations. 2. Project Meeting.	1. The consolidated financial statements for 2024 Q3 were reported to the Board of Directors after being approved by the Audit Committee, and publicly announced and reported to the authority as scheduled. 2. There are no comments at this meeting.
2025.02.20	The audit results of the consolidated financial statements and financial statements for 2024 and the legislation or changes of the relevant laws and regulations.	The consolidated financial statements and financial statements for 2024 were reported to the Board of Directors after being approved by the Audit Committee, and publicly announced and reported to the authority as scheduled.

- ◆ **Participation in board meetings by the supervisors:** Not applicable. The Company has established the Audit Committee to perform and supervise the functions of the supervisors as required by law.

2.3.3 Corporate Governance Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies

Assessment Item	Implementation Status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reason(s)
	Yes	No	Explanation	
1. Has the company set and disclosed the principles for practicing corporate governance according to the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?"	V		According to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", the Company has formulated "Corporate Governance Best Practice Principles" and which were disclosed on the Company's website.	In line with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
2. Shareholding Structure & Shareholders' Rights (1) Does company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters? If yes, has these procedures been implemented accordingly?	V		(1) The Company has established the "Procedure for Stock Affairs Management" and "Procedures for Handling Material Inside Information". The spokesperson, acting spokesperson and legal affairs unit are in charge of matters related to shareholders' advice.	In line with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(2) Does company possess a list of major shareholders and beneficial owners of these major shareholders?	V		(2) The Company is able to track shareholding by directors, managers and principal shareholders who hold 10% or more of the Company's shares. The Company also files the information with the authority as required.	In line with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(3) Has the company built and executed a risk management system and "firewall" between the company and its affiliates?	V		(3) The Company has established the "Procedure for Operating and Management of Subsidiaries", "Rules Governing Financial and Business Matters Between This Corporation and Its Related Parties", "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees" and "Procedures for the Acquisition and Disposal of Assets" in accordance with relevant laws and regulations in order to properly control the risks in the relationships between the Company and its affiliated corporations and developed adequate firewalls.	In line with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Assessment Item	Implementation Status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reason(s)
	Yes	No	Explanation	
(4) Has the company established internal rules prohibiting insider trading on undisclosed information?	V		(4) The Company has established the “Procedures for Handling Material Inside Information”, which has been passed by the Board of Directors, in order to prevent inside trading.	In line with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
3. Composition and Responsibilities of the Board of Directors (1) Has Board of Directors established a diversification policy and a specific management goal, and has it been implemented accordingly?	V		(1) The Company has formulated “Corporate Governance Best Practice Principles”, the third chapter, Strengthening Board Competencies, specifies the policy of board diversity. The nomination and election of members of the board of directors are in accordance with the Articles of Incorporation, adopting the candidate nomination system. Evaluating the qualifications of each candidate's education background and experience pursuant to the "Rules Governing the Election of Directors" and "Corporate Governance Best Practice Principles" to ensure the directors’ diversity and independence. Please refer to Section 2.1.5 for Diversity and Independence of the Board of Directors.	In line with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
(2) Other than the Remuneration Committee and the Audit Committee which are required by law, does the company plan to set up other Board committees?		V	(2) The Company has established the Audit Committee and the Remuneration Committee.	Under assessment.
(3) Has the company established methodology for evaluating the performance of its Board of Directors, on an annual basis, reported the results of performance to the Board of Directors and use the results as reference for directors’ remuneration and renewal?	V		(3) The Company has established the “Rules for Evaluating Board of Director and Functional Committee Performance”, which were enforced upon approval by the Board of Directors, based on which the Company conducts regular annual performance evaluations. The evaluation	In line with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Assessment Item	Implementation Status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reason(s)
	Yes	No	Explanation	
			<p>methods include the board's self-evaluation, board members' self-evaluation, and the Functional Committee's self-evaluation. External professional institutions or teams of experts and scholars are appointed to perform evaluation every three years. When electing or nominating members of the board of directors, the Company shall use the evaluation results of the performance as reference. The evaluation results shall also be reference for an individual director's remuneration.</p> <p>The internal evaluation for the 2024 board of directors has been completed in January, 2025. The results of internal evaluation for the 2024 board of directors were reported at the board meeting in February 20, 2025, and disclosed on the Company's website for investors' reference.</p>	
(4) Does the company regularly evaluate its external auditors' independence?	V		(4) The Audit Committee of the Company conducts regular annual assessments on the independence and suitability of the certified auditors and requires the certified auditors to provide a Statement of Independence and AQIs. The Company has confirmed that the auditors and the Company have no relations in terms of financial interest or business operation other than the fees for processing certifications and financial taxation cases; nor do the families of the auditors violate the requirement of independence. The most recent assessment was completed on February 20, 2025, and the results	In line with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Assessment Item	Implementation Status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reason(s)
	Yes	No	Explanation	
			<p>were reported to the board meeting, which approved the evaluation of the independence and suitability of the certified auditors. The Evaluation Items and results for CPAs independence review as follows:</p> <p>A. Doesn't have a direct or significant / indirect relations with the Company in financial interests.</p> <p>B. Doesn't have a commercial relationship with the Company, its directors or managers that affects independence.</p> <p>C. Doesn't hold the posts in the Company, such as the director and officer or occupied a key position with significant influence on the auditing process.</p> <p>D. Not having a relationship with a director or manager of the Company as a spouse, lineal blood relative, lineal relative by marriage, or collateral blood relative within the second degree of kinship.</p> <p>E. No great value gifts have been received from the Company or its directors, managers or major shareholders.</p> <p>F. Necessary independence/conflict of interest procedures have been implemented, and no violations of independence or unresolved conflicts of interest have been found.</p>	
4. Does the company appoint competent and appropriate corporate governance personnel and corporate governance officer to be in charge of	V		(1) The Company established a part-time corporate governance unit to be in charge of corporate governance affairs. CFO Wei-Lin Chen is	In line with the Corporate Governance Best Practice Principles for TWSE/TPEx

Assessment Item	Implementation Status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reason(s)
	Yes	No	Explanation	
corporate governance affairs (including but not limited to furnishing information required for business execution by directors, assisting directors' compliance of law, handling matters related to board meetings and shareholders' meetings according to law, and recording minutes of board meetings and shareholders' meetings, etc.)?			<p>appointed as the Corporate Governance Officer to safeguard the rights and interests of shareholders and strengthen the functions of the board of directors. CFO Wei-Lin Chen has many-year experience in conducting financial management and business meetings in listed companies. The primary responsibilities of the Corporate Governance Officer are as follows:</p> <ul style="list-style-type: none"> A. Handling matters related to board and shareholders' meetings in accordance with the law. B. Preparing the minutes of board and shareholders' meetings. C. Assisting directors in their appointment and continuing education. D. Providing information required by the directors for business execution. E. Assisting directors in complying with the law. F. Other matters set forth in the articles of association or the contract of the Company. <p>(2) 2024 business implementation status:</p> <ul style="list-style-type: none"> A. Invited suggestions from directors prior to a board meeting to facilitate preparation of the meeting agenda; and giving a minimum of 7-day notice to all directors to attend a meeting and providing sufficient materials for the directors to familiarize themselves with the items. Giving prior notice to the individuals that involve stakeholder interest and require 	Listed Companies.

Assessment Item	Implementation Status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reason(s)
	Yes	No	Explanation	
			<p>recusal. The minutes of the board meeting will be produced after the meeting. Held 9 board meetings, 8 Audit Committee meetings, and 4 Remuneration Committee meetings in 2024. Please refer to the Company's website for the details of the above meetings.</p> <p>B. Registered shareholders' meeting date within the period stipulated by law (2024 shareholders' meeting was held on June 4), assisted in running the meeting, and filing with the authority the shareholders' meeting notice, agenda, and minutes by the statutory deadline every year.</p> <p>C. Inspected the disclosure of material information passed after a board meeting or shareholders meeting in order to ensure the legality and accuracy of said material information and protect parity of investor information.</p> <p>D. Kept members of the board informed of latest changes and developments in laws and regulations regarding corporate governance and management to facilitate director compliance.</p> <p>E. Assisted directors in creating study plans or enrolling in courses based on the characteristics of the Company's business activities and the education and experience of respective directors.</p>	

Assessment Item	Implementation Status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reason(s)
	Yes	No	Explanation	
			<p>F. Arranged communication between independent directors and chief internal auditor/Certified Public Accountants during Audit Committee meetings.</p> <p>G. Executed and completed the internal performance evaluation for the 2024 board of directors and Functional Committee. The results have been reported at the board meeting in February, 2025.</p>	
5. Has the company established a means of communicating with its Stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) or created a Stakeholders Section on its company website? Does the company respond to stakeholders' questions on corporate responsibilities?	V		The Company has established its spokesperson and Investor Relations Contact. Stakeholders communication channels have been established via the Company's website, telephone, and fax. The communication with stakeholders in the most recent year was disclosed on the Company's website for investors' reference.	In line with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
6. Has the company appointed a professional registrar for its Shareholders' Meetings?	V		The Company has appointed Yuanta Securities Co., Ltd. to handle matters related to shareholders' meetings.	In line with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
<p>7. Information Disclosure</p> <p>(1) Has the company established a corporate website to disclose information regarding its financials, business and corporate governance status?</p>	V		(1) The Company has disclosed the latest information regarding its products, finance, and human resources on its website.	In line with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Assessment Item	Implementation Status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reason(s)
	Yes	No	Explanation	
(2) Does the company use other information disclosure channels (e.g. maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	V		(2) Dedicated personnel are in charge of collecting and disclosing such information in both Chinese and English versions for the reference of shareholders and stakeholders. Furthermore, the Company implements and complies with the "Procedures for Handling Material Inside Information" which has been established.	In line with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(3) Does the company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline?	V		(3) The Company announces and reports the annual financial statements within two months after the end of the fiscal year, the first, second, and third quarter financial statements earlier before the prescribed deadline as well as the operating status of each month on 6 th ~ 8 th next month.	In line with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
8. Has the company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)?	V		<p>(1) Each employee has a copy of the Employee Handbook, which clearly specifies the rights and obligations of and Code of Conduct for employees.</p> <p>(2) The Company attaches importance to employee care. Apart from arranging regular interviews with supervisors regarding career planning, the Company has also established channels for employee complaint (including the Sexual Assault Prevention Hotline and relevant regulations).</p> <p>(3) The Company has established an Investor Relations Contact, in which designated customer service officers communicate with investors at any time; the Company's website is also available for stakeholders' reference.</p> <p>(4) The Company has been collaborating with major clients and suppliers for years and has formed</p>	In line with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Assessment Item	Implementation Status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reason(s)
	Yes	No	Explanation	
			<p>strategic partnerships, in which the Company and business partners facilitate reciprocal developments under the protection of sound contracts and regulations, thus maintaining a close relationship in pursuit of common prosperity.</p> <p>(5) The Company attaches great importance to its relationship with stakeholders based on common interests, and steadfastly observes its duties to create prosperity.</p> <p>(6) All directors have professional backgrounds and practical experience in the industry and receive advanced trainings according to their individual professional requirements (please refer to Section 2.3.11 for details on Advanced Training Courses for Directors). The Company not only regularly reports the amendments to relevant laws and regulations to the Audit Committee and the Board of Directors, but also provides information regarding relevant laws and regulations when deemed necessary.</p> <p>(7) The Company has established internal policies and management regulations in accordance with the law, and implements various risk management and regular self-assessments.</p> <p>(8) “Customers first” is the established policy of the Company, through which it has gained customers’ trust and recognition. The Company also closely follows payment and credit statuses to protect its rights.</p>	

Assessment Item	Implementation Status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reason(s)
	Yes	No	Explanation	
			(9) The Company has purchased Directors and Officers Liability Insurance, and reported it to the Board of Directors after the policies became effective.	
9. With respect to the results of the annual Corporate Governance Evaluation most recently issued by the Corporate Governance Center of Taiwan Stock Exchange, please describe the improvements and provide priority and measures to enhance those matters that have not yet been improved. The Company will continue considering the possible measures to enhance the results of the Corporate Governance Evaluation.				

2.3.4. Duties, Composition and Operation of the Remuneration Committee:

♦ Duties of the Remuneration Committee

The Remuneration Committee was established in 2011 to strengthen corporate governance.

The functions of the Committee are to professionally and objectively evaluate the policies and systems for compensation of the directors and managers and submit recommendations to the board of directors for its reference in decision making. The scope of duties includes:

1. Periodically reviewing the Remuneration Committee Organizational Rules and making recommendations for amendments.
2. Establishing and periodically reviewing the performance assessment and the policies, systems, standards, and structure for the compensation of the director and managers.
3. Periodically assessing the compensation of the directors and managers.

The Committee shall perform the duties under the preceding paragraph in accordance with the following principles:

1. Ensuring that the compensation arrangements comply with applicable laws and regulations and are sufficient to recruit outstanding talent.
2. Performance assessments and compensation levels of directors and managers shall take into account the general pay levels in the industry, individual performance assessment results, the time spent by the individual and their responsibilities, the extent of goal achievement, their performance in other positions, and the compensation paid to employees holding equivalent positions in recent years. Also to be evaluated are the reasonableness of the correlation between the individual's performance and the operational performance and future risk exposure, with respect to the achievement of short-term and long-term business goals and the financial position of the Company.
3. There shall be no incentive for the directors or managers to pursue compensation by engaging in activities that exceed the tolerable risk level of the Company.
4. For directors and top management, the percentage of remuneration to be distributed based on their short-term performance and the time for payment of any variable compensation shall be decided with regard to the characteristics of the industry and the nature of the Company's business.
5. Reasonableness shall be taken into account when the contents and amounts of the compensation of the directors and managers are set. It is not advisable for decisions on the compensation of the directors and managers to run contrary to financial performance to a material extent.
6. When a meeting of the Remuneration Committee will discuss the remuneration of any member of the Remuneration Committee, it will be clearly stated at the meeting. If there is likely to be that member's individual compensation involved or any prejudice to the interests of the Company, that member may not participate in the discussion or voting and shall enter recusal during the discussion and voting. The member also may not act as another Remuneration Committee member's proxy to exercise voting rights on that matter.

◆ Information of the members of the Remuneration Committee

Identity	Criteria	Professional Qualification Requirements and Work Experience	Independence Criteria	Number of Other Public Companies in Which the Member Concurrently Serving as a Remuneration Committee Member
	Name			
Independent Director (Convener)	Te-Pin Chi	Please refer to Section 2.1.4 Professional Qualifications of Directors and Independence of Independent Directors.		0
Independent Director	Tien-Chun Tsai			0
Independent Director	I-Ming Chen			3

◆ **Information on Operation of the Remuneration Committee**

1. The Company's Remuneration Committee is comprised of three members.
2. Term for the current committee members: From June 4, 2024 to June 3, 2027. The Remuneration Committee totally held 7 (A) meetings in the most recent year (up to the date of publication of the annual report). and the job titles and attendance records of the committee members are as follows:

Title	Name	Attended in Person (B)	Attended by Proxy	Attendance Percentage (%) (B/A)	Remarks
Convener	Te-Pin Chi	6	1	86	Re-elected on 2024/06/04
Member	Tien-Chun Tsai	7	0	100	Re-elected on 2024/06/04
Member	I-Ming Chen	4	0	100	Appointed on 2024/6/4
Member	Te-Chen Chiu	3	0	100	Retired on 2024/6/4

Other matters that need to be recorded in meeting minutes:

- (1) The Remuneration Committee meetings held in 2024 and up to the date of publication of the annual report, the meeting date, meeting number, the proposal contents, the resolution of the Remuneration Committee and the Company's handling of the opinions of the members of the Remuneration Committee:

Remuneration Committee	Proposals	Resolution of Remuneration Committee	Company's Handling of Remuneration Committee Member's Opinion
5 th term 12 th Meeting 2024.01.31	1. Employees and Directors Compensation Ratio for 2023. 2. Chairman and Managerial Officers' Bonuses for 2023.	Proposal passed by the Remuneration Committee.	1: Directors approved the proposal unanimously. 2: Mr. Yu-Heng Chiao recused in the discussion and did not participate in discussion and voting. All other directors approved the proposal unanimously.
5 th term 13 th Meeting 2024.02.22	1. Employees and Directors Compensation Amount for 2023. 2. Managerial Officers' Bonuses for the Second Half of 2023.	Proposal passed by the Remuneration Committee.	Directors approved the proposal unanimously.
5 th term 14 th Meeting 2024.03.27	1. Managerial Officers' Bonuses for the Second Half of 2023. 2. The Compensation of Managerial Officers for 2023. 3. The Compensation of Directors for 2023.	Proposal passed by the Remuneration Committee.	Directors approved the proposal unanimously.

Remuneration Committee	Proposals	Resolution of Remuneration Committee	Company's Handling of Remuneration Committee Member's Opinion
6 th term 1 st Meeting 2024.08.01	1. Election of the Convener for the 6 th Term Remuneration Committee. 2. Managerial Officers' Bonuses for the First Half of 2024 and the Salary Adjustments.	Proposal passed by the Remuneration Committee.	1: The decision has been executed. 2: Directors approved the proposal unanimously.
6 th term 2 nd Meeting 2025.01.17	1. Employees and Directors Compensation Ratio for 2024. 2. Amendment to the "Procedures for Directors' Remuneration". 3. Adjusting President's Compensation and Remuneration Standards. 4. Chairman and Managerial Officers' Bonuses for 2024.	Proposal passed by the Remuneration Committee.	1~3: Directors approved the proposal unanimously. 4: Mr. Yu-Heng Chiao recused in the discussion and did not participate in discussion and voting. All other directors approved the proposal unanimously.
6 th term 3 rd Meeting 2025.02.20	1. Employees and Directors Compensation Amount for 2024. 2. Managerial Officers' Bonuses for the Second Half of 2024.	Proposal passed by the Remuneration Committee.	Directors approved the proposal unanimously.
6 th term 4 th Meeting 2025.03.28	1. Defining the Scope of Non-Executive Employees. 2. The Compensation of Managerial Officers for 2024. 3. The Compensation of Directors for 2024.	Proposal passed by the Remuneration Committee.	Directors approved the proposal unanimously.

(2) There was no recommendation of the Remuneration Committee which was not adopted or was modified by the Board of Directors.

(3) There were no written or otherwise recorded resolutions on which a member of the Compensation Committee had a dissenting opinion or qualified opinion.

