



Stock Code: 8098

慶康科技股份有限公司 DURA TEK, INC.

2024 Annual Report

Printed on April 11, 2025

MOPS website: <https://emops.twse.com.tw/>

The Company's annual report is available on the website: <http://www.duratek.com.tw/>

I. Name, title, contact number and email of the spokesperson or acting spokesperson

Name of spokesperson: Hsiu-Wen Hsieh	Title: Manager, Administration Department
Tel.: (06)505-3050	Email: wenniehsieh@duratek.com.tw
Name of acting spokesperson: Shou-Chih Yeh	Title: Manager, Engineering Department
Tel.: (06)505-3050	Email: bobyeh@duratek.com.tw

II. Addresses and telephone numbers of headquarters, branches and plants

Name	Address	Tel.
Headquarters	No. 320, Sec. 1, Huandong Rd., Xinshi Dist., Tainan City	(06)505-3050
Plant	No. 320, Sec. 1, Huandong Rd., Xinshi Dist., Tainan City	(06)505-3050

III. Name, address, website, and telephone number of the stock transfer agency

Name: Shareholder Service Department, IBF Securities	Website: http://www.ibfs.com.tw/
Address: 15F., No. 188, Sec. 5, Nanjing E. Rd., Songshan Dist., Taipei City	Tel.: (02)2528-8988

IV. Names of CPAs and name, address, website and telephone number of the auditing firm that audited the financial statements for the past fiscal year

CPA: Shih-Chieh Yao and Kuo-Sen Hung	
Name of auditing firm: Ernst & Young	Address: 11F., No. 189, Sec. 1, Yongfu Rd., West Central Dist., Tainan City
Website: https://www.ey.com/	Tel.: (06)292-5888

V. Any exchanges where the Company's foreign currency securities are traded, and how to access information on said foreign currency securities:

The Company currently does not have any overseas securities listed for trading.

VI. Company website: <http://www.duratek.com.tw/>

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One. Report to the shareholders

Firstly, on behalf of the management team of Dura Tek Inc., we sincerely thank all shareholders for their support and concern for the Company.

I. 2024 Business Report

(I) 2024 Business Plan Implementation Results

The Company's net operating income in 2024 was NTD 501,197 thousand, a 42% increase compared to NTD 352,518 thousand in 2023. The net profit after tax in 2024 was NTD 201,020 thousand, a 94% increase compared to NTD 103,422 thousand in 2023. The EPS after tax for 2024 was NTD 17.62.

(II) Budget Implementation Status

The Company did not disclose its financial forecast in 2024.

(III) Analysis of financial income and expenditure and profitability:

Item		2024	2023
Financial structure	Debt to asset ratio(%)	15.43	19.70
	Long-term capital to fixed assets ratio (%)	329.19	289.90
Solvency	Current ratio (%)	545.80	402.48
	Quick ratio (%)	449.40	341.98
Profitability	Return on assets (%)	17.96	10.08
	Return on equity (%)	21.65	12.67
	Ratio of net income before tax to paid-in capital (%)	218.61	141.36
	Net profit margin (%)	40.11	29.34
	Earnings per share (NTD)	17.62	9.06

(IV) Research & development status

The Company focuses on "plasma engineering" as its core technology, continuously developing to provide the best services to customers and create the greatest value for shareholders. Looking ahead, the competitiveness of the enterprise lies in continuous innovation and R&D. The Company will continue to conduct R&D on forward-looking technologies and innovative applications to further strengthen its leading position in core competitiveness.

II. Summary of the business plan for the year

(I) 2025 Business Policy

Based on the customer foundation established over the years, the Company will continue to uphold the management philosophy of "innovation, professionalism, and quality." All employees will remain dedicated to providing strong support for customers in areas such as equipment parts maintenance and process improvement. At the same time, the Company will focus on new product development and quality enhancement, while striving to expand new customers both domestically and internationally, continuing to create profit and revenue growth.

(II) Expected sales volume and its basis

The Company has not issued any public financial forecast for 2025, and therefore, will not provide any expected sales volume or its basis.

(III) Major production and sales policies

In terms of production and manufacturing, the long-term strategic plan is to establish intelligent production lines in factories, integrating precision machining and

automation control technologies to enhance production line efficiency and expand production capacity. In terms of sales, the Company not only provides customers with high-precision and high-quality products, offering satisfactory components and services, but also possesses the capability for equipment design and manufacturing, striving to expand its business scope.

- III. The Company's future development strategy will be influenced by external competitive environments, regulatory environments, and the overall business environment. After years of steady operation, the Company applied for a public stock offering in 2023 and was transferred to the Emerging Stock Market's general board in 2024. All financial information and business details have been disclosed in a timely manner on the MOPS, under the supervision of all shareholders. We will continue to dedicate ourselves, adhering to our commitment to rewarding shareholders and taking care of employees. Furthermore, we will strive to further promote the Dura Tek brand, develop more market-competitive products, deepen and strengthen our core expertise, and enhance the Company's competitiveness. We look forward to the continued support and encouragement of all shareholders, allowing Dura Tek to maintain a solid foundation and continue on the path toward listing. Your encouragement is the driving force behind our development. Here, we extend our sincerest gratitude to all customers, suppliers, shareholders, and employees.