2.3.5 The State of the Company's Promotion of Sustainable Development

- ♦ The State of the Company's Promotion of Sustainable Development, Any Variance from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the Reason for Any Such Variance

Assessment Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Explanations	
1. Has the company established and promoted a sustainable development governance structure and set up a dedicated (or non-dedicated) unit for the promotion of sustainable development, and has the Board of Directors authorized the senior management to handle relevant issues and does the Board supervise the state of affairs with respect to the preceding? (Note 1)	V		<p>In order to fulfill corporate social responsibility, promote economic, environmental and social progress, and achieve the goal of sustainable development, the Company has established the Sustainable Development and Integrity Management Committee, responsible for planning and formulating sustainable strategies and operations covering environmental, social and corporate governance (ESG), and formulating and supervising the implementation of Ethical Management Policy and prevention plans. The Sustainable Development and Integrity Management Committee reports to the Board of Directors quarterly based on the implementation of sustainable development and future work priorities. The Board of Directors also provides guidance on sustainable development management policies, strategy and goal setting, and review measures.</p> <p>In 2024, the Committee reported to the Board of Directors four times, on February 22, April 23, August 1, and October 30 with the following content:</p> <p>(1) Greenhouse Gas Inventory and Verification Schedule Planning Planning and Development of Sustainable Development Goals Sustainable Information Management and</p>	In line with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Assessment Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Explanations	
			<p>Control Operations: Establishing the Company's "Sustainability Report Compilation Procedures"</p> <p>Preparation of the Sustainability Report</p> <p>(2) Risk Management</p> <p>Definition of operation procedure</p> <p>Education, training and publicity</p> <p>(3) Intellectual property management/information security management</p> <p>Revision of company procedure</p> <p>Education and training</p> <p>Audit program</p> <p>(4) Integrity Management</p> <p>(5) Education and training</p> <p>(6) Stakeholder Communication</p> <p>In addition, we have formulated goals and strategies for sustainability, and tracked the effectiveness of actual implementation.</p>	
2. Has the company conduct risk assessments of environmental, social and corporate governance issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note1 、 2)	V		<p>This disclosure and the scope of the risk assessment cover the Company's sustainability performance from January to December 2024. In accordance with the principle of materiality, regarding the matters concerned by ESG in the risk assessment of environmental, social and corporate governance issues related to the Company's operations, the Company has formulated the "Sustainable Development Best Practice Principles", "Corporate Ethics Code of Conduct", "Corporate Governance Best Practice Principles" and "Regulations for Ethical Business Operations", which are complying with the Responsible Business Alliance Code of Conduct and related risk management policies.</p>	In line with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Assessment Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons													
	Yes	No	Explanations														
			<p>In addition, the Company assesses ESG issues of materiality with reference to the GRI criteria, stakeholder feedback and consolidation of assessment information from various departments and subsidiaries, and establishes relevant risk management policies or strategies as follows:</p> <table><tr><th>Significant Issues</th><th>Risk Assessment Items</th><th>Description</th></tr><tr><td rowspan="2">Environment</td><td>Environmental impact and management</td><td>1. Regulatory compliance (international standards, factory location laws) 2. Obtain ISO 14001 environmental certification 3. Regular greenhouse gas inventories according to ISO 14064-1 4. Waste management and water management</td></tr><tr><td>Green production</td><td>1. 3R (Reduce/Reuse/Recycle) principle into product design 2. EU RoHS compliant 3. Investment in the green energy industry (Walsin New Energy Corporation), with a goal to achieving 100% utilization of renewable energy in the enterprise</td></tr><tr><td rowspan="2">Society</td><td>Labor-employer relationship</td><td>1. Human rights and work rights 2. Human Resources Policy 3. Salary and benefits</td></tr><tr><td>Occupational safety and health</td><td>1. Compliance with regulations 2. Regular fire drills, safety and health education and training, work environment monitoring, and employee health check-up services</td></tr></table>	Significant Issues	Risk Assessment Items	Description	Environment	Environmental impact and management	1. Regulatory compliance (international standards, factory location laws) 2. Obtain ISO 14001 environmental certification 3. Regular greenhouse gas inventories according to ISO 14064-1 4. Waste management and water management	Green production	1. 3R (Reduce/Reuse/Recycle) principle into product design 2. EU RoHS compliant 3. Investment in the green energy industry (Walsin New Energy Corporation), with a goal to achieving 100% utilization of renewable energy in the enterprise	Society	Labor-employer relationship	1. Human rights and work rights 2. Human Resources Policy 3. Salary and benefits	Occupational safety and health	1. Compliance with regulations 2. Regular fire drills, safety and health education and training, work environment monitoring, and employee health check-up services	
Significant Issues	Risk Assessment Items	Description															
Environment	Environmental impact and management	1. Regulatory compliance (international standards, factory location laws) 2. Obtain ISO 14001 environmental certification 3. Regular greenhouse gas inventories according to ISO 14064-1 4. Waste management and water management															
	Green production	1. 3R (Reduce/Reuse/Recycle) principle into product design 2. EU RoHS compliant 3. Investment in the green energy industry (Walsin New Energy Corporation), with a goal to achieving 100% utilization of renewable energy in the enterprise															
Society	Labor-employer relationship	1. Human rights and work rights 2. Human Resources Policy 3. Salary and benefits															
	Occupational safety and health	1. Compliance with regulations 2. Regular fire drills, safety and health education and training, work environment monitoring, and employee health check-up services															

Assessment Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons										
	Yes	No	Explanations											
			<table><tr><th>Significant Issues</th><th>Risk Assessment Items</th><th>Description</th></tr><tr><td rowspan="3">Corporate governance</td><td>Socio-economic and regulatory compliance</td><td>1. Create long-term stable business performance 2. Implement internal control management and integrity management to ensure that all employees and operations comply with relevant laws and regulations</td></tr><tr><td>Strengthening the role of directors</td><td>1. Planning annual education programs for directors 2. Provide development and policy revision of laws and regulations related to the Company's business areas and corporate governance 3. Insure directors' liability insurance</td></tr><tr><td>Stakeholder communication</td><td>1. Analyze issues of concern 2. Establish communication channels</td></tr></table>	Significant Issues	Risk Assessment Items	Description	Corporate governance	Socio-economic and regulatory compliance	1. Create long-term stable business performance 2. Implement internal control management and integrity management to ensure that all employees and operations comply with relevant laws and regulations	Strengthening the role of directors	1. Planning annual education programs for directors 2. Provide development and policy revision of laws and regulations related to the Company's business areas and corporate governance 3. Insure directors' liability insurance	Stakeholder communication	1. Analyze issues of concern 2. Establish communication channels	
Significant Issues	Risk Assessment Items	Description												
Corporate governance	Socio-economic and regulatory compliance	1. Create long-term stable business performance 2. Implement internal control management and integrity management to ensure that all employees and operations comply with relevant laws and regulations												
	Strengthening the role of directors	1. Planning annual education programs for directors 2. Provide development and policy revision of laws and regulations related to the Company's business areas and corporate governance 3. Insure directors' liability insurance												
	Stakeholder communication	1. Analyze issues of concern 2. Establish communication channels												
3. Environmental Topic (1) Has the company set an environmental management system designed to industry characteristics?	V		(1) In accordance with relevant laws and the characteristics of the products, the Company has established an environmental management system, and has updated the system in accordance with the amendments to the law. The Company has actively implemented the establishment of relevant systems, including obtaining ISO 14001 Environmental Management System certification and ISO 14064-1 greenhouse gas emissions inventory verification and certification.	In line with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.										
(2) Is the company committed to improving resource efficiency and to the use of renewable materials	V		(2) The Company is committed to improving the efficiency of the various energy and to use	In line with the Sustainable Development Best Practice										

Assessment Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Explanations	
with low environmental impact?			<p>recycled materials that have a low impact on the environment. The green design concept has been incorporated into the research and development of products. For instance, eco-friendly materials, as well as manufacturing processes without environmental impact, have been introduced. The Company's green design principle and HSF policy ensures that the raw materials and products manufactured by the Company can meet the EU's Hazardous Substance Free standards.</p> <p>To effectively manage energy usage and enhance energy efficiency, while further improving our corporate environmental image, we are implementing an Energy Management System. This includes developing energy efficiency improvement programs aimed at achieving a triple-win objective: reducing energy costs, conserving energy and reducing carbon emissions, and enhancing corporate image.</p> <p>Since 2023, the Company has invested NT\$5 million in the establishment of Walsin New Energy Corporation, a company focused on sustainable development, net-zero carbon emissions, and green renewable energy. Walsin New Energy Corporation is committed to low-carbon and energy transformation, systematically engaging in the investment, development, construction, and operation of</p>	Principles for TWSE/TPEX Listed Companies.

Assessment Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Explanations	
			<p>renewable energy projects, and also evaluates and procures energy through green trading platforms and plans the installation of energy storage systems to enhance grid resilience and safety.</p> <p>In 2023, Walsin New Energy Corporation planned an investment of NT\$69 million to construct a 1.5 MW solar power facility, expected to generate an average of 1,739,113 kWh of green electricity annually. This is equivalent to a reduction of 860.86 tons of carbon emissions per year, comparable to planting 956 trees over approximately 78.98 hectares of forest. Over the next 20 years, the total energy output is projected to be 17,217.22 tons, equivalent to 44.55 Daan Forest Park. Additionally, the project is expected to generate an average of 1,739 green certificates annually. The next phase involves evaluating and developing a 10 MW renewable energy project, aiming to accelerate the Company's ultimate goal of 100% renewable energy usage.</p>	
(3) Does the company evaluate current and future climate change potential risks and opportunities and take measures related to climate related topics?	V		(3) The Company pays attention to the impacts of climate change on its operations and implements inspections on GHGs emissions, verification by external agencies, and establishes energy conservation, carbon reduction, and greenhouse gas reduction strategies. The Company enforces its energy-	In line with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Assessment Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Explanations	
			saving and carbon-reducing policies in its operational activities. Relevant measures include refraining from using paper cups, exercising resources recycling and classification, switching off equipment when not in use, switching off lights during midday breaks, switching off computers after working hours, using water resources efficiently, setting up an electronic verification system, reducing the use of printed forms and documents and encouraging double-sided printing. Besides managing the impacts of climate change on its operations, the Company also requires and assists suppliers to follow up on this matter.	
(4) Does the company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set energy conservation, greenhouse gas emissions reduction, water usage reduction and other waste management policies?	V		(4) A. Greenhouse gas: In response to the global trend of reducing greenhouse gas emissions, the Company is actively tracking reduction efforts through the Sustainability Development and Integrity Management Committee. In 2022, we set a target to reduce carbon emissions by 40% by 2030. To achieve this, we have implemented various measures, including: Replacing lighting fixtures and bulbs with energy-efficient equipment in all factory areas and offices, gradually replacing old air conditioning units with energy-efficient models, fostering a culture of energy conservation among employees, collaborating with security personnel to conduct regular inspections	In line with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Assessment Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Explanations	
			<p>and ensure effective implementation, and evaluating the feasibility of various green energy sources.</p> <p>The Company adheres to domestic and international greenhouse gas regulations and guidelines, including the Environmental Protection Administration's Greenhouse Gas Inventory and Reporting Guidelines and the ISO 14064-1 standard. We have developed a professional greenhouse gas inventory system and established greenhouse gas management practices in accordance with ISO standards.</p> <p>Since 2016, the Company has conducted self-assessments of greenhouse gas emissions and, starting in 2016, engaged external organizations for verification. This data serves as a reference for our reduction strategies and supports carbon trading and corporate carbon asset management. We have inventoried greenhouse gas emissions based on our activities, products, and services. The inventory covers Shenzhen Xurong factory including the types of greenhouse gases and operational scopes as detailed in the following table. We have also commissioned qualified third-party testing companies to regularly measure actual emissions at the factory (recent emission data is provided in the table). Testing agencies: Shenzhen Huabao Technology Co.,</p>	

Assessment Item	Implementation Status				Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons				
	Yes	No	Explanations						
			Ltd., Beijing Peace Carbon Environmental Technology Ltd.						
			Greenhouse Gas Emissions (Unit: tCO _{2e})						
			Year	2021		2022	2023		
			Scope 1	5.27		4.42	6.37		
			Scope 2	3,373.98		2,611.18	1,855.83		
			Total	3,379.25		2,615.60	1,862.20		
			Greenhouse Gas Reduction Targets and Results						
			Type	Pollutant Name		Emission Standard	Actual Measured Values		Target Control Values
							2023	2024	2025~2027
			Waste Gas	Benzene		1mg /m ³	0.13	0.01	0.02~0.2
				Toluene		40mg /m ³	0.25	0.08	0.04~0.5
				Xylene		70mg /m ³	0.02	0.03	0.02~0.2
				Toluene + Xylene		15mg /m ³	0.27	0.11	0.3~0.5
				Total VOCs		120mg /m ³	7.69	1.49	5~10
			The Company has established reduction targets based on the local regulations, environmental requirements, international standards, and the characteristics of our products at the Shenzhen Xurong factory.						

Assessment Item	Implementation Status				Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons																																							
	Yes	No	Explanations																																									
			<table><tr><th rowspan="2">Year</th><th colspan="2">Actual</th><th colspan="3">Estimated</th></tr><tr><th>2023</th><th>2024</th><th>2025</th><th>2026</th><th>2027</th></tr><tr><td>Industrial value increased (ten thousand RMB)</td><td>773</td><td>118</td><td>850</td><td>850</td><td>850</td></tr><tr><td>Target Carbon Intensity (tons/ten thousand tons)</td><td>1.4360</td><td>1.4360</td><td>1.0447</td><td>0.8353</td><td>0.6682</td></tr><tr><td>Carbon Emissions (tons)</td><td>1,110</td><td>169</td><td>888</td><td>710</td><td>568</td></tr></table> <p>The Company conducted a greenhouse gas inventory for the parent company in 2023 according to ISO 14064-1 and obtained certification. The relevant data is as follows:</p> <table><tr><th colspan="2">Greenhouse Gas Emissions (Unit: tCO_{2e})</th></tr><tr><th>Year</th><th>2023</th></tr><tr><td>Scope 1</td><td>290.96</td></tr><tr><td>Scope 2</td><td>1,855.43</td></tr><tr><td>Total</td><td>2,146.39</td></tr></table> <p>B. Water consumption: The Company's Sustainability Development and Integrity Management Committee has proposed a 20% water conservation target for 2025. In addition to establishing water-saving evaluation indicators and water usage plans, we plan to gradually replace water-saving and water control equipment and implement rainwater harvesting for reuse. Considering the Company's activities, products and services, the following table</p>			Year	Actual		Estimated			2023	2024	2025	2026	2027	Industrial value increased (ten thousand RMB)	773	118	850	850	850	Target Carbon Intensity (tons/ten thousand tons)	1.4360	1.4360	1.0447	0.8353	0.6682	Carbon Emissions (tons)	1,110	169	888	710	568	Greenhouse Gas Emissions (Unit: tCO _{2e})		Year	2023	Scope 1	290.96	Scope 2	1,855.43	Total	2,146.39
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	Yes	No	Explanations													
			<p>shows the water consumption of Shenzhen Xurong factory, under the implementation of water resource management, the water usage in 2023 and 2024 decreased by approximately 31% and 20%, respectively, compared to the previous year.</p> <p style="text-align: right;">Unit: ton/RMB</p> <table><tr><td>Items</td><td>2022</td><td>2023</td><td>2024</td></tr><tr><td>Water volume</td><td>20,939</td><td>14,380</td><td>11,434</td></tr><tr><td>Water + Sewage + Garbage disposal fee</td><td>106,103</td><td>79,269</td><td>62,962</td></tr></table> <p>C. Waste: The Company's Sustainability Development and Integrity Management Committee has set a waste reduction target of 30% for 2035. The Company is actively promoting our employees to improve the waste separation rate and reduce the amount of waste generated by our business, and we are also communicating with cleaners and researching recycling technology to increase the recycling rate of waste and achieve the goal of zero waste to landfill.</p> <p>The weight of waste disposal of Shenzhen Xurong factory in the recent years is as follows:</p>	Items	2022	2023	2024	Water volume	20,939	14,380	11,434	Water + Sewage + Garbage disposal fee	106,103	79,269	62,962	
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Assessment Item	Implementation Status				Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons																		
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			<div>Unit: ton</div> <table><tr><td>Year</td><td>2022</td><td>2023</td><td>2024</td></tr><tr><td>Hazardous waste</td><td>14.80</td><td>12.90</td><td>12.20</td></tr><tr><td>Non-hazardous waste</td><td>23.30</td><td>8.60</td><td>15.23</td></tr><tr><td>Total</td><td>38.10</td><td>21.50</td><td>27.43</td></tr></table>				Year	2022	2023	2024	Hazardous waste	14.80	12.90	12.20	Non-hazardous waste	23.30	8.60	15.23	Total	38.10	21.50	27.43	
Year	2022	2023	2024																				
Hazardous waste	14.80	12.90	12.20																				
Non-hazardous waste	23.30	8.60	15.23																				
Total	38.10	21.50	27.43																				
4. Social Topic (1) Does the company set policies and procedures in compliance with regulations and internationally recognized human rights principles?	V		(1) The Company has formulated and implemented relevant management policies and procedures in accordance with relevant local laws and regulations and international human rights bills (including the UN Universal Declaration of Human Rights, the International Labor Office’s Tripartite Declaration of Principles, the OECD Guidelines for Multinational Enterprises, and the Responsible Business Alliance Code of Conduct). At the same time, the Company conducts education and training, and post human rights treaties on our bulletin boards so that our employees will pay attention to these issues. The following principles are strictly adhered to and practiced so that the legitimate rights and interests of our employees are fully protected : A. Lawful employment B. Free from sexual harassment and discrimination C. Fair performance evaluation and management system D. Occupational safety and health education				In line with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.																

Assessment Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Explanations	
			and training E. Human rights risk assessment and mitigation strategy	
(2) Has the company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation?	V		(2) The Company pays attention to employee welfare and provides comprehensive care for our employees. The Company offers a group insurance plan for our employees so that they are covered in case of accidents or in need of hospitalization. The Company has a cafeteria and shop to take care of employees' dietary needs. The Company sets welfare funds and established an employee welfare committee to organize various welfare activities: year-end parties, employee trips, club activities subsidies, and other benefits, such as birthday and holiday gifts, scholarships for employee's children, and wedding, childbirth, and military service subsidies. The Company spares no effort in caring for our employees. In accordance with the Labor Standards Law, the Company provides leave and annual vacations to encourage employees taking vacations and maintaining work and life balance. We are committed to providing a dignified and safe working environment for our employees. We practice diversity in employment, fairness in compensation and promotion opportunities, and ensure that employees are not subjected to discrimination, harassment, or unequal treatment on the basis of race, sex, religious beliefs, age, political affiliation, or any other	In line with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Assessment Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons																													
	Yes	No	Explanations																														
			<p>status protected by applicable laws and regulations.</p> <p>We value the diversity of our workforce, and in addition to providing job security for our local employees, we also encourage newcomers to join the Company when recruiting. We value the culture and customs of our employees from different countries, and we have never violated their right to work or human rights.</p> <table border="1"> <tr> <th colspan="3">Employee Ethnicity Indicators</th> </tr> <tr> <th>Category</th> <th>Percentage of all employees</th> <th>Percentage of management</th> </tr> <tr> <td>Republic of China</td> <td>66%</td> <td>100%</td> </tr> <tr> <td>Foreigner</td> <td>31%</td> <td>0%</td> </tr> <tr> <td>New Resident</td> <td>3%</td> <td>0%</td> </tr> </table> <table border="1"> <tr> <th colspan="2">Gender Diversity Index (for Women)</th> </tr> <tr> <th>Category</th> <th>%</th> </tr> <tr> <td>Percentage of women in the total workforce</td> <td>75.6%</td> </tr> <tr> <td>Percentage of women in all managerial positions</td> <td>51.4%</td> </tr> <tr> <td>Percentage of women in entry-level management</td> <td>73.3%</td> </tr> <tr> <td>Percentage of women in senior management (manager level above)</td> <td>42.8%</td> </tr> <tr> <td>Percentage of women in revenue-generating units</td> <td>83.3%</td> </tr> </table>	Employee Ethnicity Indicators			Category	Percentage of all employees	Percentage of management	Republic of China	66%	100%	Foreigner	31%	0%	New Resident	3%	0%	Gender Diversity Index (for Women)		Category	%	Percentage of women in the total workforce	75.6%	Percentage of women in all managerial positions	51.4%	Percentage of women in entry-level management	73.3%	Percentage of women in senior management (manager level above)	42.8%	Percentage of women in revenue-generating units	83.3%	
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			<div> <div>Other indicators of diversification</div> <table> <tr> <th colspan="2">Category</th> <th>Percentage of Full-Time Employee Equivalents (FTEs)</th> </tr> <tr> <td rowspan="4">All Staff (by age group)</td> <td><30 years old</td> <td>40.7%</td> </tr> <tr> <td>30-50 years old</td> <td>47.7%</td> </tr> <tr> <td>>50 years old</td> <td>11.6%</td> </tr> <tr> <td>Total</td> <td>100%</td> </tr> </table> <p>The Company has formulated a reasonable salary compensation policy. It has established the Remuneration Committee, and stipulated in Article 15 of its Articles of Incorporation that 2%~10% of the Company’s annual profit should be allocated for employees’ remuneration.</p> </div>	Category		Percentage of Full-Time Employee Equivalents (FTEs)	All Staff (by age group)	<30 years old	40.7%	30-50 years old	47.7%	>50 years old	11.6%	Total	100%	
Category		Percentage of Full-Time Employee Equivalents (FTEs)														
All Staff (by age group)	<30 years old	40.7%														
	30-50 years old	47.7%														
	>50 years old	11.6%														
	Total	100%														
(3) Does the company provide employees with a safe and healthy working environment, with regular safety and health training?	V		<p>(3) The Company is committed to providing a safe and healthy work environment for employees:</p> <p>A. The Company holds annual health checkups service for employees and adds more health checkup items in addition to those required by law. The Company has contract doctors and nurses to monitor the five major types of workplace hazards, including chemical, physical, human, biological, and psychosocial hazards, to provide employees with health improvement and consultation programs.</p> <p>B. The Company has also formulated implementation rules for industrial safety and principles for safe and healthy operations. In addition to labor safety matters irregularly discussed by the Labor</p>	In line with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.												