Finally, we sincerely thank all shareholders for their support and encouragement, which has enabled the smooth development of the Company's operations. We hope that shareholders will continue to provide encouragement and guidance to the management team.

Chairman: David Tu

Two. Corporate Governance Report

I. Information on Directors, the President, Vice Presidents, Assistant Vice Presidents, and Heads of Divisions and Branches

(I) Information on directors

1. Major education and experience of directors

March 31, 2025

Title	Nationality or place of registration	Name	Gender/ Age	Date of election (appointment)	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the Company and in other companies	Other officers, directors, or supervisors with which the person has a spousal relationship or relationship within the second degree of kinship			Remarks
							No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Title	Name	Relationship	
Chairman	Republic of China	David Tu	Male 71-80	2023.12.22	3 years	1996.8.10	1,474,309	15.04	1,716,095	15.04	2,471,017	21.66	-	-	Ph.D., Department of Materials Science, State University of New York President, Asia Pacific Region, Applied Materials Inc., USA Science and Technology Consulting Sector, Executive Yuan Professor, Department of Materials, National Sun Yat-sen University	President of the Company	Representative of the corporate director	Karen Hong	Spouse	Note 1
Corporate director	Republic of China	D&K Group Limited	-	2023.12.22	3 years	2023.12.22	798,722	8.15	929,712	8.15	-	-	-	-	-	-	Chairman	David Tu	Spouse	-
	Republic of China	Representative: Karen Hong	Female 71-80	2023.12.22	3 years	1996.8.10	2,122,867	21.66	2,471,017	21.66	1,716,095	15.04	929,712	8.15	Department of Accounting, National Taipei University of Business Chairman, D&K Group Limited Vice Chairman, Crinkle Textile Co., Ltd.	Chairman, D&K Group Limited Vice Chairman, Crinkle Textile Co., Ltd.	Chairman	David Tu	Spouse	-

Title	Nationality or place of registration	Name	Gender/ Age	Date of election (appointment)	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the Company and in other companies	Other officers, directors, or supervisors with which the person has a spousal relationship or relationship within the second degree of kinship			Remarks
							No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Title	Name	Relationship	
Independent Director	Republic of China	Steve Lee	Male 71-80	2023.12.22	3 years	2023.12.22	-	-	-	-	-	-	-	-	Master of Management Science, Massachusetts Institute of Technology General Manager, Taisil Electronic Materials Corp. Chairman, China Steel Express Corporation Executive Deputy General Manager, China Steel Corporation	Independent Director, Motech Industries Inc. Independent Director, Ingentec Corporation Corporate Director Representative, M.J. International Co., Ltd. Director, Zi Wei Investment Co., Ltd. Independent Director, DURA TEK, INC.	-	-	-	-
Independent Director	Republic of China	Tsang Sheau Lee	Male 71-80	2023.12.22	3 years	2023.12.22	-	-	-	-	-	-	-	-	PhD, Department of Material Science and Engineering, Massachusetts Institute of Technology Chairman, Ames Goldsmith Asia Pacific Inc. Director, Solar Applied Materials Technology Corp. Vice Chairman, Solar Applied Materials Technology Corp.	Independent Director, Twoway Communications Inc. Independent Director, DURA TEK, INC.	-	-	-	-
Independent Director	Republic of China	Chien-Cheng Lin	Male 61-70	2023.12.22	3 years	2023.12.22	8,785	0.09	10,225	0.09	-	-	-	-	PhD, Department of Materials and Engineering, University of Illinois at Urbana-Champaign Professor, Department of Materials Science and Engineering, National Yang Ming Chiao Tung University	Independent Director, BizLink Holding Inc. Independent Director, DURA TEK, INC.	-	-	-	-

Note 1: When the positions of General Manager and Chairman are held by the same person, the reasons, rationality, necessity, and corresponding measures should be disclosed: The General Manager and Chairman of the Company are the same person. The General Manager is well-acquainted with the Company's business and industry, being the founder of the Company with over 30 years of relevant operational and management experience in the semiconductor industry. Therefore, the Company leverages his experience to enhance operational efficiency and maximize benefits. As for the corresponding measures: Currently, 3 out of the 5 board members are independent directors, and the Audit Committee is established in accordance with the law, with a majority of the directors not concurrently serving as employees or managers.