Assessment Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Explanations	
			<p>Safety and Health Committee, the Company also implements safety and health trainings based in our production locations, which focus on improving employee quality and raising employees' awareness of environmental safety and health, in order to enhance environmental and occupational health and safety management.</p> <p>C. The total number of employees of the Company is 1,687. The total number of occupational accidents in 2024 was 0. The Company conducts occupational disaster prevention drills every year to equip employees with the ability to respond to emergencies in occupational disasters, and in previous years, when occupational disasters occurred, the Company carried out investigations of the accidents to find out the root causes of the accidents, carried out the necessary works, made administrative improvements, or provided the necessary safety and hygiene protection equipment, and strengthened the necessary safety and hygiene education, training, and publicity to avoid the recurrence of the same accidents.</p> <p>D. The total number of fires in 2024 was 0. The Company inspects the fire safety equipment every month and reports the fire safety equipment inspection and repair before November every year. The Company implements self-defense firefighting group</p>	

Assessment Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Explanations	
			drills every six months, and appoints fire brigade safety inspectors to instruct the firefighting drills on-site every two years, and strictly executes the fire prevention and safety measures in daily life in order to avoid the occurrence of accidents.	
(4) Has the company established effective career development training plans?	V		(4) To develop an effective career development plan for employees, the Company has established comprehensive talent development programs and offers internal and external training lectures. The education and training plans include new employee orientation, professional development, leadership, conflict management, promotion of a friendly workplace, the seven QC tools, SPC quality management, process control and capability enhancement, occupational safety and health, information security, AI applications, ChatGPT applications, auditing, insider trading prevention, legal knowledge promotion, health seminars, standard working hours and capacity planning, 8D problem analysis and resolution, and PFMEA (Process Failure Mode and Effects Analysis) implementation. Supervisors and colleagues are all included in these trainings. The Company pays great attention to talent development, and encourages lifelong learning. The goal is to build a platform to identify outstanding talents and develop their potential and enthusiasm to retain these key talents. They can work together to accomplish the	In line with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Assessment Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Explanations	
			Company's policies, strategies, and improvement goals, and continuously improve the Company's overall organizational competitiveness.	
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer or customer protection and grievance policies?	V		(5) The Company's product and service comply with the Responsible Business Alliance Code of Conduct for customers' health and safety, privacy, sales, and labeling. The Company has established consumer or customer protection mechanisms and complaint procedures regarding R&D, purchasing, production, operation and service. Protecting customer or customer rights is a consistent policy of the Company. In addition, the Company's official website not only provides product descriptions, but also its contact details.	In line with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
(6) Does the company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status?	V		(6) The Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right. All of our suppliers have been evaluated by new suppliers evaluation process and registered in our ERP system. In order to fulfill the corporate social responsibility of both suppliers and transporters, the selection criteria of new suppliers not only consider the quality of delivery (service), delivery time (service) cooperation, and quality control capability, but also give priority to suppliers who have obtained ISO 9001, environmental protection-related certifications (ISO 14001,	In line with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Assessment Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Explanations	
			<p>carbon footprint, water footprint, etc.), and occupational safety and health certifications (OHSAS18001, etc.). Economic, environmental protection, and social responsibility are the core evaluation items.</p> <div> Economic aspects <ul style="list-style-type: none"> A. Disclosing prohibition of conflict metals/ores B. Annual financial report status of material suppliers C. Material delivery/stock management, supplier coordination D. Contingency plan for material supply </div> <div> Environmental aspects <ul style="list-style-type: none"> A. Waste generation information and management B. Overall environmental assessment C. Greenhouse gas emission information and carbon risk management D. Water use information and Water risk management E. Energy use information and management </div> <div> Social aspects <ul style="list-style-type: none"> A. Human rights and labor-related performance indicators B. Labor and Ethics C. Human Resources and Development D. Community Assessment E. Sustainable development and corporate social responsibility F. Other items: corporate sustainability planning, social impact, and employee safety </div>	

Assessment Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons																														
	Yes	No	Explanations																															
			<p>Each year, a supplier evaluation meeting is held to conduct a comprehensive review of the suppliers and evaluate their product quality, product delivery, production cost, response, technology support and service, and CSR. The Company commits that the proportion of its A and B-ranking suppliers is more than 95%.</p> <table border="1"> <tr> <th>Supplier QDCRT Rating Levels</th><th>A</th><th>B</th><th>C</th><th>D</th></tr> <tr> <td>Score</td><td>90~100 Excellent</td><td>70≤ Compliant < 90</td><td>60≤ Compliant < 70</td><td>Below 60</td></tr> </table> <p>In recent years, the result of suppliers' QDCRT(quality, delivery, cost, response, technology support) rating is as follows:</p> <table border="1"> <tr> <th>Supplier Rating</th><th>A</th><th>B</th><th>C</th><th>D</th></tr> <tr> <td>Year 2022</td><td>5</td><td>49</td><td>0</td><td>0</td></tr> <tr> <td>Year 2023</td><td>9</td><td>7</td><td>0</td><td>0</td></tr> <tr> <td>Year 2024</td><td>54</td><td>15</td><td>0</td><td>0</td></tr> </table>	Supplier QDCRT Rating Levels	A	B	C	D	Score	90~100 Excellent	70≤ Compliant < 90	60≤ Compliant < 70	Below 60	Supplier Rating	A	B	C	D	Year 2022	5	49	0	0	Year 2023	9	7	0	0	Year 2024	54	15	0	0	
Supplier QDCRT Rating Levels	A	B	C	D																														
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Supplier Rating	A	B	C	D																														
Year 2022	5	49	0	0																														
Year 2023	9	7	0	0																														
Year 2024	54	15	0	0																														
5. Does the company refer to international reporting rules or guidelines to publish Sustainability Reports to disclose non-financial information of the company? Has the said Report acquire 3rd certification party verification or statement of assurance?	V		<p>The Company refers to "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" and the latest GRI Standards to establish the Corporate Sustainable and Integrity Management Report and Sustainability Report to disclose non-financial information of the Company. The Company's Corporate Sustainability and Integrity Management Report has been published on the Company's website. The Sustainability</p>	In line with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.																														

Assessment Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Explanations	
			Report will be submitted by the end of August, 2025.	
<p>6. If the company has established Sustainability Development principles based on "Sustainability Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe differences between the principles and their implementation: The Company has formulated the "Sustainability Development Best Practice Principles". It has also established the relevant regulations in line with the spirit of ESG, and comprehensively implements them in daily operations.</p>				
<p>7. Other key information useful for explaining the status of sustainability development practices:</p> <p>(1) Regarding environmental protection, the Company complies with the established Environmental Management System whenever performing business activities and manufacturing products, thus sparing no effort to protect the Earth by means of energy conservation and carbon reduction. For example, for the disposal of waste, the Company properly recycles recyclable materials. Non-recyclable substances are treated through incineration or landfill disposal. All hazardous wastes are handled by qualified recycling company for reuse.</p> <p>(2) Regarding social participation, social contribution, and social services, the colleagues of the Company participated in the Tamsui river cleanup campaign which was initiated by the Common Wealth Magazine and co-organized by the Society of Wilderness, in order to promote ecological sustainability and volunteer services. During the activity, the participants collected a total of 191 kilograms of trash. Besides commonly seen trash such as cigarette butts, plastic bags, glass bottles, and broken glass, the participants even picked up bicycles and safety helmets. Through the river cleanup, understanding wetlands, and maintaining wetland ecology activities, the Company encourages the colleagues to actively participate the public welfare activities and to give back to the society.</p> <p>(3) Local Innovation—Our Taiwan factory is located in Tamshui District, New Taipei City, and we have been operating there for more than 20 years. The current number of employees at the Taiwan factory is 461. Our goal is to provide more job opportunities to the local people, to reduce the gap between urban and rural areas, and to let the people in Tamshui being able to work in Tamshui, and to turn Tamshui into a better place in the future. We can't stay out of providing job opportunities to the young people in Tamshui. Therefore, we invite graduates who live in Tamshui to intern with us during summer vacation every year, and we open 80~100 positions every year, including R&D engineers, technicians, quality inspectors, and administrators, etc., so that more than two thirds of the positions in our company can be reserved for the locals in Tamshui, and the locals can find a good job in Tamshui. The number of local employees in Tamsui in 2024 is 308, accounting for 67% of all employees. In addition, we provide internship opportunities to the neighboring St. John's University, so that students can familiarize themselves with the industrial ecosystem and accumulate practical experience during their studies, and have a clear direction and planning for their future job choices. The number of interns in 2024 is a total of 16. We expect and believe that the sustainable operation of an enterprise starts with the fulfillment of corporate social responsibility, and we will continue to care about local issues in Tamshui and do our part to create a better future for the local community.</p> <p>(4) Promote community development—In order to support local education, increase students' practical work experience, and reduce the phenomenon of exodus, the Company provides summer and winter internships to major colleges and universities in the vicinity of the factory,</p>				

Assessment Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Explanations	
<p>allowing students to be familiar with workplace early, increasing students' adaptability and competitiveness in the workplace, and creating employment opportunities. In the summer of 2024, a total of 13 part-time internship opportunities were provided to Tamkang University, Aletheia University, St. John's University and National Taiwan Ocean University. In addition, since the summer vacation in November of 2023, we have been working with Lunghwa University of Science and Technology on an industry-academia cooperation program to train students in a variety of skills and to promote the concepts of “learning by doing” in technical vocational education, so as to develop human resources and to enable students to adapt to the workplace early. In 2024, a total of 10 industry-academic cooperation students were hired.</p> <p>(5) Regarding social welfare, the Company works closely with neighbors to carry out various public welfare activities.</p> <p>A. A second-hand charity market was held within the Company to support environmental sustainability and promote the reuse of second-hand items. The proceeds of NT\$3,281 were fully donated to World Vision Taiwan.</p> <p>B. In 2024, the Company donated 700,000 NTD to PSA Charitable Foundation for the organization of various charitable activities. With the belief of giving back to the society, integrating social resources and maximizing the resources, the Foundation has been serving all over Taiwan in 2024, including Taoyuan Longtan Sanhe Elementary School, Kaohsiung Central Social Welfare Center, Yungshin Nursing Family Home, Taoyuan Jinlong Community Development Association, Kaohsiung Caoya Foguang Community Care Center, Chung Shan Medical University Hospital, Dandelion Hearing & Language Association, Early Intervention Center of Datong-Zhongshan District, and Angel Heart Family Social Welfare Foundation in Taichuang, etc. The PSA Charitable Foundation has been striving to promote services for vulnerable children and the elderly, providing five major services, including hearing care, volunteer participation, newspaper reading education, respite for caregivers, and staff assistance.</p> <p>C. In collaboration with the Yu-Cheng Yishan Workshop in Tamsui, the Company supports the promotion of welfare services for people with disabilities and fosters community inclusion. During lunch breaks, individuals with disabilities—especially those with intellectual disabilities—conduct charity sales of coffee and dried fruits within the Company. This initiative provides a safe, community-integrated workplace where they can gain a sense of accomplishment through meaningful work.</p> <p>D. In collaboration with the PSA Charitable Foundation to organize the Card writing activity. Through the Christmas atmosphere, we allowed our colleagues to hand-write blessing cards, so that the teachers and students of the special education schools could feel our warmth and care! Through this activity, we hope that our colleagues will understand the hard work of special educators in nurturing students, and through the specific action of expressing gratitude through writing cards, we will encourage and guide our staff to participate in social welfare, so as to unite the strength of the group to serve the society. The total number of participants in this activity was 60, and the handwritten cards were sent to the Taipei Municipal School of Special Education, Taipei School for the Hearing Impaired, and Wenshan School of Special Education.</p> <p>E. In collaboration with the PSA Charitable Foundation to, the Company organized the “Healing Art for the Soul” activity, inviting employees to participate in coloring and collage work to complete a "Tree of Love" poster. This initiative aimed to show care and support for family caregivers and social workers engaged in helping professions. The completed posters were framed and gifted to institutions that have partnered with the foundation in recent years to provide respite for caregivers and social workers, including the Angel Heart Family Social</p>				

Assessment Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Explanations	
Welfare Foundation, Stella Matutina Social Welfare Foundation, Dandelion Hearing & Language Association, Kaohsiung Central Social Welfare Center, and Chiayi Social Welfare Center—conveying the PSA Group’s care and goodwill.				
(6) Regarding consumer rights, the Company participates in fair competitions in the global market on the basis of the merits of its product. All of our marketing activities and advertisements must be precise and truthful and in line with the principle of integrity and the customer-oriented approach we dearly hold as our core values.				
(7) Regarding human rights, the Company strictly complies with employment regulations by prohibiting the employment children below 15; additionally, employees aged below 18 are not allowed to perform dangerous work. The Company shows its unfailing attention to employee benefits by organizing a variety of welfare activities as well as offering comprehensive employee care, which includes enrollment in the labor and national health insurances and purchasing group insurance for our employees. The Company established breastfeeding rooms and signed the Agreement for Employee Child Care Services with our collaborating kindergartens, which offer discounts for our employees’ children. Regardless of race, color, gender, nationality, etc., all employees can be treated fairly, respectfully and with dignity. The Company strictly prohibits verbal, physical or visual insults, harassment, or offensive behaviors. Besides the relevant regulations, employees can report such incidents through the complaint hotline or the dedicated mailbox. There is never a dispute due to discrimination.				
(8) Regarding safety and health, the Company is committed to providing employees with a safe and healthy work environment. The protective measures for workplace safety and employees’ personal safety, including those for occupational safety and health, environmental protection and fire control, are implemented in accordance with the “Implementation Rules for Industrial Safety”.				
A. Work environment monitoring (e.g., noise, illumination, and carbon dioxide) is carried out on a regular basis every six months.				
B. The Safety and Health Committee is convened regularly every quarter. Issues regarding environmental safety and health in the current quarter are discussed and the implementation results of the previous quarter are followed-up and improved.				
C. Noise-reducing equipment, including sound-absorbing materials and sound-insulating walls are used in noisy workplaces (e.g., air compressor room, power generator room); ear muffs, earplugs and other soundproofing equipment are also available for employees. For employees working in noisy workplaces, special checkups regarding noise-related health issues are implemented annually.				
D. General safety and health training for new employees is implemented; on-the-job training for current employees is implemented every three years regarding general safety and health issues. Fire control self-defense drills are conducted every six months, and fire brigade security personnel are commissioned to guide fire control drills biennially.				
E. Hazardous materials are listed, marked and recorded (storage, usage, etc.), and relevant education and training for operators and their supervisors are implemented.				
F. Reports, emergency responses, post-disaster investigations and improvement follow-ups are performed for various accidents such as fire and explosion, chemical leakage, anomalous discharge of waste water, occupational injuries and natural disasters.				
G. Annual equipment maintenance schedules are developed, according to which maintenance of various equipment is implemented.				
H. Fire safety equipment is inspected monthly, and fire safety equipment maintenance report is issued before November.				

Assessment Item	Implementation Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Explanations	
<p>I. The Company provides employees with annual complimentary physical examinations to familiarize employees with their health conditions. In accordance with the requirements of relevant laws, the Company provides comprehensive physical examinations on an annual basis for employees whose duties involve specific occupational hazards to prevent occupational diseases and ensure employees’ health. Threats, violence, or physical intimidation are strictly prohibited. Each employee has a copy of the Employee Handbook that contains relevant rights, obligations and the Code of Conduct for employees.</p> <p>(9) Regarding quality statement, compliance with quality process and safety regulations is our paramount. If the process of delivering products or providing services fails to meet the Company standards, it will harm our reputation. The Company emphasizes comprehensive quality improvement through bottom-up quality control and top-down participation and cooperation. At Silitech, every employee has a Quality Statement card.</p> <p>(10) Other social responsibility activities</p> <p>A. We attach importance to talent development, provide employees with a happy work environment where they can learn and realize themselves, and support and encourage lifelong learning. We build and discover outstanding talents, develop employees’ potentials, kindle employees’ enthusiasm, maintain a platform that can retain core talents, improve the Company’s overall organizational competitiveness, and thereby accomplish our vision and mission together with our employees.</p> <p>B. We comply with all laws and regulations related to public disclosure of operational information. All of our periodic reports, submitted documents and public information, in oral or written form, are complete, impartial, precise, timely, accessible, and without major omissions, thus offering references for shareholders and stakeholders. All public disclosure must comply with the Company Act and the Securities and Exchange Act.</p>				

Note 1: For Items 1 and 2, the TWSE/TPEX listed company shall describe its governance and supervisory framework for sustainable development, including but not limited to management policy, strategy and goal formulation, review measures, etc. It additionally shall describe the company's risk management policies or strategies for operations-related environmental, social, and corporate governance issues, and their assessment status.

Note 2: The materiality principle refers to environmental, social, or corporate governance issues that have a material impact on the investors or other stakeholders of the company.

◆ **Climate-Related Information of TWSE/TPEX Listed Company**

1. Implementation of Climate-Related Information

Item	Implementation status
(1) Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The Sustainable Development and Integrity Management Committee submits a quarterly report to the Board of Directors, which includes the status of sustainable development implementation and future work priorities. The President, Sustainable Development and Integrity Management Committee and related departments conduct climate-related risk management and opportunity analysis, explore impact of climate change on business, and formulate related strategies and plans.
(2) Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	The Company identifies short-, medium-, and long-term climate-related risks and opportunities. Risks are related to policies and regulations (short-, medium-, and long-term), disasters (short-, and long-term), consumers (short-term), customers (medium-term), and stakeholders (medium-term); and opportunities are related to incentives and grants (short-, and medium-term), products (short-term), production (short-, and long-term), and renewable energy (long-term). Business, Strategies and Financial Impact: (1) Cost increase: Adjustments to comply with regulatory requirements, rising raw material costs, and increased energy expenses. (2) Supplier management: Supplier audits and guidance, leading to higher coordination costs. (3) Evaluating carbon reduction plans and investing necessary resources to achieve targets. (4) Expanding the use of high-performance equipment to improve production quality and efficiency while reducing energy consumption.
(3) Describe the financial impact of extreme weather events and transformative actions.	Cultivate the ability to adapt to climate change, identify and manage climate change risks in advance. Face up to the crisis of global warming and resource depletion, and fully respond to the trend of energy conservation and carbon reduction. Participate in the Land Bank's "Green Deposit Project", which uses funds for green and social benefit investments. Take out insurance such as business interruption insurance and fire insurance and reduce the financial impact of disaster risks and restructuring risks on operations.