2. Major shareholders of corporate shareholders:

April 11, 2025

Name of institutional shareholder	Major shareholders of institutional shareholders
D&K Group Limited	Karen Hong (45%), Cheng-En Tu (55%)

3. For corporate shareholders, the main shareholder being corporate shareholders: Not applicable.

4. Disclosure of the independence of directors and independent directors:

April 11, 2025

Criteria Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	No. of other public companies where the director concurrently serves as an independent director
David Tu	Previously served as the President of the Asia-Pacific region at Applied Materials Inc., specializing in materials science and semiconductor industry equipment design. Possesses strong professional capabilities in marketing, materials engineering, industry technology, and leadership. Serves as the Chairman of the Board of Directors, responsible for formulating the Company's business goals and strategies. None of the circumstances of Article 30 of the Company Act.	(1) Concurrently serves as the General Manager of the Company, classified as managers (2) Top ten shareholders of the Company.	None
Corporate Director Representative, D&K Group Limited: Karen Hong	Formerly served as the Chairman of Crinkle Textile Co., Ltd., with expertise in market marketing, business management, and investment management. Capable of providing timely advice on corporate governance and business management to the Company's Board of Directors, serving as a reference for the Company's management team in formulating and implementing strategic plans. None of the circumstances of Article 30 of the Company Act.	(1) The spouse of the Chairman of the Company. (2) Top ten shareholders of the Company.	None

Criteria Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	No. of other public companies where the director concurrently serves as an independent director
Steve Lee	General Manager, Taisil Electronic Materials Corp. General Manager, TaiAn Technologies Corporation Administrative/Planning/Executive Vice President, CSC Chairman, China Steel Express Corporation Possesses expertise and practical experience in finance and accounting, with extensive management experience. None of the circumstances of Article 30 of the Company Act.	The Company's independent directors meet the independence requirements stipulated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and the qualification criteria set forth in Article 14-2 of the Securities and Exchange Act, and are not subject to any of the circumstances specified in Article 26-3, Paragraph 3 and 4 of the Securities and Exchange Act.	2
Tsang Sheau Lee	Chairman, Ames Goldsmith Asia Pacific Inc. Independent Director, Solar Applied Materials Technology Corp. With expertise in materials science and accounting. None of the circumstances of Article 30 of the Company Act.		1
Chien-Cheng Lin	Professor, Department of Materials Science and Engineering, National Yang Ming Chiao Tung University. Has foundational experience in materials and engineering. None of the circumstances of Article 30 of the Company Act.		1

Note 1: Professional qualifications and experience: State the professional qualifications and experience of individual directors and supervisors. In case of a member of the Audit Committee with expertise in accounting or finance, state their accounting or financial background and work experience, as well as whether any of the circumstances of Article 30 of the Company Act apply.

Note 2: Independent directors shall describe their independence, including but not limited to whether they themselves, spouses, second-degree or closer relatives are a director, supervisor, or employee of the Company or any of its affiliates; the number and percentage of the shares of the Company or such affiliate held by themselves, spouses, relatives within the second degree of kinship or in the name of other persons; whether they are a director, supervisor, or supervisor of a company associated with the Company (see Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and the amount of remuneration received for providing commercial, legal, financial, and accounting services to the Company or any of its affiliates in the last 2 years.

5. Diversity and independence of the Board of Directors:

(1) Diversity of the Board of Directors

The selection of each director of the Company is based on a comprehensive consideration of the director's professional qualifications, experience, and diversity, without being influenced by factors such as gender, age, nationality, or culture. The Company's Board of Directors is composed of a diverse group of directors, making appropriate decisions for the Company's sustainable development. The current Board of Directors diversity policy and its implementation for the Company are as follows:

Diversity core Name of director	Basic information and values							Industry experience					Professional ability	
	Nationality	Gender	Employee status	Age (years)				Operational management	Material application	Plasma engineering	Semiconductor	Finance	Accounting	Law
				41-50	51-60	61-70	71-80							
David Tu	Republic of China	Male					v	v	v	v	v			v
Corporate Director Representative: Karen Hong	Republic of China	Female					v	v				v	v	
Steve Lee	Republic of China	Male					v	v				v	v	
Tsang Sheau Lee	Republic of China	Male					v	v	v				v	
Chien-Cheng Lin	Republic of China	Male					v		v					

The Company's current Board of Directors is composed of 5 directors. The specific management goals and achievements of the board's diversity policy are as follows:

Management goals	Implementation status
Directors who concurrently serve as company managers should not exceed one-third of the total number of board seats	Achieved
The Board of Directors must include at least one female member	Achieved
The number of independent directors should exceed one-third of the total number of board seats	Achieved
The term of office of the independent directors shall not exceed three terms	Achieved
Adequate and diverse professional knowledge and skills	Achieved

- (2) If the Board of Directors of a TWSE/TPEX listed company does not have at least one-third of seats occupied by directors of either gender, the reasons and measures for improving gender diversity on the board will be explained: The Company is not yet listed. In the future, we will take action in accordance with the Company's development needs and legal requirements.

(3) Independence of the Board of Directors

The Company's Board of Directors consists of 5 members, including 3 independent directors. The proportion of directors with employee status is 20%, and the proportion of independent directors is 60%. The term of the 3 independent directors is all under 2 years, and their qualifications meet legal requirements.