<p>(4) Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p>	<p>Since the Company obtained the ISO 14001 environmental management system certification, we have been regularly reviewing climate change and formulating related measures. Each department collects potential risks and opportunities, including those caused by climate change, regulations, technology, market demand, etc., and analyzes and evaluates them, and then sets up a management plan based on the results of the evaluation, and draws up projected goals, implementation procedures, and project costs.</p>
<p>(5) If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</p>	<p>Under assessment.</p>
<p>(6) If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</p>	<p>Incorporate climate change into the major issues and key risk items for the sustainable development of the enterprise, implement risk management programs in all factories, and plan countermeasures for operations, products, and supply chain management.</p>
<p>(7) If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p>	<p>Under assessment.</p>
<p>(8) If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</p>	<p>In response to the international trend of greenhouse gas emission reduction, the Company has been actively tracking the reduction through the Sustainable Development and Integrity Management Committee, and in 2022, the Company has proposed the goal of reducing carbon emission by 40% by 2030. In 2023, the Company has participated in the establishment of Walsin New Energy Corporation, with an investment amount of NT\$5 million. Walsin New Energy takes sustainable development, net zero carbon emissions, and green renewable energy as its core values and targets low carbon and energy transformation. Planned investment and development, construction, operation and maintenance of renewable energy, and evaluation and procurement through the green trading platform, and then planning for the construction of energy storage equipment to enhance the resilience, efficiency and safety of the grid, and launch the green transformation train in all aspects to achieve 100% use of renewable energy.</p> <p>In 2023, Walsin New Energy plans to invest NT\$69 million in the construction of a 1.5MW solar farm, which is expected to generate an average of 1,739,113 kWh of green electricity per year, which is equivalent to an average annual reduction of carbon emissions of 860.86 tons, which is equivalent to planting 956 trees in a forested area of about 78.98 hectares. After 20 years of</p>

	operation, the total production capacity will be 17,217.22 tons, which is equivalent to 44.55 Daan Forest Park, and an average of 1,739 green certificates per year. It is expected that the next stage of the project will be 10MW of renewable energy assessment and investment development, and it is hoped that the green transformation train will multiply, accelerating the enterprise's ultimate goal of 100% renewable energy use.
(9) Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	Not applicable.

1-1. Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years: Not applicable.

1-2. Greenhouse Gas Assurance Information: Not applicable.

2.3.6 Fulfillment of Ethical Corporate Management and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/ TPEX Listed Companies

Assessment Item	Implementation Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Explanations	
<p>1. Establishment of Corporate Conduct and Ethical Management Policy and Implementation Measures</p> <p>(1) Does the company have a clear ethical management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethical management policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?</p>	V		<p>(1) The Company has formulated its Principles for Ethical Corporate Management based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies. Both the Ethical Corporate Management Best Practice Principles and the Regulations for Ethical Business Operations explain the Company's ethical business policies and implementation methods and are publicly available on the Company's website. Our Board of Directors and top management team promise to actively implement these regulations in all of our business activities.</p>	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
<p>(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p> <p>Whether the company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines,</p>	V		<p>(2) The Company has established the Regulations for Ethical Business Operations as a specific guidance for all employees to evaluate and prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies. The regulations also specify the disciplinary actions and complaint methods regarding employees' violations of the regulations, which are also implemented in our internal management through education and</p>	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.

Assessment Item	Implementation Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Explanations	
consequences of violation and complaint procedures, and periodically reviews and revises such policies?			training.	
(3) Whether the company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures, and periodically reviews and revises such policies?	V		(3) The Regulations for Ethical Business Operations and the Procedures for Ethical Management and Guidelines for Conduct specify that: A. Any form of bribery or solicitation and acceptance of bribes is prohibited. B. Illegal political donations may not be offered. C. All charitable donations or sponsorships shall comply with the laws. D. Employees may not take the initiative or be made to collect or provide illegitimate incomes including cash, gift certificates, checks, stocks, gifts or any other valuable rebates, gifts or special treatments (including meals, travel or entertainment offers) to third parties related to business operations.	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
2. Ethical Management Practice (1) Whether the company has assessed the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	V		(1) The Company only performs business transactions with legal, ethical customers and suppliers. Before building business relationships with counterparties, the Company will evaluate their legal status and records (if any) of unethical conduct. The Company will also specify integrity clauses in the agreements with business partners, which prohibits any offer, solicitation or acceptance of bribes.	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.

Assessment Item	Implementation Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Explanations	
(2) Whether the company has set up a unit which is dedicated to promoting the company's ethical standards and regularly (at least once a year) reports directly to the Board of Directors on its ethical corporate management policy and relevant matters, and program to prevent unethical conduct and monitor its implementation?	V		(2) The Company has established the Sustainable Development & Integrity Management Committee, which promotes the philosophy of ethical corporate management, is authorized by the Board of Directors and reports to the Board of Directors regularly.	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
(3) Whether the company has established policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	V		(3) The Company has established policies to prevent conflicts of interests, and requires directors, managers and employees to abstain and recuse from discussing or voting on matters in which interests of their own, or the legal persons they represent, are involved. The Company has also established a Sustainable Development & Integrity Management Committee as the channel for submitting comments. The Company has established an Ethic Line for internal and external stakeholders (e.g., employees, suppliers and customers) to conduct anonymous or signed reports on frauds that violate principles of integrity and ethics. Methods and channels for complaining or reporting violations of ethical principles or illegal activities in the Company's operations or by the employees are specified as follows: Email: ethic.hotline@silitech.com Tel: +886-2-66251666	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
(4) To implement relevant policies on ethical conducts, has the company established effective accounting and	V		(4) The Company has established effective accounting systems and internal control systems	In line with the Ethical Corporate Management

Assessment Item	Implementation Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Explanations	
internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPAs periodically?			for enforcing ethical corporate management. Our internal audit personnel and accountants implement the Company's internal audit unit on an annual basis.	Best Practice Principles for TWSE/TPEX Listed Companies.
(5) Does the company provide internal and external ethical conduct training programs on a regular basis?	V		(5) The Company regularly holds trainings to explain to colleagues the Company's integrity management policy, internal control and internal audit system, regulations for preventing dishonest behavior, and the Company's implementation status. In 2024, the total training time on related topics is 411 hours and the total headcounts of training are about 138.	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
3. Implementation of the company's Whistleblowing System (1) Has the company established concrete whistleblowing and reward system, has a convenient reporting channel in place and assigns an appropriate person to communicate with the accused?	V		(1) The Company established relevant operating procedures and punishment systems in relation to the Regulations for Handling Fraud Reports, and assigns dedicated units to related affairs in accordance with the procedures specified in the regulations.	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
(2) Whether the company has established standard operation procedures for investigating the complaints received, follow-up measures after investigation are completed, and ensuring such complaints are handled in a confidential manner?	V		(2) The Company has established an Ethic Line for internal and external stakeholders (e.g., employees, suppliers and customers) to conduct anonymous or signed reports on frauds that violate principles of integrity and ethics. A dedicated unit investigates the reports, and ensures such complaints are handled in a confidential manner. Methods and channels for complaining or reporting violations of ethical principles or illegal activities in the Company's	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.

Assessment Item	Implementation Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Explanations	
			operations or by the employees are as mentioned above 2.Ethical Management Practice, point (3).	
(3) Did the company adopt measures for protecting the whistleblower from improper treatment or retaliation?	V		(3) The Company will protect the confidentiality of the whistleblower's identity and the content of the report during the whistleblowing process. Personnel participating in the investigation may not divulge such information in order to prevent the whistleblower from unfair treatment and retaliation. If the investigation verifies the situation(s) specified in the report to be true, the whistleblower will receive appropriate reward(s) as an encouragement for reporting any improper conducts.	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
4. Enhancing information disclosure Has the company disclosed its integrity principles and progress onto its website and Market Observation Post System (MOPS)?	V		The Company has posted the "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", "Regulations for Ethical Business Operations", and Integrity Management Report on its website, explaining the Company's philosophy of ethical corporate management, which is completely conducted in daily operations.	In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
5. If the company has established its ethical corporate management principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/ TPEX listed Companies", please state the difference between such principles and implementation: The Company has formulated the "Ethical Corporate Management Best Practice Principles" and the relevant rules and regulations have been implemented in daily operations in accordance with its spirit and principles.				

Assessment Item	Implementation Status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Explanations	
6. Other important information to facilitate better understanding of the company’s corporate conduct and ethics compliance practices (e.g., review the company’s corporate conduct and ethical management policy).				
(1) The Company sends the Memorandum to Silitech’s Suppliers in written form to all suppliers the Company deals with, in which the Company explains its resolution and implementation methods for ethical corporate management, and specifies the Integrity Management Committee as the Company’s interactive channel for relevant operations of ethical corporate management.				
(2) To comply with the Personal Data Protection Act and relevant legal regulations, and to prevent any infringement on individual rights, the Company has established the "Personal Data Protection Policy" for the collection, processing, and use of personal data. This policy has been publicly disclosed on the Company's electronic platform for regulation inquiries, with the aim of promoting the proper use of personal data.				

2.3.7 Other important information:

In order to strengthen corporate governance, the Company has established the Audit Committee which consists of three independent director. In addition, in accordance with the formulation or amendment of the relevant laws and accommodation of the Company's business practice, the Company has formulated "Corporate Governance Best Practice Principles", "Corporate Ethics Code of Conduct", "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", "Sustainable Development Best Practice Principles", "Procedures for the Acquisition and Disposal of Assets", "Regulation and Procedure for Board of Directors Meetings", "Rules Governing the Election of Directors", "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees", "Audit Committee Charter" and "Rules and Procedures of Shareholders' Meeting". Please refer to the Company's website for the details.

2.3.8 Implementation Status of Internal Control System:

◆ Statement of Internal Control System

Silitech Technology Corporation
Statement of Internal Control System

Date: 2025/2/20

In 2024, the Company conducted an internal examination in accordance with its Internal Control Regulations and hereby declares as follows:

1. The Company is aware that it is the Board's and managers' responsibility to establish, implement and maintain an internal control system, and the Company has set up such a system. The purpose of the system is to ensure the effectiveness and efficiency (including profitability, performance and protection of assets) of the Company's operations, compliance with relevant laws and regulations and that its financial statements are reliable, up to date and easily accessible.
2. Internal control systems have their inherent limitations. No matter how well they are designed, an effective internal control system can only reasonably ensure achievement of the three above objectives. In addition, an internal control system's effectiveness may change as the environment and circumstances change. The internal control system of the Company features a self-monitoring mechanism. Once identified, the Company will take actions to rectify any deficiency.
3. The Company determines whether the design and implementation of its internal control system is effective by referring to the criteria stated in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter the "Regulations"). The Regulations provides measures for judging the effectiveness of the internal control system. There are five components of an internal control system, as specified in the Regulations, which are broken down based on the management-control process, namely: (1) control environment, (2) risk evaluation, (3) control operation, (4) information and communication and (5) monitoring. Each of the elements in turn contains certain audit items. Refer to the Regulations for details.
4. The Company uses the above criteria to determine whether the design and implementation of its internal control system is effective.
5. After an evaluation of the Company's internal control system based on the above criteria, the Company is of the opinion that, as of December 31, 2024, its internal control system (including supervision and management of subsidiaries) is effective and therefore can reasonably ensure achievement of the above objectives, which include awareness of the degree to which operating results and goals are achieved, compliance with the law and that its financial reporting is reliable, up to date and easily accessible.
6. This statement shall become a principal part of the Company's annual report and prospectus and be made available to the public. Any illegal misrepresentation or omission relating to the public statement above is subject to the legal consequences under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
7. This statement has been approved on February 20 2025 by the Board, with none of the 7 Directors present opposing it.

Silitech Technology Corporation

Chairman: Yu-Heng Chiao

President: Yu-Chen Hsu

- ◆ If CPAs are engaged to review the internal control system, their report shall be disclosed:
None.

2.3.9 Material resolutions of a shareholders meeting or a board of directors meeting in the most recent year and up to the date of publication of the annual report:

◆ Shareholders Meeting Material Resolutions and Implementation

Date	Proposals	Resolution	Execution
2024.06.04 AGM	Adoption of 2023 Business Report and Financial Statements.	According to the voting result, the number of votes supporting the proposal exceeded the number of votes required by law and company policies, the proposal was passed as proposed.	The resolution was adopted.
	Adoption of the Proposal for Appropriation of 2023 Earnings: Cash dividends NT\$1.2 per share.	According to the voting result, the number of votes supporting the proposal exceeded the number of votes required by law and company policies, the proposal was passed as proposed.	(3) The resolution was adopted. (4) Dividend payment day: 2024.07.31.
	Election of the Company's Directors of 9th Term.	List of elected directors is as follows: Directors (1) Yu-Heng Chiao (2) Walsin Technology Corporation Representative Chin-Hui Chen (3) Lite-On Technology Corporation Representative Tom Soong (4) Lite-On Technology Corporation Representative Anson Chiu Independent directors (1) Tien-Chun Tsai (2) Te-Pin Chi (3) I-Ming Chen The registration procedure was approved by the Department of Commerce, MOEA.	
	Discuss to Release of Newly-Elected Directors from Non-Competition Restrictions.	According to the voting result, the number of votes supporting the proposal exceeded the number of votes required by law and company policies, the proposal was passed as proposed.	The resolution was complied.

◆ **Board Meeting Material Resolutions**

Date	Material Proposals	Resolution
2024.02.22	1. Approval for the 2023 consolidated financial statements and financial statements. 2. To convene the 2024 shareholders' meeting. 3. Approval for the donation to PSA Charitable Foundation.	1~2: Directors approved the proposal unanimously. 3: Mr. Yu-Heng Chiao and Ms. Chin-Hui Chen recused in the discussion and did not participate in discussion and voting. All other directors approved the proposal unanimously.
2024.03.27	1. Approval for appropriation of 2023 earnings. 2. Appointment of Chief Internal Auditor	Directors approved the proposal unanimously.
2024.04.23	1. Approval for the first quarter of 2024 consolidated financial statements.	Directors approved the proposal unanimously.
2024.06.04	1. To elect the chairman of the 9th term Board of Directors. 2. To appoint the members of the 6th term Remuneration Committee.	Directors approved the proposal unanimously.
2024.06.21	1. To retroactively process the public issuance and the application for listing of the 2020 privately placed common shares.	Mr. Yu-Heng Chiao and Ms. Chin-Hui Chen recused in the discussion and did not participate in discussion and voting. All other directors approved the proposal unanimously.
2024.08.01	1. Approval for the second quarter of 2024 consolidated financial statements.	Directors approved the proposal unanimously.
2024.10.30	1. Approval for the third quarter of 2024 consolidated financial statements. 2. To loan of funds to others by the Company.	Directors approved the proposal unanimously.
2025.01.17	1. To loan of funds to others by the Company and its subsidiaries.	Directors approved the proposal unanimously.
2025.02.12	1. To launch a public tender offer to acquire the common shares of FDK Corporation, a company listed on the Tokyo Stock Exchange.	Directors approved the proposal unanimously.
2025.02.20	1. Approval for the 2024 consolidated financial statements and financial statements. 2. To convene the 2025 shareholders' meeting. 3. Approval for the donation to PSA Charitable Foundation.	1~2: Directors approved the proposal unanimously. 3: Mr. Yu-Heng Chiao and Ms. Chin-Hui Chen

		recused in the discussion and did not participate in discussion and voting. All other directors approved the proposal unanimously.
2025.03.28	1. Approval for appropriation of 2024 earnings. 2. To convene the 2025 shareholders' meeting. (additional items)	Directors approved the proposal unanimously.
2025.04.18	1. To Issue Common Shares for Cash Capital Increase	Directors approved the proposal unanimously.

2.3.10 In the most recent year and up to the date of publication of the annual report, directors held different opinions (on record or with written statement) about important resolutions passed at Board meetings and the major contents are: None.

2.3.11 Information regarding directors' and managers' participation in advanced training courses:

◆ **Advanced Training Courses for Directors in the most recent year**

Title	Name	Date	Organizer	Course Title	Hours	Total Hours
Chairman	Yu-Heng Chiao	2024.01.26	Taiwan Corporate Governance Association	Analysis of Taiwan's Economic Trend in 2024	3	15
		2024.05.03	Taiwan Corporate Governance Association	Development Prospects of the Nickel Industry and Sustainable Management of Resilient Supply Chains	3	
		2024.11.06	Securities and Futures Institute	Carbon Trading Mechanism and Carbon Management Applications	3	
		2024.11.06	Securities and Futures Institute	NVIDIA's Miracle of Reaching Capitalization of USD Three Trillion - New Thinking in the Semiconductor Industry Revolution Behind Artificial Intelligence	3	
		2024.11.08	Taiwan Corporate Governance Association	Taiwan's Cable Industry Development and Prospect and Creating a Friendly Workplace (Including Sexual Harassment Prevention)	3	
Director	Chin-Hui Chen	2024.11.06	Securities and Futures Institute	Carbon Trading Mechanism and Carbon Management Applications	3	6
		2024.11.06	Securities and Futures Institute	NVIDIA's Miracle of Reaching Capitalization of USD Three Trillion - New Thinking in the Semiconductor Industry Revolution Behind Artificial Intelligence	3	
Director	Tom Soong	2024.08.09	Taiwan Corporate Governance Association	Discussion on the Development Trend of TCFD&SBTi, Directors' Rights and Insider Trading	3	6
		2024.10.30	Taiwan Corporate Governance Association	Information Security Governance Practice: Analysis of Key Management Issues	3	

Title	Name	Date	Organizer	Course Title	Hours	Total Hours
Director	Anson Chiu	2024.04.30	Taiwan Corporate Governance Association	Discussion on the Development Trend of TCFD&SBTi, Directors' Rights and Insider Trading	3	9
		2024.10.30	Taiwan Corporate Governance Association	Information Security Governance Practice: Analysis of Key Management Issues	3	
		2024.11.06	Securities and Futures Institute	Carbon Trading Mechanism and Carbon Management Applications	3	
Independent Director	Tien-Chun Tsai	2024.07.19	The National Federation of CPA Associations of the R.O.C.	The Past and Present Life of the Carbon Border Adjustment Mechanism (CBAM)	3	12
		2024.07.19	The National Federation of CPA Associations of the R.O.C.	Understand the Carbon Rights Trading Mechanism	3	
		2024.07.22	The National Federation of CPA Associations of the R.O.C.	Application of Artificial Intelligence and Machine Learning in Anti-Money Laundering	3	
		2024.10.07	Chinese National Association of Industry and Commerce	2024 Taishin Net-Zero Summit Forum	3	
Independent Director	Te-Pin Chi	2024.10.07	Chinese National Association of Industry and Commerce	2024 Taishin Net-Zero Summit Forum	3	9
		2024.11.06	Securities and Futures Institute	Carbon Trading Mechanism and Carbon Management Applications	3	
		2024.11.06	Securities and Futures Institute	NVIDIA's Miracle of Reaching Capitalization of USD Three Trillion - New Thinking in the Semiconductor Industry Revolution Behind Artificial Intelligence	3	
Independent Director	I-Ming Chen	2024.10.07	Chinese National Association of Industry and Commerce	2024 Taishin Net-Zero Summit Forum	3	12
		2024.10.25	Securities and Futures Institute	2024 Insider Equity Trading Legal Compliance Awareness Session	3	
		2024.11.06	Securities and Futures Institute	Carbon Trading Mechanism and Carbon Management Applications	3	
		2024.11.06	Securities and Futures Institute	NVIDIA's Miracle of Reaching Capitalization of USD Three Trillion - New Thinking in the Semiconductor Industry Revolution Behind Artificial Intelligence	3	

◆ **Advanced Training Courses for Managers in the most recent year**

Manager	Name	Course name	Hours
CFO / Financial Officer / Corporate Governance Officer	Wei-Lin Chen	2024 prevention of insider trading promotion conference	3
		2024 Taishin Net-Zero Summit Forum	3
		2024 Insider Equity Trading Legal Compliance Awareness Session	3
		Carbon Trading Mechanism and Carbon Management Applications	3

Manager	Name	Course name	Hours
		NVIDIA's Miracle of Reaching Capitalization of USD Three Trillion - New Thinking in the Semiconductor Industry Revolution Behind Artificial Intelligence	3
Accounting Officer	Chi-Tien Chen	Continuing Education for Accounting Officer	12

2.4 Information on Attesting CPA Professional Fees

Unit: NT\$ thousands

Accountant Firm	Name of CPA	CPA Audit Period	Audit Fee	Non-audit Fee	Sub-total	Remarks
Deloitte & Touche	Yen-Chun Chen Meng-Chieh Chiu	2024.01.01~ 2024.12.31	2,820	550	3,370	Transfer pricing report, annual report review, human resources(HR), and tax compliance audit, which total amount is NT\$ 550 thousand.

2.4.1 Change of CPA firm and the audit fee paid in the year of the change is less than those paid in the previous year: None.

2.4.2 If audit fee is reduced by at least 10% from the previous year, the amount, percentage and reason for reduction must be disclosed: None.

2.5 Information on the Replacement of CPAs

If the Company has changed the CPAs during the last two years, the following matters shall be disclosed:

2.5.1 About the previous CPAs: Not applicable.

2.5.2 About the Succeeding CPAs: Not applicable.

2.5.3 The Reply of Former CPAs on Article 10.6.1 and Article 10.6.2.3 of the Standards: Not applicable.

2.6 Where the Company's Chairman, President, Financial or Accounting Head has worked for its Certified Public Accountant Firm or its Affiliate Business in the past year: None.

2.7 Any Transfer and Pledge of Shares of the Directors, Managers and Shareholders Holding More Than 10% of the Company's Shares

2.7.1 Net Change in Shares Held

Unit: shares

Title	Name	2024		As of Closure Date April 20, 2025	
		Increase (decrease) of shares held	Increase (decrease) of shares pledged	Increase (decrease) of shares held	Increase (decrease) of shares pledged
Chairman	Yu-Heng Chiao	0	0	0	0
Director/Major Shareholder	Walsin Technology Corporation	0	0	0	0
Director Representative	Chin-Hui Chen	0	0	0	0
Director/Major Shareholder	Lite-On Technology Corporation	0	0	0	0
Director Representative	Tom Soong	0	0	0	0
Director Representative	Anson Chiu	0	0	0	0
Independent Director	Tien-Chun Tsai	0	0	0	0
Independent Director	Te-Pin Chi	0	0	0	0
Independent Director	I-Ming Chen	0	0	0	0
President	Yu-Chen Hsu	0	0	0	0
CFO / Financial Officer / Corporate Governance Officer	Wei-Lin Chen	0	0	0	0
Accounting Officer	Chi-Tien Chen	0	0	0	0

2.7.2 Shares Transferred: None.

2.7.3 Shares Pledged: None.

2.8 Information on Relationships amongst the Top Ten Shareholders and Their Relationships with Spouses or Relatives within the Second Degree of Kinship

As of 2025/4/20

Name	Shareholding by Self		Shareholding by Spouse and Underage Children		Shareholding under the Title of a Third Party		Name and Relationships of Related Parties to Top ten Shareholders (Spouse and Relatives within the Second Degree		Remarks
	Quantity of Shares	Proportion of Shareholding	Quantity of Shares	Proportion of Shareholding	Quantity of Shares	Proportion of Shareholding	Title (or name)	Relation	
Walsin Technology Corporation	17,000,000	25.00%	0	0%	0	0%	None	None	None
Walsin Technology Corporation Chairman Yu-Heng Chiao	10,000	0.01%	0	0%	0	0%	Walsin Technology Corporation	Chairman	None
Walsin Technology Corporation Representative Chin-Hui Chen	0	0%	0	0%	0	0%	Walsin Technology Corporation	VP	None
Lite-On Technology Corporation	11,707,548	17.21%	0	0%	0	0%	None	None	None
Lite-On Technology Corporation Representative Tom Soong	0	0%	0	0%	0	0%	Lite-On Technology Corporation	Chairman	None
Lite-On Technology Corporation Representative Anson Chiu	0	0%	0	0%	0	0%	Lite-On Technology Corporation	President	None
David W.H. Lee	3,452,000	5.08%	0	0%	0	0%	Chun-Wen Fan	Spouse	None
Dabaoying Company Limited	1,712,000	2.52%	0	0%	0	0%	Hsiu-Shih Chen	Chairman	None
Dabaoying Company Limited Chairman Hsiu-Shih Chen	882,000	1.30%	0	0%	0	0%	Hsiu-Shih Chen	Self	None
Hsiu-Shih Chen	882,000	1.30%	0	0%	0	0%	Dabaoying Company Limited	Chairman	None
Ya-Ping Chen	841,000	1.24%	0	0%	0	0%	None	None	None
Hsueh-Jen Wang	740,062	1.09%	0	0%	0	0%	None	None	None
Chien-Kuo Lo	611,000	0.90%	0	0%	0	0%	None	None	None
Chun-Wen Fan	604,000	0.89%	0	0%	0	0%	David W.H. Lee	Spouse	None
Hsiu-Yen Chiang	558,309	0.82%	0	0%	0	0%	None	None	None

2.9 The Total Number of Shares of the Same Investee Held by the Company, Its Directors, Managers and Which the Company Controls Directly or Indirectly, with the Aggregate Shareholding Percentages

As of December 31, 2024

Units: Shares; %

Re-Investment Companies (Note)	Investment by the Company		Investment of Directors, Supervisors, Managers or Enterprises under Their Direct or Indirect Control		Combined Investment	
	Quantity of Shares	Proportion of Shareholding	Quantity of Shares	Proportion of Shareholding	Quantity of Shares	Proportion of Shareholding
Silitech (BVI) Holding Ltd.	29,028,390	100.00	–	–	29,028,390	100.00
Silitech Technology Corp. Sdn. Bhd.	21,400,000	100.00	–	–	21,400,000	100.00
Silitech Electronics Sdn. Bhd.	40,000,000	100.00	–	–	40,000,000	100.00

Note: Investments accounted for using the equity method.

Fundraising Overview

3.1 Capital and Shares

3.1.1 Sources of Share Capital

- ♦ Historical Sources of Share Capital

Unit: NT\$ thousands; thousand shares

Year. Month	Issue Price (NT\$)	Authorized Capital Stock		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Property Other than Cash Offset by the Number of Shares	Note
2001.10	10	100	1,000	100	1,000	Issuing capital	—	Note 1
2001.12	10	30,000	300,000	30,000	300,000	Capital increased 299,000 by cash	—	Note 2
2002.07	10	15,000	150,000	15,000	150,000	Capital reduction 150,000	—	Note 3
2002.10	10	80,000	800,000	45,000	450,000	Demerger capital increased 300,000	300,000	Note 4
2003.06	10	80,000	800,000	78,060	780,600	Capital increased 105,600 by earnings (Including capital increased by employee bonus of 11,100) Capital increased 225,000 by capital surplus	—	Note 5
2004.08	10	120,000	1,200,000	91,147	911,465	Capital increased 130,865 by earnings (Including capital increased by employee bonus of 13,775)	—	Note 6
2005.08	10	120,000	1,200,000	113,558	1,135,578	Capital increased 224,113 by earnings (Including capital increased by employee bonus of 41,820)	—	Note 7
2006.09	10	300,000	3,000,000	134,830	1,348,300	Capital increased 212,722 by earnings (Including capital increased by employee bonus of 33,300)	—	Note 8

Year. Month	Issue Price (NT\$)	Authorized Capital Stock		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Property Other than Cash Offset by the Number of Shares	Note
2007.09	10	300,000	3,000,000	150,730	1,507,302	Capital increased 159,002 by earnings (Including capital increased by employee bonus of 33,610)	—	Note 9
2008.08	10	300,000	3,000,000	171,377	1,713,770	Capital increased 206,468 by earnings (Including capital increased by employee bonus of 43,680)	—	Note 10
2009.09	10	300,000	3,000,000	175,944	1,759,438	Capital increased 45,668 by earnings (Including capital increased by employee bonus of 28,730)	—	Note 11
2010.08	10	300,000	3,000,000	179,223	1,792,226	Capital increased 32,788 by earnings (Including capital increased by bonus of 15,394)	—	Note 12
2011.08	10	300,000	3,000,000	182,955	1,829,553	Capital increased 37,327 by earnings (Including capital increased by employee bonus of 19,605)	—	Note 13
2011.12	10	300,000	3,000,000	180,955	1,809,553	Capital reduction and cancellation of 20,000	—	Note 14
2012.08	10	300,000	3,000,000	184,564	1,845,643	Capital increased 36,090 by earnings (Including capital increased by employee bonus of 17,994)	—	Note 15

Year. Month	Issue Price (NT\$)	Authorized Capital Stock		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Property Other than Cash Offset by the Number of Shares	Note
2013.08	10	300,000	3,000,000	187,706	1,877,057	Capital increased 31,414 by earnings (Including capital increased by employee bonus of 12,958)	—	Note 16
2014.08	10	300,000	3,000,000	189,384	1,893,838	Capital increased 16,781 by earnings (Including capital increased by employee bonus of 3,641)	—	Note 17
2018.08	10	300,000	3,000,000	179,384	1,793,838	Capital reduction and cancellation of 100,000	—	Note 18
2019.08	10	300,000	3,000,000	60,000	600,000	Cash refunded capital reduction 1,193,838	—	Note 19
2021.04	10	300,000	3,000,000	68,000	680,000	Capital increased 80,000 by Private Placement	—	Note 20

Note 1: Approval date and document No.: 2001.10.26 Jin (090) Son No. 90121318

Note 2: Approval date and document No.: 2001.12.31 Jin (090) Son No. 09001521970

Note 3: Approval date and document No.: 2002.07.22 Jin So Son Tzi No. 09101284750

Note 4: Approval date and document No.: 2002.10.29 Jin So Son Tzi No. 09101427660

Note 5: Approval date and document No.: 2003.06.24 Jin So Son Tzi No. 09201197310

Note 6: Approval date and document No.: 2004.08.16 Jin So Son Tzi No. 09301154730

Note 7: Approval date and document No.: 2005.08.12 Jin So Son Tzi No. 09401155260

Note 8: Approval date and document No.: 2006.09.06 Jin So Son Tzi No. 09501200670

Note 9: Approval date and document No.: 2007.09.05 Jin So Son Tzi No. 09601219870

Note 10: Approval date and document No.: 2008.08.22 Jin So Son Tzi No. 09701212800

Note 11: Approval date and document No.: 2009.09.07 Jin So Son Tzi No. 09801204090

Note 12: Approval date and document No.: 2010.08.20 Jin So Son Tzi No. 09901190900

Note 13: Approval date and document No.: 2011.08.24 Jin So Son Tzi No. 10001196060

Note 14: Approval date and document No.: 2011.12.16 Jin So Son Tzi No. 10001281880

Note 15: Approval date and document No.: 2012.08.27 Jin So Son Tzi No. 10101174340

Note 16: Approval date and document No.: 2013.08.26 Jin So Son Tzi No. 10201174340

Note 17: Approval date and document No.: 2014.08.15 Jin So Son Tzi No. 10301170630

Note 18: Approval date and document No.: 2018.08.13 Jin So Son Tzi No. 10701099500

Note 19: Approval date and document No.: 2019.08.12 Jin So Son Tzi No. 10801105700

Note 20: Approval date and document No.: 2021.04.20 Jin So Son Tzi No. 11001062160

◆ **Types of Shares**

Type of share	Authorized Capital			Remarks
	Circulating shares Issued and Outstanding	Unissued Shares	Total	
Common stock	68,000,000	232,000,000	300,000,000	

◆ **Information on Shelf Registration:** None.

3.1.2 List of Major Shareholders

As of 2025/4/20

Major Shareholders	Shares	Quantity of Shares	Proportion of Shareholding
Walsin Technology Corporation		17,000,000	25.00%
Lite-On Technology Corporation		11,707,548	17.21%
David W.H. Lee		3,452,000	5.08%
Dabaoying Company Limited		1,712,000	2.52%
Hsiu-Shih Chen		882,000	1.30%
Ya-Ping Chen		841,000	1.24%
Hsueh-Jen Wang		740,062	1.09%
Chien-Kuo Lo		611,000	0.90%
Chun-Wen Fan		604,000	0.89%
Hsiu-Yen Chiang		558,309	0.82%

3.1.3 Dividend Policy and Implementation Status

◆ **Dividend Policy**

If there is net profit after tax upon the final settlement of account of each fiscal year, the Company shall first offset any previous accumulated losses (including unappropriated earnings adjustment if any) and set aside a legal reserve at 10% of the net profits, unless the accumulated legal reserve is equal to the total capital of the Company; then set aside special reserve shall be provided or reversed in accordance with relevant laws or regulations or as requested by the authorities in charge. The remaining net profit, plus the beginning unappropriated earnings (including adjustment of unappropriated earnings if any) , apart from retained earnings allocated in part from the necessary capital for the Company's future developments, shall be distributed into dividends to shareholders according to the distribution plan proposed by the Board of Directors and submitted to the shareholders' meeting for approval.

The Dividend Policy of the Company is in consideration of business development plan, investing environment, global competitiveness and the shareholders' interest. The Dividend Policy of the Company is the distribution to shareholders with the appropriation of the amount which shall be no less than 30% of the net profit after income tax under the circumstance that there is no cumulated loss in prior years. The distribution may be executed

in cash dividend and/or share dividend, and the cash dividend shall be no less than 50% of the total distributed dividends.

In case there are no earnings for distribution in a certain year, or the earnings of a certain year are significantly less than the earnings actually distributed by the Company in the previous year, or considering the financial, business or operational factors of the Company, the Company may allocate a portion or all of its reserves for distribution in accordance with relevant laws or regulations or the orders of the authorities in charge.

◆ **Proposed Distribution of Dividend**

The dividend distribution of NT\$20,400,000 out of 2024 earnings has been approved by the Board of Directors meeting held on March 28, 2025. In cash dividends, NT\$0.3 per share will be paid based on the shareholder list and the number of shares they held on the baseline date. In the event of repurchase of the Company's shares, lead to a change in the number of outstanding shares, a consequent change in dividend yield and cash payout rates, it is proposed that Annual Shareholders' Meeting fully authorize Chairman to manage and adjust it.

3.1.4 Impact of issuance of stock dividends proposed in this shareholders' meeting upon the Company's business performance and earning per share (EPS)

No stock dividends were proposed in the 2025 shareholders' meeting of the Company. Therefore it is not applicable.

3.1.5 Compensation for Employees and Directors

◆ **The Company's Articles of Incorporation stated with the amount and coverage of compensation for employees and directors as bellows :**

The Company shall allocate the following compensation from the profit of each fiscal year (The "profit" means "profit before income tax and employees' and directors' compensation"), however, the Company shall have reserved a sufficient amount from such profit to offset its accumulated losses (including unappropriated earnings adjustment if any):

1. Employees' compensation: from 2%~10%.
2. Directors' compensation: no more than 3%.

The employees' compensation under the preceding paragraph may be distributed in shares or cash. Those entitled to such compensation include the Company's employees or employees of the Company's parent or subsidiary companies that meet certain specific requirements. The Board of Directors is authorized with full powers to determine the terms and methods of appropriation. Where the securities management authority has another rule to govern the qualification requirements of employees specified, such rules shall be followed. The Directors' compensation under the preceding paragraph will only be distributed by cash.

The Company shall, upon a resolution of the Board of Directors, distribute employees' and directors' compensation in the preceding two paragraphs, and report to the shareholders' meeting for such distribution.

- ♦ **In accordance with Article 14, Paragraph 6 of the Securities and Exchange Act, the Company's Board of Directors resolved on March 28, 2025, to amend the Articles of Incorporation. The proposed amendment specifies that employee compensation includes compensation for non executive employees, and that no less than 50% of the total amount allocated for employee compensation from the annual earnings shall be distributed to non executive employees. This proposal will be approved at the shareholders' meeting scheduled for June 18, 2025.**

- ♦ **The Basis for estimating the amount of remuneration of employees and directors, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current period.**
 1. Basis for estimating the amount of remuneration of employees and directors in current year estimates are made at a certain percentage in the range specified in the Articles of Incorporation
 2. Basis for calculating employee stock compensation is based on the closing price of previous day of BOD. The compensation to employee calculating less 1 share shall be distributed by cash dividends.
 3. The accounting procedures for when there is a discrepancy between the estimated and actual amount. If the actual distribution amount is significantly changed by the resolution of the BOD before announcement date of the annual financial report, the original allocation annual cost shall be adjusted. If it is changed after announcement date of the annual financial report, it shall be adjusted to record in the next year according to the accounting estimate.

- ♦ **Information regarding board of directors' approval of compensation**
 1. The compensation for employees and directors of the Company in 2024 was approved by the board of directors on March 28, 2025. The amount of employee cash compensation was NT\$2,106,068, and the amount of director compensation was NT\$1,404,043. The amount of compensation of employees and directors approved by the board of directors had no difference from the figures estimated in the 2024 financial statements.
 2. The amount of employee compensation in the form of stock and its percentage of the Company's after-tax income (as reported in the financial statement of this term) and total employee compensation: No employee compensation for this term. It is not applicable.

- ♦ **Distribution of remuneration of employees and directors in previous year**
 1. For 2023, the amount of employee cash compensation was NT\$4,116,555 and the amount of director compensation was NT\$2,744,367.
 2. The amount of compensation of employees and directors paid had no difference from the figures estimated in the 2023 financial statements.

3.1.6 The Execution Status of Shares Buyback: None.

3.2 Issuance of Corporate Bonds: None.

3.3 Issuance of Preferred Shares: None.

3.4 Issuance of Global Depositary Receipts: None.

3.5 Status of Employee Stock Option Plan or Restricted Stock: None.

3.6 Status of New Share Issuance in Connection with Mergers and Acquisitions:
None.

3.7 Financing Plans and Implementation: Not Applicable.

Operational Highlights

4.1 Business Activities

4.1.1 Scope of Business

♦ Major Lines of Business and Relative Weight

Unit: NT\$ thousands

	Major Lines of Business	Year 2023		Year 2024	
		Revenue	Weight	Revenue	Weight
Mechanical Components & Exterior Optical Modules	Design, manufacture and sales of exterior optical components and input devices for automobiles, 3C, Netcom, etc.	2,084,426	100%	2,414,203	100%

♦ Current Products (Services)

Major Products	Current Products
Exterior Decoration Mechanical Components & Input Device Products	3C industry, automobile central control mechanical parts and interior glass, Netcom, wearable exterior optical mechanical components and input devices
Module Products	3C, automotive, smart lock and other modular products, combined with keypads, flexible or rigid circuit boards, backlights (such as LED) and IC circuits and other integrated products

♦ New Products (Services) Planned for Development

1. Development and functional update of exterior optical components.
2. Development of new materials which applied to the exterior mechanical components.
3. Development of environmentally friendly & non-toxic materials.
4. Development of precise molds and fixtures.
5. Development of heterojunction materials and their technologies and products.
6. Development of various composite films and products.
7. Development of curved optical cover glass.