(II) Information on the General Manager, Deputy General Manager, Assistant Managers, and heads of departments and branches

March 31, 2025

Title	Nationality	Name	Gender	Date of appointment (election)	Shareholding		Shares held by spouse and underage children		Shares held in the name of others		Major experience (educational) background	Current concurrent employment in other companies	Managers who are spouses or relatives within 2nd degree of kinship			Remarks
					No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Title	Name	Relationship	
President	Republic of China	David Tu	Male	2008.6.13	1,716,095	15.04	2,471,017	21.66	-	-	Ph.D., Department of Materials Science, State University of New York President, Asia Pacific Region, Applied Materials Inc., USA Professor, Department of Materials, National Sun Yat-sen University Science and Technology Consulting Sector, Executive Yuan	None	None	None	None	Note 1
Manager, Components Department	Republic of China	Chun-Hsien Lin	Male	2019.6.1	47,171	0.41	-	-	-	-	Master of Mechanical Engineering, Far Eastern University of Science and Technology Director, Taiwan Sanwa Co., Ltd.	None	None	None	None	-
Manager, Engineering Department	Republic of China	Shou-Chih Yeh	Male	2019.1.1	96,998	0.85	-	-	-	-	Master of Mechanical Engineering, Far Eastern University of Science and Technology Development Engineer, Yi Tang Inc.	None	None	None	None	-
Manager, Administration Department	Republic of China	Hsiu-Wen Hsieh	Female	2014.2.27	102,534	0.90	196	0.00	-	-	MBA, Southern Taiwan University of Science and Technology. Head of Audit, Tex-Ray Industrial Co., Ltd.	None	None	None	None	-

Title	Nationality	Name	Gender	Date of appointment (election)	Shareholding		Shares held by spouse and underage children		Shares held in the name of others		Major experience (educational) background	Current concurrent employment in other companies	Managers who are spouses or relatives within 2nd degree of kinship			Remarks
					No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Title	Name	Relationship	
Head of Audit	Republic of China	Pei-Yu Wu	Female	2024.12.9	-	-	-	-	-	-	Bachelor, Department of Accounting, Chung Yuan Christian University Director, Audit Department, PwC Taiwan Manager, DURA TEK, INC.	None	None	None	None	-
Accounting Officer	Republic of China	Tsun-Chuan Huang	Male	2024.8.12	-	-	-	-	-	-	Bachelor, Department of Accounting and Information Technology, Chung Cheng University Director, Audit Department, PwC Taiwan Manager, DURA TEK, INC.	None	None	None	None	-

Note 1: When the roles of General Manager and Chairman are held by the same person, the reasons, rationality, necessity, and corresponding measures should be disclosed: The General Manager is familiar with the Company's business and industry, is the founder of the Company, and has over 30 years of relevant operational and management experience in the semiconductor industry. Therefore, the Company leverages his experience to improve operational efficiency and maximize benefits. To enhance the independence of the Board of Directors, 3 out of the 5 board members are independent directors, and more than half of the directors do not hold employee or manager positions, ensuring that the board can still perform its supervisory function.

II. Remuneration paid to directors, General Manager, and Deputy General Manager in the most recent year

(I) Remuneration to directors (including independent directors)

Unit: NTD thousands

Title	Name	Director remuneration								Sum of A+B+C+D and as a percentage of net profit after tax (%)		Remuneration received for concurrently serving as an employee								Sum of A+B+C+D+E+F +G and as a percentage of net profit after tax (%)		Remuneration from investees other than subsidiaries or from the parent company	
		Remuneration (A)		Resignation and retirement (B)		Directors' remuneration (C)		Business execution expenses (D)				Salary, bonuses, and special allowances (E)		Severance and pension (F)		Employees' remuneration (G)							
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements		
Chairman	David Tu																						
Corporate Director Representative, D&K Group Limited	Karen Hong	-	-	-	-	1,034	1,034	36	36	1,070 0.53%	1,070 0.53%	4,178	4,178	-	-	103	-	103	-	5,351 2.66%	5,351 2.66%	-	
Independent Director	Tsang Sheau Lee																						
Independent Director	Steve Lee	1,100	1,100	-	-	1,551	1,551	138	138	2,789 1.39%	2,789 1.39%	-	-	-	-	-	-	-	-	2,789 1.39%	2,789 1.39%	-	
Independent Director	Chien-Cheng Lin																						

Remuneration scales

Range of remuneration to the Company's directors	Name of director			
	Total remuneration for the first four items (A+B+C+D)		Total remuneration for the first seven items (A+B+C+D+E+F+G)	
	The Company	All companies in the financial statements H	The Company	All companies in the financial statements I
Less than NT\$1,000,000	David Tu, Representative, D&K Group Limited, Karen Hong, Steve Lee, and Tsang Sheau Lee, and Chien- Cheng Li	David Tu, Representative, D&K Group Limited, Karen Hong, Steve Lee, and Tsang Sheau Lee, and Chien- Cheng Li	Representative, D&K Group Limited: Karen Hong, Steve Lee, and Tsang Sheau Lee, and Chien-Cheng Li	Representative, D&K Group Limited: Karen Hong, Steve Lee, and Tsang Sheau Lee, and Chien-Cheng Li
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)	-	-	-	-
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)	-	-	-	-
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	-	-	David Tu	David Tu
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	-	-	-	-
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)	-	-	-	-
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)	-	-	-	-
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)	-	-	-	-
NT\$100,000,000 or more	-	-	-	-
Total	5 persons	5 persons	5 persons	5 persons

(II) Remuneration to supervisors: not applicable.

(III) Remuneration to President and Vice Presidents

Unit: NTD thousands

Title	Name	Salary (A)		Severance and pension (B)		Bonuses and special allowances (C)		Amount of remuneration to employees (D)				Sum of A+B+C+D and as a percentage of net profit after tax (%)		Remuneration from investees other than subsidiaries or from the parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash amount	Share amount	Cash amount	Share amount			
President	David Tu	2,856	2,856	-	-	1,322	1,322	103	-	103	-	4,281 2.13%	4,281 2.13%	-

Remuneration scales

Range of remuneration to the Company's president and vice presidents	Name of the president and vice presidents	
	The Company	All companies in the financial statements
Less than NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) - NT\$2,000,000 (exclusive)	-	-
NT\$2,000,000 (inclusive) - NT\$3,500,000 (exclusive)	-	-
NT\$3,500,000 (inclusive) - NT\$5,000,000 (exclusive)	David Tu	David Tu
NT\$5,000,000 (inclusive) - NT\$10,000,000 (exclusive)	-	-
NT\$10,000,000 (inclusive) - NT\$15,000,000 (exclusive)	-	-
NT\$15,000,000 (inclusive) - NT\$30,000,000 (exclusive)	-	-
NT\$30,000,000 (inclusive) - NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive) - NT\$100,000,000 (exclusive)	-	-
NT\$100,000,000 or more	-	-
Total	1 person	1 person

(IV) The remuneration of the top five department heads with the highest remuneration of the listed company: Not applicable.

(V) Names of managerial officers who distribute compensation to employees

December 31, 2024. Unit: NTD thousands

	Title	Name	Share amount	Cash amount	Total	As a percentage of net profit (%)
Managerial officer	President	David Tu	-	1,707	1,707	0.85
	Manager	Hsiu-Wen Hsieh				
	Manager	Shou-Chih Yeh				
	Manager	Chun-Hsien Lin				
	Accounting Officer	Tsun-Chuan Huang				

(VI) Compare and explain the total remuneration paid by the Company and all companies included in the consolidated financial statements to the Company's directors, supervisors, General Manager, and Deputy General Managers in the most recent two years, in terms of their ratio to the net profit after tax of the individual or separate financial reports. Also, explain the policy, standards, and composition for remuneration, the procedure for determining remuneration, and the correlation with operational performance and future risks

1. Analysis of the proportion of remuneration paid by the Company to its directors, supervisors, General Manager, and Deputy General Managers in the most recent two years to net profit after tax:

Title	Total remuneration as a percentage to the net profit after tax in the parent company only financial statements (%)	
	2023	2024
Director	0.7	1.92
Supervisors	0.34	Not applicable
President	3.33	2.13

2. The Company's policy, standard and package of remuneration paid, the process for determining remuneration and its relation to business performance and future risks:
 - (1) The remuneration for the Company's directors primarily consists of directors' remuneration, explicitly stipulated in the Company's Articles of Incorporation. The allocation of directors' remuneration is resolved by the Board of Directors, with an appropriation not exceeding 4%, and reported to the shareholders' meeting. However, if the Company has accumulated losses, the amount required for loss recovery must be reserved in advance.
 - (2) The remuneration to the Company's managers includes salaries, bonuses and employee remuneration. It is determined based on their positions, responsibilities and performance, and with reference to the industry standard.
 - (3) The remuneration to directors and managers is reviewed by the Remuneration Committee and the Board of Directors, and reported to the shareholders' meeting.
 - (4) The Company regularly reviews its remuneration system based on actual operational conditions and relevant laws and regulations, considering future

business development and operational risks. It also evaluates the positive correlation with performance to achieve a balance between sustainable operation and risk management.

- (5) The remuneration of the Company's directors (including independent directors) and managers considers various aspects, including the implementation of the Company's core values, operational management capabilities, financial and business performance indicators, continuing education, and participation in sustainable operations. Additionally, other special contributions or significant adverse events are evaluated and factored into performance assessments and remuneration decisions.