4.1.2 Overview of Industry

♦ Industry Status and Development

With expertise in integrating key materials and manufacturing processes for components such as rubber, plastic, optics, film materials, and glass, we provide customers with design and manufacturing services. Our clients' products include automotive central control systems and interior glass components, networking devices, and wearable optical appearance components. Below is a brief overview of the global markets for automobiles, smart homes, and wearable devices.

1. Overview of Automotive Market

According to data from S&P Global Mobility, due to weakened demand and a high-interest-rate environment in 2024, global automobile sales growth fell short of expectations, reaching approximately 88.2 million units—a modest increase of 1.7% compared to 2023. Global automobile sales are projected to reach 89.6 million units in 2025, reflecting a year-over-year growth of 1.7%. China continues to lead as the top single-country market in terms of sales volume, followed by the United States. India has surpassed Japan to become the third-largest market.

The electrification and intelligence of vehicles have become clear and inevitable trends in the global automotive industry. This includes the development of Advanced Driver Assistance Systems (ADAS), autonomous driving, vehicle-to-everything (V2X) connectivity, and electric vehicles (EVs), all of which are driving rapid growth in the automotive electronics sector. With global government policies supporting new energy vehicles, technologies such as electric vehicles, autonomous driving, and intelligent automotive electronics are advancing quickly, becoming a major driving force behind the next wave of industry growth. According to a report by S&P Global Mobility, global electric vehicle sales are projected to reach 11.6 million units in 2024, accounting for 13.2% of the total automotive market. Looking ahead to 2025, influenced by factors such as government policies, tariffs, subsidies, and charging infrastructure, global EV sales—including hybrid electric vehicles (HEVs), battery electric vehicles (BEVs), plug-in hybrid electric vehicles (PHEVs), and fuel cell vehicles (FCVs)—are expected to grow by 30% to 15.1 million units, making up 16.7% of global light vehicle sales. Electric vehicle sales are rising across key global markets: India is projected to see a remarkable 117% growth in EV sales, reaching a market share of 7.5%. Europe is expected to grow by 43.4%, with a market share of 20.4%. The United States is forecasted to grow by 36%, with a market share of 11.2%. China, the world's largest auto market, is projected to grow by 19.7%, accounting for 29.7% of the global EV market.

Ongoing Advancements in EVs and Autonomous Driving Are Driving the Evolution of Automotive Displays. As electric vehicles and autonomous driving systems continue to advance, automotive displays are evolving to enhance the human-machine interface (HMI) and provide an immersive smart cockpit experience for drivers. This evolution includes trends such as larger screen sizes, curved displays, transparent displays, high dynamic

contrast, and the integration of more sensing components to enable intelligent functions. The trend of multiple displays per vehicle is becoming increasingly prevalent. The penetration rate of displays in the automotive market is expected to continue rising. According to DIGITIMES Research, global shipments of in-vehicle displays sized 9 inches and above are projected to reach 152 million units by 2029, with a compound annual growth rate (CAGR) of 10.7% from 2024 to 2029. Global Information forecasts that the automotive display panel market will reach USD 20.75 billion in 2024 and grow to USD 28.84 billion by 2029, representing a CAGR of 6.80% over the same period.

Growth drivers for the automotive display market include not only central display systems, rear-seat entertainment, and infotainment screens but also safety displays, digital instrument clusters, head-up displays (HUDs), and electronic rearview mirrors. Major industry players such as Continental, Visteon, Panasonic, Denso, and Bosch dominate the market, with the top five suppliers accounting for over half of the total market share. As major automakers continue to adopt automotive touch modules, demand for in-vehicle touch panels has now surpassed that of notebook touch panels—making them the third-largest application after smartphones and tablets.

2. Overview of Smart Home Market

According to market research firm IDC, the growth of the smart home market will be driven by emerging markets, the continued adoption of artificial intelligence, and the upgrade cycles of mature product categories such as televisions.

Smart home device shipments are expected to reach 892 million units in 2024, and grow to 1.108 billion units by 2028, representing a compound annual growth rate (CAGR) of 5.6%.

Global Smart Home Device Shipments

Unit: million units

Device Category	2024 (estimated)	2028 (estimated)	CAGR (estimated)
Video Entertainment	269.7	287.9	1.6%
Home Monitoring /Security	244.4	308.6	6.0%
Smart Speaker	87.4	95.3	2.2%
Smart Vacuum	19.9	24.8	5.7%
Others	270.9	391.7	9.7%
Total	892.3	1,108.2	5.6%

Source: IDC (2023/09)

Audio-visual entertainment devices—such as smart TVs, digital media adapters, and streaming media players—are expected to remain the largest category of smart home devices in 2024. According to IDC, by 2028 these devices will account for 26.0% of total smart home device shipments, with a compound annual growth rate (CAGR) of 1.6%. The rise of emerging technologies such as the Internet of Things (IoT), artificial intelligence (AI), and machine learning (ML), along with growing concerns about safety and privacy, is fueling global demand for home monitoring and security systems. IDC forecasts that

connected cameras, smart door locks, and video doorbells are rapidly gaining traction and are expected to account for more than one-quarter of global smart home sales. According to a research report by Spherical Insights & Consulting, the global smart lock market is projected to grow from USD 2.2 billion in 2022 to USD 9.8 billion by 2032, with a CAGR of 16.11%.

3. Overview of the Wearable Device Market

As smartphone growth slows, the continued miniaturization of devices and advancements in AI technologies are creating new opportunities for the wearable device market. According to data from IDC, global wearable device shipments are expected to reach 538 million units in 2024, representing a year-over-year growth of 6.1%.

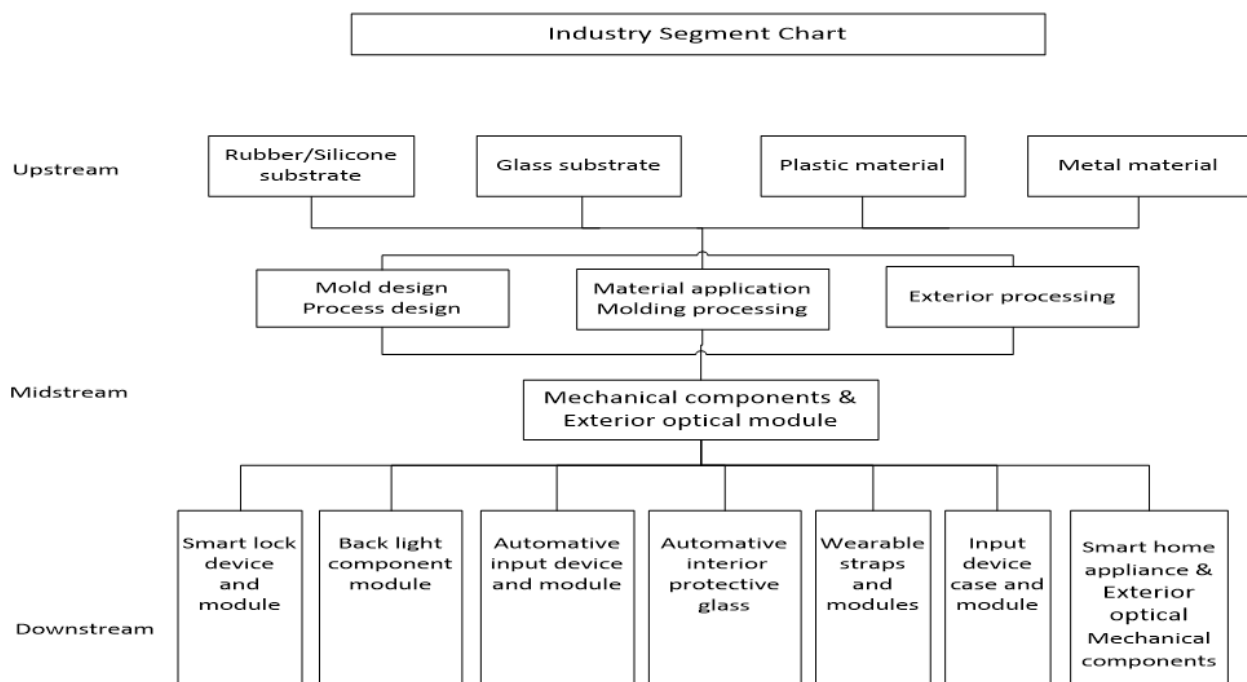
With a healthy replacement cycle, broader price ranges, feature-rich offerings, and increasing market penetration, global shipments of wearable devices are projected to reach 613 million units by 2028, with a compound annual growth rate (CAGR) of 3.3% from 2024 to 2028. Ear-worn devices remain the dominant category in the market. Meanwhile, as the growth of smartwatches begins to level off, rising consumer demand for health monitoring and personalized wearable tech is driving rapid growth in smart rings, which are forecasted to see a five-year CAGR of 17%.

Wearable device forecast: shipment Volume, Market Share, Five-Year CAGR

Unit: million units

Device Category	2024 Shipments	2024 Market Share	2028 Shipments	2028 Market Share	2024-2028 CAGR
Smartwatch	156.5	29.1%	175.2	28.6%	2.9%
Wrist Band	35.2	6.6%	32.1	5.2%	-2.3%
Earwear	342.2	63.6%	399.0	65.2%	3.9%
Rings	1.7	0.3%	3.1	0.5%	17.0%
Others	2.3	0.4%	3.1	0.5%	7.8%
Total	537.9	100%	612.5	100%	3.3%

◆ Upstream, Midstream, and Downstream Industry Linkages



Source: Silitech

◆ Development Trends for Products

Silitech specializes in the design and manufacturing of keypads, wearable devices, and optical exterior components used in automotive systems, smart home appliances, communication devices, and consumer electronics. We proudly serve some of the world's leading Tier 1 manufacturers. Looking ahead, our development strategy will focus on the following areas:

1. Industry Perspective

To maintain long-term competitive advantages, Silitech will proactively expand into automotive interior and decorative components, smart home monitoring and security, wearable devices, as well as networking and 5G-related applications. This strategic diversification not only reduces business risk but also positions us to stay ahead of evolving industry trends.

2. Product Perspective

Future developments in in-vehicle systems, personal mobile devices, and smart home security solutions will continue to prioritize lightweight, slim designs, multi-functionality, multimedia capabilities, personalization, and visual appeal. The demand for high-value exterior mechanical components will grow accordingly. Additionally, the need for wearable devices that combine skin-friendly, ergonomic rubber and silicone materials with hybrid materials is expected to increase. Similarly, demand will rise for smart home monitoring and security products that emphasize personal privacy and safety.

3. Technology Perspective

Silitech will continue to enhance its core technologies by integrating advanced materials, diverse applications, and refined exterior manufacturing processes. We also offer

customized technical services to meet the design needs of decorative components and hybrid material combinations across different industries.

4. Competitive Landscape

As competition intensifies with the rise of China's supply chain, Chinese suppliers have emerged as significant competitors. In response, Silitech is actively expanding its presence in Europe, the U.S., and Japan, while deepening its core technology capabilities. Our focus is on high-value, precision-engineered products to build long-term competitive advantages. With strong safety credentials and expertise in precision technologies, Silitech has established long-term partnerships with international automakers. We will continue to grow and refine our offerings in the automotive sector, leveraging our experience and established distribution channels.

4.1.3 Technologies and R&D Overview

◆ R&D Expenses Invested for the Last 2 Years and up to the Date of Publication of the Annual Report

Unit: NT\$ thousands

	2023	2024	2025/ Q1
R&D expenses	39,935	39,876	9,280
Percentage of Revenue	1.92%	1.49%	1.53%

◆ Technologies (Products) Successfully Developed

Our company has always placed great emphasis on research and development as well as intellectual property rights. As of the date of this annual report, we have obtained a total of 36 valid patents, excluding expired, overdue, pending, or announced patents. Currently, the following technologies or products have been successfully developed: The first to twelfth generation of plastic and rubber-bonded keypads, metal mirror coating and printing, low-temperature vacuum sputtering plastic metallization, metal and plastic flat keypads, and nickel-free process products (Ni-free), ultra-thin EL / LED + light guide plate backlight keypad module manufacturing and design, NB keyboard thin backlight module, multi-display thin backlight module, stereo font keypads, film and elastomer modular keypads , QWERTY keypads, touch keypads with paragraph function, multi-display keypads module, integrated keypads with light guiding function, gradient color appearance processing development, Double-sided guide Structure, metallic pieces of plastic, Colorful Aluminium Anodizing, 3D glass, protective glass, wearable devices, all kinds of material back cover, Dot View display wisdom protective cover products, Silicone strap, Multiple color silicon strap, Antifouling treatment of silicon parts, Interior Plastic Parts of car, Interior Silicon Parts of car, Outside molding decoration Plastic Parts, In-Molding Electronics of silicon, High gross plastic parts, Sealing glue Electronics, In-Molding Electronics.

At the same time, our company is also fully compliant with environmental regulations such as RoHS and Green Product requirements, meeting both regulatory standards and customer

expectations, thereby contributing our part to environmental protection.

4.1.4 Long-term and Short-term Business Development Plans

	Short-term Plans	Long-term Plans
Marketing	<ul style="list-style-type: none"> ◆ Based on our existing core technologies, we are actively exploring new market applications. ◆ We are establishing a business development platform and processes, combined with ongoing industry information gathering, to continuously identify new market opportunities. 	<ul style="list-style-type: none"> ◆ By leveraging the spirit of global professional division of labor, we continue to expand and establish a worldwide marketing network to enhance our company's leading position in the global market and increase the market share of each product line.
R&D	<ul style="list-style-type: none"> ◆ Building on our existing core technologies, we aim to develop high value-added products. ◆ We continue to strengthen our core technological capabilities. 	<ul style="list-style-type: none"> ◆ In addition to our existing core technologies, we are developing new core technologies and products in line with market trends. ◆ Integrating market trends and demands, we develop products for cross-industry applications.
Manufacture	<ul style="list-style-type: none"> ◆ To meet customer needs, we maintain flexible production sites and efficient adjustments to enhance production efficiency and reduce manufacturing costs. 	<ul style="list-style-type: none"> ◆ We are introducing automated processes to reduce labor requirements and establishing a smart manufacturing model to meet customers' demands for prompt delivery and product diversification.
Operation	<ul style="list-style-type: none"> ◆ Integrating internal resources across the organization to maximize operational synergy. 	<ul style="list-style-type: none"> ◆ While maintaining steady growth, we seek strategic alliances with partners within and outside the industry, aiming to develop into an international enterprise group.
Finance	<ul style="list-style-type: none"> ◆ Applying financial management principles, we align with and support the Company's long- and short-term development needs through related fundraising initiatives. 	<ul style="list-style-type: none"> ◆ Aligned with the Company's operational scale and the integration of industry supply chains, we strengthen both domestic and international fundraising channels to solidify the foundation for the Company's development.

4.2 Market Analysis and Overview

4.2.1 Market Analysis

♦ Geographic Areas Where the Main Products (Services) Are Provided (Supplied)

Unit: NT\$ thousands

Item \ Year		Year 2023		Year 2024	
		Amount	%	Amount	%
Domestic Revenue		502,291	24.10	914,431	37.88
Export Revenue	America	508,700	24.41	538,316	22.30
	Europe	428,142	20.54	323,365	13.39
	Asia	645,293	30.95	638,091	26.43
	Others	0	0	0	0
Subtotal- Export Revenue		1,582,135	75.90	1,499,772	62.12
Total		2,084,426	100.00	2,414,203	100.00

Note: Global consolidated data.

♦ Market Share, Demand and Supply Conditions and Market's Growth Potential

In the future, Silitech will continue to develop high-priced, high-value-added products, such as automotive keypads, large size curved cover glass for vehicles, wearable products, smart home devices, etc. The market share for these products is expected to continue growing and is anticipated to further increase.

♦ Competitive Niche

Item	Notes
Systematic R&D capabilities and product design services	Our company continuously shares and exchanges R&D insights through a technical platform, APQP development communication, and PLM management models, constantly strengthening our R&D capabilities. Coupled with the smooth operation of the PM project-based leadership mechanism, we focus on meeting customer needs by providing timely Total Solutions and one-stop services. As a result, we have been invited to participate in the early-stage design (Early Joint Design) of appearance and structural components across various industries, gaining the favor of many leading international companies.
Well-established production sites	Our company carefully balances overall production costs and makes effective use of resources in Southeast Asia and Mainland China, while integrating advanced product research, development, and manufacturing in Taiwan. We have established a comprehensive production network with facilities in Taiwan, China, and Malaysia. These production bases have successively obtained quality

Item	Notes
	certifications such as ISO 9000, ISO 14000, TS16949, as well as Best Supplier awards from Ford and Chrysler in the United States, as we move toward intelligent manufacturing.
Global Sales Network	At present, our company has established an extensive and deeply rooted sales network in the United States, Europe, Japan, Southeast Asia, and Mainland China. This allows us to provide prompt and responsive local service to our customers. In addition, we are progressively building a competitive edge through high product quality, accurate delivery schedules, and reasonable pricing.
Professional Collaborative Supply Chain Management	Through the VQM (Vendor Quality Management) model, we embody the spirit of a central support system, actively assisting our partner manufacturers in improving their production processes, expanding areas of cooperation, and effectively enhancing their quality standards. As a result, our strong and stable supply chain management has become one of the key competitive advantages of our company.
Experienced Management Team	Our company places great emphasis on talent development. Each member of our management team has accumulated over 10 years of practical experience, with strong synergy and shared management values. This enables us to lead the Company toward steady growth and progress, with the goal of becoming a world-class manufacturer of precision exterior components.

◆ **Positive and Negative Factors for Future Development and Response**

1. Positive Factors

Item	Notes
Growing Importance of Aesthetic and Decorative Component Design	With the rapid changes in consumer preferences and increasing demand for personalized and colorful designs, the product life cycle of consumer electronics has become shorter. As a result, offering diverse user experiences and aesthetic options has become more critical. This trend has also led to a growing emphasis on the design of decorative components and protective glass elements.
Continued Growth in the Automotive Telematics and Display Market	Driven by the rise of the Internet of Vehicles (IoV), the integration of telematics and multifunctional display systems in automobiles is steadily increasing. These products demand high levels of safety, functionality,

Item	Notes
	precision, and design sophistication. They also require ergonomic designs and the integration of diverse materials such as plastics, rubber, metal, and glass. This aligns perfectly with Hong Hui's capabilities in the design and manufacturing of exterior structural components.
Surging Demand for Smart Home Applications	As smart voice assistants become increasingly mature, the global smart home device market is expanding rapidly beyond its initial stages. Over the next five years, the market is expected to grow at a compound annual growth rate (CAGR) of 5.6%. Among these, security-related products such as smart locks are seeing particularly strong growth, requiring advanced and precise hybrid structural design capabilities to support their development.

2. Negative Factors

Item	Notes
Rising Labor Costs in China	With the rapid growth of China's economy, the minimum wage has been steadily increasing in recent years. In addition, the appreciation of the Renminbi has further driven up overall labor costs, leading to higher production expenses for manufacturing operations in China.
Rise of Chinese Competitors	The emergence of 3C (consumer electronics) brands in Mainland China has led to the gradual maturation of the overall supply chain. As their production and quality control capabilities improve, these developments have significantly impacted the component industry.
Global Economic Slowdown	Due to persistent international inflation, the increasing exchange rate volatility, the ongoing Russia-Ukraine conflict, a slowdown in China's economy, the implementation of U.S. basic and reciprocal tariff policies, and the increasing impacts of climate change, the global economy is experiencing low growth.
Talent Development Challenges	In recent years, rapid technological advancements have broken the boundaries of traditional university disciplines, requiring talent with cross-disciplinary integration skills across all industries. Additionally, the long-standing issue of low domestic salaries has led to a brain drain, making talent recruitment and development increasingly difficult.