III. Corporate Governance

(I) Operation of the Board of Directors:

For 2024 and for the current year as of the publication date of the annual report, the 12th Board of Directors held a total of 8 meetings (A), with the directors' attendance as follows:

Title	Name	Number of attendance in person B	Attendance by proxy	Actual attendance rate (%) 【B/A】	Remarks
Chairman	David Tu	8	0	100	Re-elected on December 22, 2023
Director	Representative, D&K Group Limited: Karen Hong	8	0	100	Elected on December 22, 2023
Independent Director	Steve Lee	8	0	100	Elected on December 22, 2023
Independent Director	Tsang Sheau Lee	8	0	100	Elected on December 22, 2023
Independent Director	Chien-Cheng Lin	8	0	100	Elected on December 22, 2023

Additional information to be recorded:

- I. In any of the circumstances below, state the date, session, proposals, opinions of all independent directors, and the Company's response to the said opinions in respect of a meeting of the Board of Directors:
- (I) Matters listed under Article 14-3 of the Securities and Exchange Act: The content of resolutions for the most recent year and up to the publication date of the annual report can be found on pages 55 to 57 of the annual report.
- (II) Any matters, other than those mentioned above, resolved by the Board of Directors with a dissenting or qualified opinion made by any independent directors, as recorded or documented: None.

II. Implementation of recusal for board members with conflicts of interest:

Meeting date	Name of director	Cause of motion	Reason of recusal	Participation in voting
2024.2.5	David Tu	Proposed the 2023 year-end bonus plan for managers	Chairman, David Tu, concurrently serves as the General Manager. This case involves the resolution of the distribution of his own bonus, constituting a matter of personal interest.	Except Chairman, David Tu, who recused himself due to conflict of interest, the motion was approved unanimously by the other present directors.
2024.6.17	David Tu, Karen Hong	Proposed the Company's 2023 directors and supervisors remuneration distribution plan	Chairman David Tu and Director Karen Hong recused themselves from this matter as it pertains to their own remuneration distribution.	Except Chairman David Tu and Director Karen Hong recusing themselves due to conflict of interest, the motion was approved unanimously by the remaining directors present at the meeting without objections.
	David Tu	Proposed the Company's 2023 managers and employees remuneration distribution plan	Chairman, David Tu, who concurrently serves as the General Manager, recused himself from this matter as it pertains to his own remuneration distribution.	Except Chairman, David Tu, who recused himself due to conflict of interest, the motion was approved unanimously by the other present directors.
2024.12.9	David Tu, Karen Hong	Proposed the Company's 2023 managers and employees remuneration distribution plan	Chairman David Tu concurrently serves as the General Manager, recused himself from this matter as it pertains to his own remuneration distribution, and Director Karen Hong is his spouse.	Except Chairman David Tu and Director Karen Hong recusing themselves due to conflict of interest, the motion was approved unanimously by the remaining directors present at the meeting without objections.
	David Tu, Karen Hong	Proposed the Company's remuneration to managers	Chairman David Tu concurrently serves as the General Manager, recused himself from this	Except Chairman David Tu and Director Karen Hong recusing themselves due to conflict of interest, the

			matter as it pertains to his own bonus distribution, and Director Karen Hong is his spouse.	motion was approved unanimously by the remaining directors present at the meeting without objections.
	David Tu, Karen Hong	Proposed the Company's adjustments for the remuneration to managers	Chairman David Tu concurrently serves as the General Manager, recused himself from this matter as it pertains to his own salary adjustment, and Director Karen Hong is his spouse.	Except Chairman David Tu and Director Karen Hong recusing themselves due to conflict of interest, the motion was approved unanimously by the remaining directors present at the meeting without objections.
	David Tu, Karen Hong	Proposed the Company's medical expense reimbursement for the General Manager in case of work-related injuries.	Chairman David Tu concurrently serves as the General Manager, recused himself from this matter as it pertains to his own occupational injury medical expense compensation, and Director Hong Mei-Yin is his spouse.	Except Chairman David Tu and Director Karen Hong recusing themselves due to conflict of interest, the motion was approved unanimously by the remaining directors present at the meeting without objections.
	David Tu, Karen Hong, Steve Lee, and Tsang Sheau Lee	Proposed to establish a Nomination Committee and appoint its members	Chairman David Tu, Independent Director Steve Lee, and Independent Director Tsang Sheau Lee are the appointed committee members for this matter, and Director Karen Hong is the spouse of David Tu.	During the discussion and vote on Mr. David Tu serving as a Nomination Committee member, Chairman David Tu and Director Karen Hong were asked to leave the meeting. After the acting chairperson for this matter consulted with the remaining directors in attendance and no objections were raised, the motions were approved as presented. During the discussion and vote on Mr. Steve Lee and Mr. Tsang Sheau Lee serving as

				<p>Nomination Committee members, Independent Director Tsang Sheau Lee was asked to leave the meeting, and Independent Director Steve Lee exited the video conference room. After the acting chairperson for this matter consulted with the remaining directors in attendance and no objections were raised, the motion was approved as presented.</p>
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III. Listed companies should disclose information about the board's self-evaluation (or peer evaluation), including the evaluation cycle and period, the scope of the evaluation, the methods used, and the contents of the evaluation. Additionally, they should provide details on the execution of the board's evaluation:

On December 9, 2024, a resolution was passed to establish the "Regulations Governing the Board of Directors and Functional Committees Performance Evaluation", which has been implemented starting from 2024. And on March 10, 2025, the performance evaluation results of the Board of Directors and Functional Committees for 2024 were reported to the Board of Directors.