3. Countermeasures

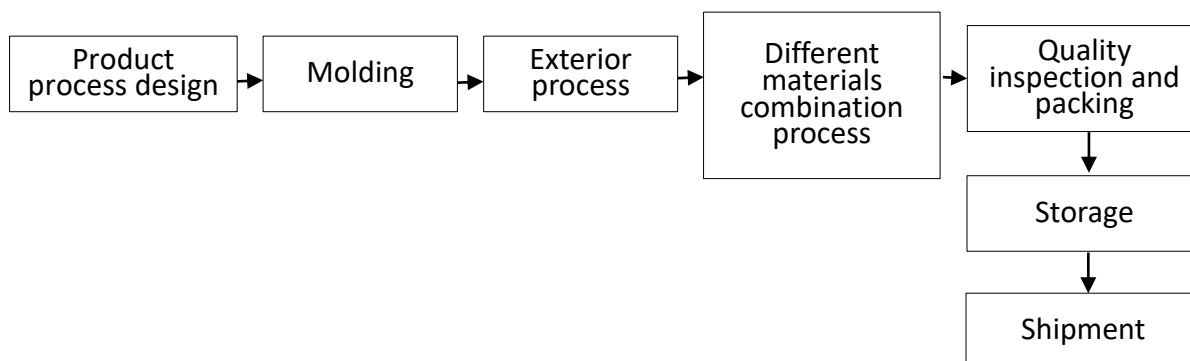
Item	Notes
Mastering Product Development Trends and Cross-Industry Market Expansion	<p>To ensure long-term competitive advantages, our company is not only actively expanding the application of decorative exterior components to related fields to diversify business risks, but also closely monitoring industry development trends to respond proactively.</p> <p>In addition to maintaining our existing businesses—such as buttons and automotive center consoles—we are also developing cross-disciplinary product lines that are closely related to our current operations, including game controller buttons, automotive protective glass, exterior optical modules, wearable device accessories, and smart home monitoring devices. Furthermore, we are exploring new products within our existing customer base, seizing opportunities for development during the Company’s stable transformation, such as 5G-related products and IoT devices.</p>
Rationalization, Downsizing, and Automation-Based Process Design Towards Advanced Manufacturing Goals	<p>Our company is continuously enhancing process design with a focus on rationalization and automation, improving production efficiency to counter the impact of rising global wage costs.</p>
Expanding R&D Team and Enhancing Core Technology Investment and Product Development Flexibility	<p>Our company is committed to working with customers to produce differentiated and high-value-added products. In response to the rise of Chinese brands and to better serve our customers’ design needs, we provide fast and responsive design services with production flexibility. To enhance overall R&D efficiency, we have established a new R&D team in Mainland China.</p>
Strengthening Vertical Integration, Enhancing Professional Division of Labor, and Seeking Strategic Alliances	<p>Our company continuously expands its vertical integration capabilities in the design of different materials and manufacturing processes to meet customer needs. We offer a wide range of component and module manufacturing services. Both our business and R&D teams are actively developing cross-disciplinary talent, while also seeking strategic alliances with key suppliers to strengthen professional division of labor.</p>

4.2.2 Usage and Manufacturing Processes for the Main Products

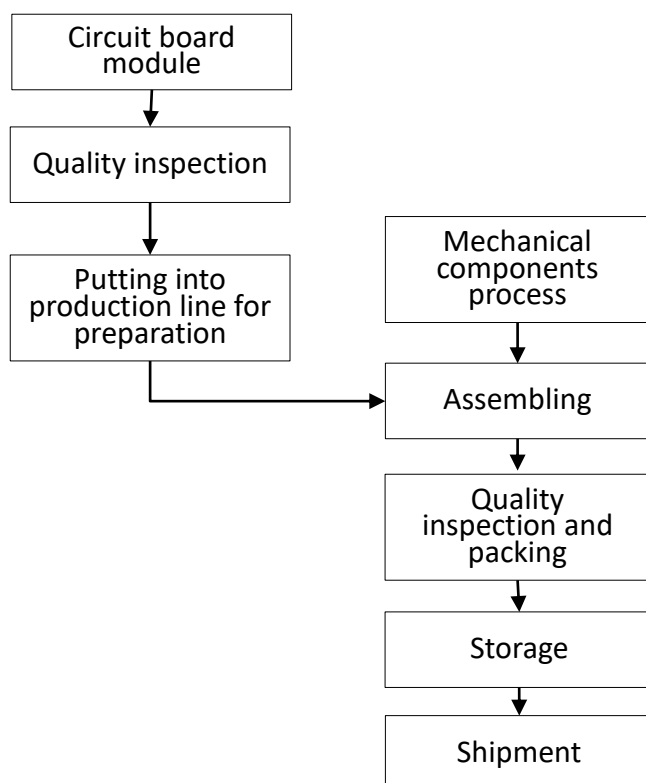
- ◆ Our company's main products are currently applicable to industries such as 3C, automotive, and smart home, including exterior optical components and modules.

◆ Manufacturing Processes:

1. Keypad & Exterior Mechanical Components



2. Module Products



4.2.3 Supply Situation for Major Raw Materials

Major Raw Materials	Source	Supply Situation
Silicone raw materials	Japan, the United States	Good
Plastic materials	Japan, the United States	Good
Chemical ink	Taiwan, Japan	Good
Glass raw material	the United States, Japan	Good
Metal raw materials	Japan, China	Good

4.2.4 Suppliers and Clients Accounted for at Least 10% of Procurement (Sales) Amount and Percentage

♦ **Suppliers Accounted for at Least 10% of Annual Consolidated Net Procurement for Last 2 Years:**
None.

♦ **Customers Accounted for at Least 10% of Annual Consolidated Net Revenue for Last 2 Years:**

Unit: NT\$ thousands

Year 2023					Year 2024			
No	Name	Amount	Percentage of Net Revenue [%]	Relationship with the Company	Name	Amount	Percentage of Net Revenue [%]	Relationship with the Company
1	Customer A	495,479	24	None	Customer B	823,956	34	None
2	Customer B	409,056	20	None	Customer A	525,542	22	None
3	Customer C	374,625	18	None	Customer C	355,267	15	None
	Other	805,266	38	—	Other	709,438	29	—
	Net Revenue	2,084,426	100	—	Net Revenue	2,414,203	100	—

Analysis of deviation over 20%: None.

Note 1: Due to contract limitation, using a code in place of the actual name of the customer.

Note 2: The Company should disclose the data which is reviewed by the CPAs as of the date of publication of the annual report.

4.3 Workforce Structure

Workforce Structure from the last two years and up to the date of publication of the annual report:

Year		2023	2024	2025/4/30
Number of Employees	DL	1,212	1,176	1,207
	IDL	496	496	480
	Total	1,708	1,672	1,687
Average Age		34.88	34.32	34.33
Average Years of Service		8.89	8.74	8.62
Education Level Percentage (%)	Doctor	0.07	0	0
	Master	4.87	3.62	3.56
	College	36.11	35.77	35.56
	High school	41.43	41.6	42.03
	Below high school	17.52	19.01	18.85

4.4 Disbursements for Environmental Protection

4.4.1

For last year and up to the date of publication of the annual report, there is no major environmental pollution and other circumstances. In order to implement the concept of environmental protection and fulfill our social responsibility, our company not only follows the relevant laws and regulations on environmental protection and the environmental protection requirements of the competent authorities, but also formulates the relevant management laws and regulations, and carries out the environmental protection training to enhance the environmental protection awareness and concepts of the employees, so that our company starts from the product design, improves the manufacturing process, and meets stringent requirements. We hope to meet the needs of the customers, and at the same time take into account the premise of minimizing the hazards of the environment, so as to achieve the optimal product design and manufacturing process to fulfill the environmental responsibility of the enterprise.

4.4.2 Supplier Environmental Safety and Health Management

The Company encourages contractors to implement effective self-management in occupational safety and health, and has established related measures such as safety proposals, near-miss incident sharing, and employee training. Suppliers are also required to sign relevant safety agreements. To ensure suppliers uphold environmental safety responsibilities, the Company requires all suppliers to sign the "Supplier Agreement on Restricted (Prohibited) Hazardous Substances for the Environment." This agreement ensures that all supplied products or components (including product accessories, packaging materials, and other items related to product delivery) comply with the EU RoHS environmental regulations and the WEEE directive on waste electrical and electronic equipment. Additionally, suppliers must adhere to substance limits set forth in the Company's operational documents and provide corresponding compliance

documentation. As of recent years, the number of newly signed suppliers to the "Agreement on Restricted (Prohibited) Hazardous Substances for the Environment" is as follows:

2022: 379 suppliers

2023: 23 suppliers

2024: 4 suppliers

4.4.3 Hazardous Substances Management

In 2008, the Company inspected all of the products and materials for PFOA / PFOS (the EU additional hazardous substances) to ensure all raw materials and manufactured products that contain no such hazardous substances. In the same year, the halogen (chlorine & bromine) content of raw materials was also inspected (halogen is mainly used in some resins and pigments). The replacement by halogen-free materials and introduction of mass production have completed in 2009. Therefore, all halogen-containing raw materials are replaced by halogen-free materials. The Company became a qualified supplier that meets the customer's halogen content of less than 900ppm.

4.5 Labor Relations

4.5.1 Employee benefit plans, continuing education, training, retirement systems, and the status of their implementation

◆ Employee Welfare Measures and Implementation Status

The Company treats labor relations with respect and impartiality at all times. The Company shows its unfailing attention to employee benefits, in addition to the provision of welfare funds according to law, the establishment of the Staff Welfare Committee and the selection of welfare committees to set annual plans for a variety of welfare activities. The Company also offers comprehensive employee care, which includes enrollment in the labor and national health insurances and purchasing group insurance for our employees. Regarding the diversity of employee benefits, we organize year-end parties and company trips, establish employee dining rooms and convenience stores in our factory areas, and offer subsidies for the establishment of employee clubs, travel allowances, birthday and holiday gifts, scholarships for employees' children, as well as other benefits related to marriage, childbirth, military enlistment and death, thus sparing no effort to provide care for our employees. Profit and results sharing: stock or cash distribution to employees to enrich the staff benefits. The Company grants monthly leave and annual leave in accordance with the provisions of the Law of Labor and encourages employees to take leaves, so that work and life can be balanced. The Company established breastfeeding rooms and signed the Agreement for Employee Child Care Services with our collaborating kindergartens, which offer discounts for our employees' children. The Company also has employee suggestion boxes to enable employees and the Company to have more two-way communication channels.

◆ **Employee Health Check-ups and Follow-up Tracking**

The Company provides free annual health check-ups for all employees, with a focus on key health indicators such as BMI, blood pressure, blood sugar, and blood lipids—collectively referred to as the “three highs.” A health examination results database has been established to support tiered management and follow-up mechanisms. Post-checkup, a ten-year health risk prediction and analysis is conducted to enable early detection of abnormalities and provide timely intervention. This initiative helps ensure employees' physical and mental well-being while reducing future health risks.

◆ **Professional Health Support Mechanism**

The Company employs professional occupational physicians and on-site nurses who regularly provide health guidance and on-site services, including one-on-one consultations and explanations of health check-up reports. Employees identified as medium to high health risk are proactively scheduled for individual consultations, receiving professional medical advice and access to health management resources. These measures are designed to effectively promote employee health and prevent disease.

◆ **Nutrition and Dietary Promotion and Education**

The Company's internal cafeteria offers a variety of nutritious meals, with both vegetarian and non-vegetarian options. Regardless of dietary preference, an emphasis is placed on providing a wide selection of vegetables to ensure proper nutrient and dietary fiber intake. On-site nurses also provide weekly consultations, offering guidance on nutrition and exercise, and regularly post educational materials and posters to promote healthy eating habits.

◆ **Exercise Promotion and Health Clubs**

To support employees' physical and mental well-being and promote work-life balance, the Company's Welfare Committee organizes various sports and club activities, such as hiking and badminton clubs. These weekly scheduled activities encourage employees to develop regular exercise habits, improve physical fitness, and enhance stress resilience.

◆ **Retirement System and Implementation Status**

To stabilize post-retirement life of employees to enhance the service spirit, the "Employee Retirement Management Measures"- the old system formulated according to the law, clearly stated the retirement conditions of employees, the pension payment standard and the retirement application and pension payment matters. The Company established the employee retirement reserve supervision committee, based on job tenure and salary of employees who adopting the old pension systems, and based on certain percentage of their monthly salary (at least 2% but not exceed 3%), provided the employee retirement reserve according to the "employee retirement reserve and management measures" and deposited in the name of the

employee retirement reserve supervision committee with a statutory financial institution. The Company's "Employees' Retirement Management Measures" has been amended in accordance with the "Labor Pensions Ordinance" since 2005.7.1. The new system is levied 6% to the individual's retired account and clearly states the conditions for the application and the right to connect and convert between the old system and new system

◆ **Employee Training and Talent Development Program**

Talents are the lifeblood of enterprises. In order to cultivate excellent successors, the Company has established a comprehensive talent development plan and education training workshops. According to the actual needs of each unit and the preparation of the annual budget, the whole year of training schedule is drawn up every year. According to different job functions, to plan the management courses for management level and stipulate employees to participate in various education and training courses conducted by the Company and related educational and training institutions. If it is necessary for the duties or work of employees, they may apply or be appointed by the direct supervisor for outside training. At the end of the course, employees are required to submit a report or briefing, and the results will be one of the eligibility criteria for future promotion. In 2024, the training courses covered a wide range of topics including new employee orientation, professional development, leadership, conflict management, promotion of a friendly workplace, the seven QC tools, SPC quality management, process control and capability enhancement, occupational safety and health, information security, AI applications, ChatGPT applications, auditing, insider trading prevention, legal knowledge promotion, health seminars, standard working hours and capacity planning, 8D problem analysis and resolution, and PFMEA (Process Failure Mode and Effects Analysis) implementation. The total training hours reached 10,953.5, with approximately 2,107 employee participants.

◆ **Employee behavior or ethical code**

In order to maintain a safe and healthy working environment, in accordance with the employee work rules, the Company and its employees should be responsible for their duties and comply with all company regulations and related laws. In order to strengthen labor-management cooperation and exchange of opinions, the Company has held the labor conference and established complaint channels and disciplinary measures to promote communication/ harmony between employers and employees. In addition, the Company has formulated the "Sustainable Development Best Practice Principles" and the "Regulations for Ethical Business Operations" as the ethical values that all employees should follow. It is also the Company's business philosophy

◆ **Protective measures for the work environment and employees' safety**

In order to establish a safe and health management system and avoid occupational disasters, the Company has formulated industrial safety implementation procedures and safety/health

work codes, discussed labor safety issues irregularly in the Labor Safety and Health Committee, strengthened safety education and training to promote employee self-protection system, and then implemented and created safety culture. In view of the importance of the work environment and the personal safety protection measures of employees, the Company has set up labor safety and health management personnel to be responsible for the promotion of labor safety and health, and implemented automatic inspection. In addition to regular maintenance of various machinery and implementation according to the operational instructions, in order to prevent disasters and to make employees' awareness of safety and health operations, the Company also regularly conducts general personnel safety and health education training courses to enable all employees to understand and follow the relevant laws and regulations, educates employees on the maintenance and use of protective equipment, emergency and notification of accidents. Through advocacy planning and implementation, the potential occupational disaster risk of all employees is reduced with a zero disaster target. The Company conducts regular annual workplace risk assessments to continuously improve the work environment and ensure employee safety and comfort. Employees are encouraged to perform stretches and take short breaks during work to reduce the risk of occupational injuries caused by prolonged sitting. Environmental conditions such as ventilation, temperature and humidity, and lighting are regularly inspected and maintained. Office areas are equipped with ergonomically designed desks, chairs, and lighting fixtures.

The Company also regularly hosts health seminars featuring occupational medicine specialists to enhance employee awareness of chronic disease prevention. Additionally, health information is promoted through internal bulletin boards, covering topics such as stress management, nutrition, exercise, and workplace wellness

4.5.2 In the most recent year and up to the annual report publication date, there have been no significant labor disputes.

The Company has always maintained a harmonious labor-management relationship, continuously improved employee welfare, and actively promoted communication between labor and management. However, during the course of the Company's growth and expansion, some shortcomings have been identified. According to the findings of the labor inspection authority, although it was agreed between employer and employee that overtime work requires prior application, the employer is still responsible for managing employee attendance and overtime work. Due to failure to pay overtime wages in accordance with legal requirements, the New Taipei City Government imposed a fine of NT\$50,000 on March 28, 2024, under official document No. 1134638774.

To prevent similar incidents in the future, the Company is continuously reviewing its work hour management processes and strengthening communication through its time management system, reminding employees to submit overtime applications in a timely manner to avoid omissions.

4.6 Cyber Security Management

4.6.1 The cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management

◆ Cyber security risk management framework

Information processing is an important part of the Company's daily operations. Silitech is committed to safeguarding the security of the Company's information assets such as information, equipment, employees, and networks, and to prevent internal and external threats, damages, deliberate or accidental. Therefore, The scope of information security at the Company formulates Information Security Policy encompasses employees, clients, suppliers, and shareholders and all IT software and hardware associated with its business activities that is not only for the IT department's reference in planning, implementing and evaluating information business, but also should be followed by all employees.

◆ Cyber security policies

1. Strengthen employees' awareness of information security.
2. Avoid unauthorized disclosure of confidential information.
3. Effectively implement routine maintenance.
4. Ensure high availability of information technology services.

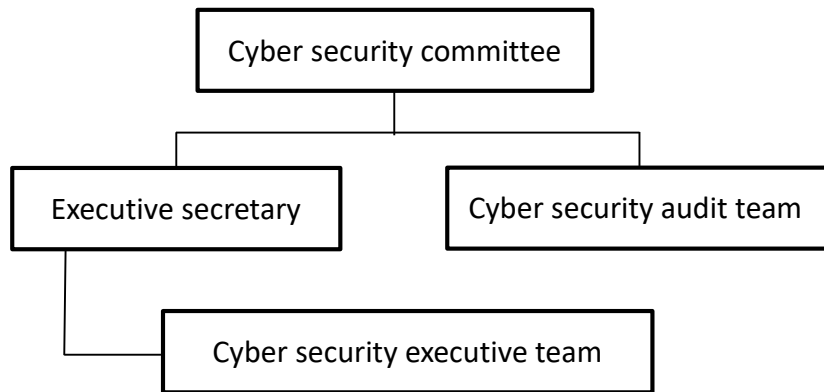
◆ Concrete management programs

1. Cyber security goals

- (1) Arrange employee training to increase employees' awareness of information security.
- (2) Secure the accuracy and completeness of the Company's operation information and prevent unauthorized access.
- (3) Conduct internal and external audit periodically to reassure defined procedures are effectively executed.
- (4) Sustain a certain level of availability of the Company's critical information systems.

2. Establish Cyber Security committee

Cyber Security Committee has the supreme authority on the Company's cyber security. The President is the chairman of the committee, the third-level directors of the Company are the members of the committee, and the director of the IT department is the convener. The cyber security meeting will be hosted as needed. Its missions are to formulate and evaluate the Company's cyber security policies or cyber incidents review and supervision of security matters.



3. Organize cyber security executive team

As the cyber security execution unit, the Company's IT department is responsible for daily information security monitoring, information software, hardware operations and equipment maintenance.