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once a year	2024.1.1 to 2024.12.31	The Board of Directors, individual board members, and functional committees.	Internal self-evaluation of the Board of Directors, self-evaluation of individual board members, and internal self-evaluation of functional committees	<p>Performance evaluation of the Board of Directors:</p> <ol style="list-style-type: none"> 1. Level of participation in the Company's operations 2. Improvement of the quality of the Board of Directors' decision making 3. Composition and structure of the Board of Directors 4. Election of directors and their continuing education 5. Internal control <p>Performance evaluation of individual board members:</p> <ol style="list-style-type: none"> 1. Grasp of the Company's goals and missions 2. Awareness of the duties of a director

				3. Level of participation in the Company's operations 4. Management of internal relationship and communication 5. Professional and continuing education of directors 6. Internal control Performance evaluation of functional committees: 1. Level of participation in the Company's operations 2. Awareness of the duties of the functional committees 3. Improvement of the quality of the functional committees' decision making 4. Composition of functional committees and selection of members 5. Internal control
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IV. Objectives of enhancing the functions of the Board of Directors in the current year and the past year (such as setting up the Audit Committee and improving information transparency) and evaluation of implementation:

- (I) On December 22, 2023, the Company conducted a full re-election of the Board of Directors, with 3 out of 5 seats occupied by independent directors. An Audit Committee was established to review relevant motions within its authority and submit them to the Board of Directors for resolution, aiming to enhance supervisory functions and strengthen management capabilities.
- (II) The Company's directors continuously participate in corporate governance courses and professional development programs to enhance their knowledge and strengthen the functions of the Board of Directors.
- (III) On December 9, 2024, the Board of Directors passed a resolution to establish a Nomination Committee to improve the Company's director nomination system.
- (IV) To implement corporate governance and enhance the effectiveness of the Board of Directors, on December 9, 2024, the Board of Directors passed a resolution to appoint a Head of Corporate Governance to assist the directors with the necessary information and other required support to carry out their duties.
- (II) Operation of the Audit Committee:
For 2024 and for the current year as of the publication date of the annual report, the Audit Committee held a total of 6 meetings (A), with the independent directors' attendance as follows:

Title	Name	Meetings actually attended (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Independent Director	Steve Lee	6	0	100	
Independent Director	Tsang Sheau Lee	6	0	100	

Independent Director	Chien-Cheng Lin	5	0	83.33	
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Additional information to be recorded:

- I. If the operations of the Audit Committee fall under any of the circumstances below, the date of the Audit Committee meeting, the session, the content of the proposal, any objection, reservation, or major suggestion made by independent directors, the results of resolutions by the Audit Committee, and the Company's response to the committee's opinions shall be specified.

(I) Matters listed under Article 14-5 of the Securities and Exchange Act

Date of meeting	Session	Description of proposal	The content of independent directors' dissenting opinions, reservations, or significant suggestions	Resolution results of the Audit Committee	The Company's response to the opinions of the Audit Committee
2024.2.5	1st meeting of the 1st term	Proposed to the changes of the head of accounting	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	The Board of Directors, based on the resolution of the Audit Committee, passed the motion without objection.
2024.3.28	2nd meeting of the 1st term	Proposed to discuss the 2023 annual business report and financial statements	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	The Board of Directors, based on the resolution of the Audit Committee, passed the motion without objection.
		Proposed the amendment to the Company's approval authority table	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	The Board of Directors, based on the resolution of the Audit Committee, passed the motion without objection.
		The proposed amendment to certain provisions of the Company's Rules of Procedure for Meetings of the Board of Directors	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	The Board of Directors, based on the resolution of the Audit Committee, passed the motion without objection.
		Proposed to amend certain provisions of	None	The chairperson sought the unanimous consent	The Board of Directors, based on the resolution