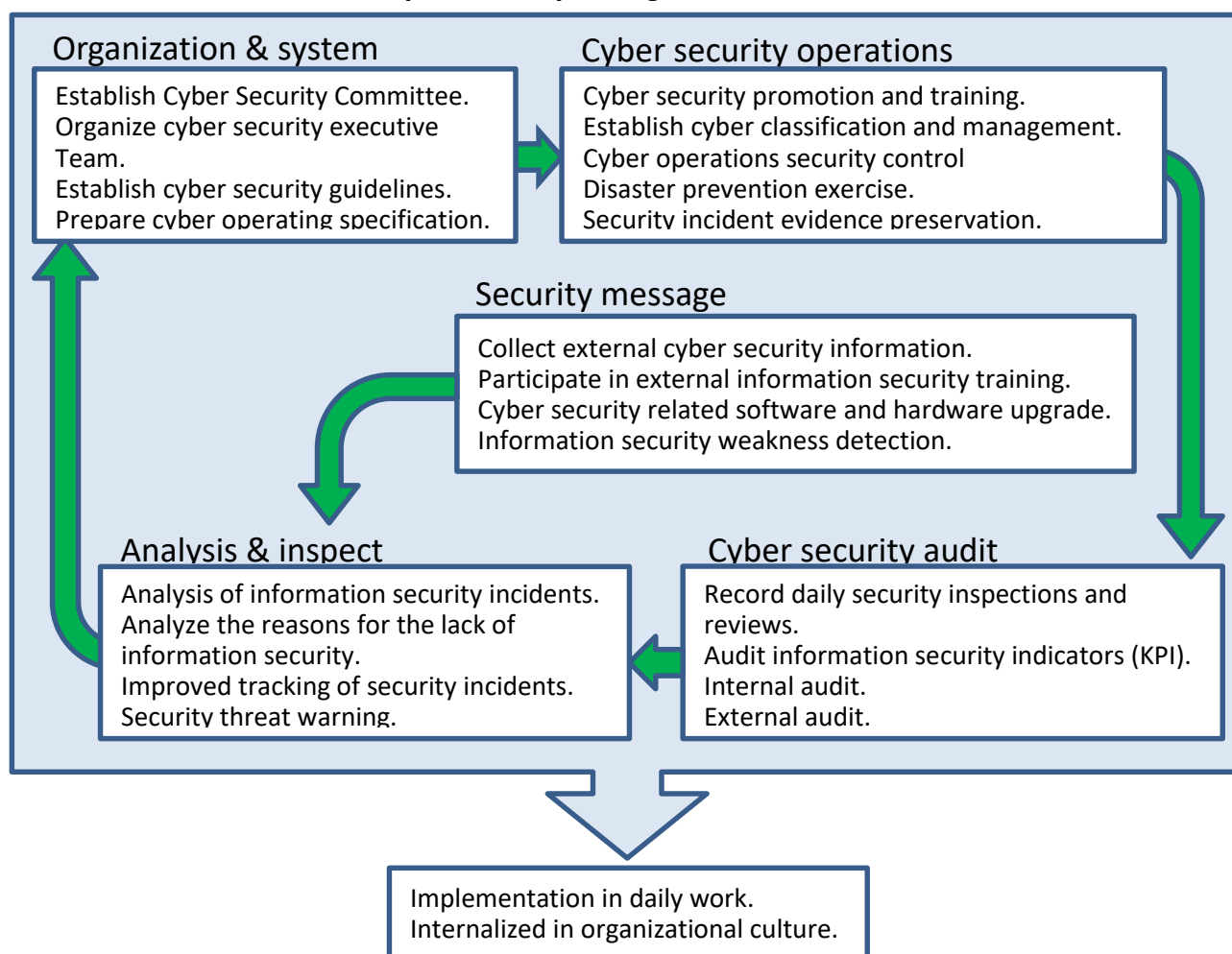
4. Establish cyber security guidelines

Based on the cyber security policies, to formulate various standard operating procedures and operating specification as the basis for daily cyber security operations.

5. Regular cyber security training and promotion

The cyber security executive team hosts training courses from time to time to enhance employees' correct cyber operation methods and security knowledge. The latest information security threats and precautions are released on a quarterly basis. If cyber security risks are expected to increase, relevant warnings will be issued immediately and corresponding measures will be taken.

◆ Investments in resources for cyber security management



4.6.2 For last year and up to the date of publication of the annual report, there was no loss due to cyber security risk issue.

4.7 Material Contracts

Contract Nature	Contracting Party	Term of Agreement	Major Content	Restrictive Clauses
Sales contracts	Non-Disclosure and Confidentiality	Non-Disclosure and Confidentiality	Sales of our products are subject to agreements regarding the model, goods, specifications, delivery period, quantity, and other related terms.	None

Financial Status, Operating Results and Risk Management

5.1 Financial Status

Unit: NT\$ thousands; %

Item \ Year	2023	2024	Difference	
			Amount	%
Current Assets	1,577,427	1,820,733	243,306	15
Property, Plant and Equipment	401,054	445,623	44,569	11
Other Non-current Assets	1,379,708	1,361,343	(18,365)	(1)
Total Assets	3,358,189	3,627,699	269,510	8
Current Liabilities	671,569	802,641	131,072	20
Non-current Liabilities	69,639	99,751	30,112	43
Total Liabilities	741,208	902,392	161,184	22
Capital Stock	680,000	680,000	-	-
Capital Surplus	630,074	630,074	-	-
Retained Earnings	1,613,038	1,588,824	(24,214)	(2)
Total Equity	2,616,981	2,725,307	108,326	4

Analysis of deviation over 20%:

1. Increase in Current Liabilities: Due to the increase in trade payables and other payables.
2. Increase in Non-current Liabilities: Due to the increase in lease liabilities .

5.2 Operating Results

Unit: NT\$ thousands; %

Item \ Year	2023	2024	Difference	%
Operating Revenue	2,084,426	2,414,203	329,777	16
Cost of Goods Sold	1,755,022	2,133,582	378,560	22
Gross Profit	329,404	280,621	(48,783)	(15)
Operating Expenses	248,788	266,953	18,165	7
Operating Profit	80,616	13,668	(66,948)	(83)
Non-operating Income and Expenses	89,249	73,344	(15,905)	(18)
Profit before Income Tax	169,865	87,012	(82,853)	(49)
Income Tax Expense	50,537	31,934	(18,603)	(37)
Net Income	119,328	55,078	(64,250)	(54)

5.2.1 Analysis of Deviation over 20%:

- ♦ **Increase in cost of goods sold:** Due to the reduction of Xurong factory business operations.
- ♦ **Decrease in operating profit:** Due to the increase in cost of goods sold.
- ♦ **Decrease in profit before income tax:** Due to the decrease in operating profit.
- ♦ **Decrease in income tax expense:** Due to the decrease in profit before income tax, then income tax expenses decreased accordingly.
- ♦ **Decrease in net income:** Due to the decrease in operating profit.

5.2.2 Sales Forecast, Major Impact and Future Plan

Silitech will adjust its global layout thinking and expand business momentum. Silitech will continue its dedication to cross-industry application transformation, deepen customer relationships, participate in and provide early-stage R&D and design of automotive HMI products, and use new materials and new processes combined with core technologies, to enhance product competitiveness and facilitate the application development of Automotive Components and Mechanical Integration products.

5.3 Cash Flow

5.3.1 Analysis of Cash Flow

Unit: NT\$ thousands

Cash Balance 2024/1/1 (1)	Net Cash from Operating Activities in 2024 (2)	Net Cash Flow from Investing and Financing Activities in 2024 (3)	Cash Balance 2024/12/31 (1) + (2) + (3)	Remedy for Liquidity Shortfall	
				Investment Plan	Financing Plan
628,836	244,586	(95,945)	777,477	Not Applicable	

♦ **Analysis of Cash Flow:**

1. NT\$244,586 thousand net cash generated by operating activities: mainly due to the operating income and expenses.
2. NT\$22,237 thousand net cash used in investing activities: mainly due to the acquisition of financial assets and the purchase of property, plant and equipment.
3. NT\$134,233 thousand net cash used in financing activities: mainly due to the payment of cash dividends and the repayment of lease principal.
4. NT\$60,525 thousand net cash inflow caused by effects of exchange rate changes.

♦ **Remedial Actions for Liquidity Shortfall: Not Applicable.**

5.3.2 Analysis of Liquidity

Item \ Year	2023	2024	%
Cash Flow Ratio (%)	24.75	30.47	23
Cash Flow Adequacy Ratio (%)	73.69	88.77	20
Cash Flow Reinvestment Ratio (%)	3.05	4.18	37

♦ **Analysis of deviation over 20%:**

1. Increase in cash flow ratio (%): due to the increase in net cash inflow from operating activities.
2. Increase in cash flow adequacy ratio (%): due to the increase in net cash inflow from operating activities for the last 5 years.
3. Increase in cash flow reinvestment ratio (%): due to the increase in net cash inflow from operating activities.

♦ **Remedial Actions for Liquidity Shortfall: Not Applicable.**

5.3.3 Cash Flow Projection for Next Year

Unit: NT\$ thousands

Cash Balance 2025/1/1 (1)	Projected Net Cash from Operating Activities in 2025 (2)	Projected Net Cash Flow from Investing and Financing Activities in 2025 (3)	Projected Cash Balance 2025/12/31 (1) + (2) + (3)	Projected Remedy for Liquidity Shortfall	
				Investment Plan	Financing Plan
777,477	261,704	(311,488)	727,694	Not Applicable	

♦ **Analysis of Cash Flow Projection:**

1. NT\$261,704 thousand net cash generated by operating activities: mainly due to the operating income and expenses.
2. NT\$1,615,286 thousand net cash used in investing activities: mainly due to the acquisition of equity method investments, and the purchase of property, plant and equipment.
3. NT\$1,303,798 thousand net cash generated in financing activities: mainly due to the borrowing of bank loans, the payment of cash dividends and the repayment of lease principal.

♦ **Remedial Actions for Liquidity Shortfall: Not Applicable.**

5.4 Major Capital Expenditures and Impact on Financial and Business

5.4.1 Major Capital Expenditures and Source of Funds

Unit: NT\$ thousands

Item	Actual or Expected Source of Funds	Total Amount	Actual or Scheduled Use of Funds		
			2023	2024	2025
Production equipment and facilities	Working Capital	346,730	31,370	59,930	255,430
Others	Working Capital	36,037	9,406	18,490	8,141
Total		382,767	40,776	78,420	263,571

5.4.2 Expected Benefits and Impact on Financial and Business:

The above capital expenditures are required for business expansion and the funds required are funded by working capital.

5.5 Long-term Investment Policy

Silitech will leverage the strengths of each manufacturing site to optimize operational efficiency and enhance competitiveness. The Penang factory in Malaysia benefits from stable long-term orders for automotive components. Despite the slowdown in the automotive market, the factory continues to actively pursue new business opportunities and adjust production schedules in a timely manner, thereby maintaining steady operational performance. The Kuala Lumpur factory focuses on diversifying manufacturing processes and increasing production capacity. The Shenzhen Xurong factory is undergoing a scale-down to reduce operational costs and improve overall efficiency. In addition, Silitech has recently launched a public tender offer for FDK Corporation, a company listed on the Standard Market of the Tokyo Stock Exchange. This strategic acquisition is expected to strengthen collaboration between the two companies, expand operational scale, and utilize broader business networks to extend market reach. By integrating existing product lines and customer bases, the partnership will drive new product portfolios and generate momentum for future growth. Through optimized capacity integration, Silitech aims to improve manufacturing efficiency, deepen its EMS capabilities, and further refine cost structures in R&D and production. The Company will continue to expand its global manufacturing footprint to reduce operational risks and provide customers with more competitive products and services. These strategic actions will help Silitech enhance its overall business resilience and strengthen long-term operational advantages.

5.6 Risk Management

5.6.1 The impact of recent interest rates, exchange rate changes, and inflation on the company's profit and loss in the recent year and future measures

Changes in interest rates and inflation have no material impact on Silitech's operations and profit or loss. As for the exchange rate changes, due to Silitech's export sales, in order to avoid the impact of exchange rate fluctuations, Silitech uses foreign exchange spot and forward contracts to avoid exchange rate fluctuation risks. At the same time, in addition to

maintaining close contact with the banks, Silitech will continue to refer to domestic and foreign professional economic reports and data, and immediately grasp the changes in the global economic situation.

5.6.2 The main reasons for the policy, profit or loss of high-risk, high-leverage investment, loan to others, endorsement/guarantee and derivative transactions in the recent year and future measures

Silitech does not engage in high-risk, highly leveraged investments, and endorsements/guarantee. With regard to the loan of funds to others, endorsement guarantees and derivative transactions, Silitech has formulated the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees” and “Procedures for the Acquisition and Disposal of Assets” to regulate the loan of funds to others, endorsement guarantees and derivatives. The derivative transactions dealt by Silitech are for the purpose of hedging only.

5.6.3 Research and development plans in the recent year and future plans

Silitech has developed in the wearable device, smart key, automotive interior glass and optical module products industry. In terms of investment in research and development, in addition to continuously evaluating the possibility of investing in new technologies, Silitech also use new materials and new processes to combine core technologies to continuously enhance core competitiveness. With the pulse of the automobile industry and changes in manufacturing technology, Silitech has improved its position in the automobile industry about the competitiveness of the component market. In addition, Silitech actively develop structurally integrated components and cross-industry application products that combine optics, mechanisms, and electronics, and provide early product R&D and design to meet customer needs and comply with market trends. In addition to providing customers with early product design and R&D with flexible services and improve production efficiency. Relevant research and development plans and progress will be carried out according to the plan. In the future, Silitech will continue to invest in product research and development, key factors such as talents, capital and technology, and maintain the leading position in research and development capabilities. The estimation of R&D expenses is around NT\$ 34 million in 2025.

5.6.4 Impact of material domestic and international policies and legal changes on the company's financial and business in the recent year and corresponding measures

Silitech's operation complies with the relevant current laws and regulations of domestic and foreign countries. In addition to providing legal change information through online collection and legal counsel employed at home and abroad, overseas subsidiaries also irregularly provide important local policies and laws for reference of the management team. Therefore, Silitech can reply the changes in material policies and laws effectively.

5.6.5 Impact of recent technological changes (including cyber security risks) and industry changes on the company's financial and business and corresponding measures

Silitech is one of the leading manufacturers in the industry. R&D technology and innovation are indispensable for operation. It is also a major competitive advantage of Silitech. Therefore, the technology change has positive effects on the financial and business of the Company. Silitech will also continue to maintain its leading position in R&D technology. Recent cases of violations of intellectual property rights have led to an increase in intellectual property risks faced by enterprises in market competition. It highlights that the operation and protection of intellectual property have a significant impact on the Company's operation and development prospects. Therefore, the Company has formulated "Trade Secret Management Procedure", "Reward for Patent Invention Policy", "Information Security Policy & Management Procedure" and trademark management, in regards to the creation, protection, application, and subsequent value of the intellectual property rights, so that the risk of intellectual property rights of the Company can be effectively controlled and disputes can be prevented, so as to achieve the maximum value of intellectual property rights.

For cyber security, the Company establishes the Cyber Security Committee, which convenes cyber security meetings as necessary, and is responsible for formulating and evaluating the Company's cyber security policies and matters, or reviewing and supervising incidents.

5.6.6 The impact of corporate image changes in recent years on corporate crisis management and corresponding measures

Silitech's business objectives are based on the principle of sound and ethical management, the corporate image is good, attracting many outstanding talents, and planting the strength of the management team, and then returning the operating results to the shareholders, and fulfilling the social responsibilities, so there will not be any negative impacts on the image of Silitech. Silitech will continue to do its best to maximize the shareholders' interests, fulfill the corporate social responsibility and make the corporate image even better.

5.6.7 Expected benefits and possible risks of M&A in the recent year

Silitech has not conducted any mergers and acquisitions in the most recent year and up to the date of publication of the annual report.

5.6.8 Expected benefits and possible risks of expansion of the factory in the recent year

Please refer to the Section 5.4 Major Capital Expenditures and Impact on Financial and Business.

5.6.9 Risks of purchase or sales concentration in the recent year

Silitech has been established from the spin-off of Silitek Corporation Rubber BU. It has many years of profound cooperation experience and partnership with material suppliers. The raw

material procurement of Silitech's global production base are negotiated together. When purchasing materials, there is a relative bargaining power and a stable supply source. In addition, Silitech has a large variety source of purchases and no centralized purchase. The customers of Silitech are mainly international manufacturers or EMS. Silitech is more active in business development for different customers and developing product applications to expand customer base. Therefore, Silitech has no risk on sales concentration.

5.6.10 Directors or shareholders holding more than 10% of the shares, the impact of a large number of shares transferred or replaced on the company and risks: None.

5.6.11 Impact of changes in management rights on the company and risks

Not applicable, no change in management rights in 2024.

5.6.12 Litigation or non-litigation

Should the Company, its directors, presidents, substance representatives, subordinate companies and major shareholders holding more than 10% of the shares in the last two years have the litigation, non-litigation or administrative disputes up to the date of this annual report: None.

5.6.13 Policy and organizational structure of risk management

♦ **Organization and operation of risk management**

There are considerable variables in operation, growth and even scale adjustments of a company. Silitech pursues the maximization of shareholders' interests and protects all employees and reduces its operating risks in a responsible manner. According to this spirit, the risk management procedure is established, and the management cycle is divided into four categories: project category, operation category, improvement category and other category. Aiming at possible risk causes, each cycle of risk management has its responsible unit. The timing of prevention planning, preventive measures and review cycle, etc., will be proposed by the responsible units. The review of improvement plan will be served as a reference for similar events in the future.

Silitech's operational risk management is divided into three levels for management and control: the responsible unit is the first mechanism, and it takes responsibility for the design, prevention and prevention of the initial risk detection, evaluation and control of the operation. The second mechanism is the evaluation committee chaired by the president. In addition to the feasibility assessment, it also includes assessments of various risks. The third mechanism, it includes audit department's review of the potential operational risks, regular internal audit reports to the board of directors, and review of the board of directors.

♦ **Organization table of risk management**

Important Risk Assessment	Responsible Unit (First Mechanism)	Risk Review and Control (Second Mechanism)	BOD and Internal Audit (Third Mechanism)
1. Interest rates, exchange rates and financial risks 2. High-risk, high-leverage investment, loans to others, endorsement guarantees and derivative commodity transactions and financial management investment	Treasury Unit	Finance assessment	Board of Directors: decision and final control of risk assessment control Internal Audit: risk inspection, assessment, supervision, improvement tracking and reporting
3. Research and development plan 4. Policy and legal changes 5. Technology and industry changes 6. Corporate image change 7. Merger benefits 8. Expansion of the factory or production 9. Centralized purchase or sales	R&D and New Business Legal Office President's Office Finance Information Technology Sales & Marketing Procurement Mechanical Integration Automotive Components	R&D, management, and operation /production & sales meetings	
10. Equity movement of directors or major shareholders 11. Changes in management rights	Finance	Management meeting	
12. Litigation or non-litigation matters	Legal Office	Legal meeting	
13. Personnel behavior, ethics and conduct	Department head Human resources	HR meeting	
14. Management of the board of directors	Finance	Legal Office, Internal Audit	

5.6.14 Other Important Risks and Corresponding Measures: None.

5.7 Other Important Matters: None.

Special Notes

6.1 Affiliates Information

The information specified in the required items has been disclosed on the Market Observation Post System of the Taiwan Stock Exchange. Please refer to the section for the three reports of affiliated enterprises. (https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

6.2 Private Placement Securities in the Most Recent Year and up to the Publication Date of this Annual Report: None.

6.3 Other Necessary Supplement: None.

Any Events Had Significant Impacts on Shareholders' Right or Security Prices as Stated in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act: None.