Date of meeting	Session	Description of proposal	The content of independent directors' dissenting opinions, reservations, or significant suggestions	Resolution results of the Audit Committee	The Company's response to the opinions of the Audit Committee
		the Company's Rules of Management Procedures for Audit Committee Meetings		of all attending members, and the motion was approved without objection.	of the Audit Committee, passed the motion without objection.
		Proposed to approve the Company's 2023 Statement of Internal Control	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	The Board of Directors, based on the resolution of the Audit Committee, passed the motion without objection.
		Proposed the Company's cash capital increase prior to the initial application for listing, with all original shareholders waiving their priority rights	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	The Board of Directors, based on the resolution of the Audit Committee, passed the motion without objection.
		Proposed the capital increase through the issuance of new shares from retained earnings	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	The Board of Directors, based on the resolution of the Audit Committee, passed the motion without objection.
		Proposed for the evaluation of the independence and suitability of the Company's CPA and their appointment	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	The Board of Directors, based on the resolution of the Audit Committee, passed the motion without objection.
		Propose to establish the general principles of the Company's	None	The chairperson sought the unanimous consent of all attending members, and the	The Board of Directors, based on the resolution of the Audit Committee,

Date of meeting	Session	Description of proposal	The content of independent directors' dissenting opinions, reservations, or significant suggestions	Resolution results of the Audit Committee	The Company's response to the opinions of the Audit Committee
		pre-approval policy for non-assurance services.		motion was approved without objection.	passed the motion without objection.
2024.6.17	3rd meeting of the 1st term	Proposed to the changes of the head of accounting	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	The Board of Directors, based on the resolution of the Audit Committee, passed the motion without objection.
2024.8.12	4th meeting of the 1st term	Proposed the appointment of the head of accounting	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	The Board of Directors, based on the resolution of the Audit Committee, passed the motion without objection.
		Proposed to the changes the CPA in response to the internal adjustment of the accounting firm	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	The Board of Directors, based on the resolution of the Audit Committee, passed the motion without objection.
		Proposed the financial statements of Q2 2024	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	The Board of Directors, based on the resolution of the Audit Committee, passed the motion without objection.
2024.12.9	5th meeting of the 1st term	Proposed for the Company to renew the land lease with the Southern Taiwan Science Park Bureau	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	The Board of Directors, based on the resolution of the Audit Committee, passed the motion without objection.
		Proposed to the changes of the head of internal	None	The chairperson sought the unanimous consent	The Board of Directors, based on the resolution

Date of meeting	Session	Description of proposal	The content of independent directors' dissenting opinions, reservations, or significant suggestions	Resolution results of the Audit Committee	The Company's response to the opinions of the Audit Committee
		audit		of all attending members, and the motion was approved without objection.	of the Audit Committee, passed the motion without objection.
		Proposed the Company's 2025 budget plan	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	The Board of Directors, based on the resolution of the Audit Committee, passed the motion without objection.
		Proposed to invest in Orchid Botanical Garden	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	The Board of Directors, based on the resolution of the Audit Committee, passed the motion without objection.
		Proposed to amend certain provisions of the Company's "Articles of Incorporation"	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	The Board of Directors, based on the resolution of the Audit Committee, passed the motion without objection.
		Proposed the amendments to the Company's "Procedures for Acquisition or Disposal of Assets", "Procedures for Derivatives Transactions", "Operational Procedures for Lending funds to Others", and "Operational Procedures for Endorsements/ Guarantees"	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	The Board of Directors, based on the resolution of the Audit Committee, passed the motion without objection.

Date of meeting	Session	Description of proposal	The content of independent directors' dissenting opinions, reservations, or significant suggestions	Resolution results of the Audit Committee	The Company's response to the opinions of the Audit Committee
2025.3.10		Proposed the Company's establishment of the "Procedures for Ethical Corporate Management and Guidelines of Conduct" and "Code of Ethical Conduct"	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	The Board of Directors, based on the resolution of the Audit Committee, passed the motion without objection.
		Proposed to the amendment and renaming of the Company's Internal Control System and Management Measures	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	The Board of Directors, based on the resolution of the Audit Committee, passed the motion without objection.
		Proposed the Company's establishment of the Internal Control System and Management Measures	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	The Board of Directors, based on the resolution of the Audit Committee, passed the motion without objection.
	6th meeting of the 1st term	Proposed for the evaluation of the independence and suitability of the Company's CPA.	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	The Board of Directors, based on the resolution of the Audit Committee, passed the motion without objection.
		Proposed the Company's appointment of CPAs and their audit fees	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	The Board of Directors, based on the resolution of the Audit Committee, passed the motion without objection.

Date of meeting	Session	Description of proposal	The content of independent directors' dissenting opinions, reservations, or significant suggestions	Resolution results of the Audit Committee	The Company's response to the opinions of the Audit Committee
		Proposed to discuss the 2024 annual business report and financial statements	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	The Board of Directors, based on the resolution of the Audit Committee, passed the motion without objection.
		Proposed the capital increase through the issuance of new shares from retained earnings	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	The Board of Directors, based on the resolution of the Audit Committee, passed the motion without objection.
		Proposal for the Company's 2024 Declaration of Internal Control System	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	The Board of Directors, based on the resolution of the Audit Committee, passed the motion without objection.
		Proposed the non-assurance services provided by Ernst & Young and other affiliates	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	The Board of Directors, based on the resolution of the Audit Committee, passed the motion without objection.
		Proposed to the amendment of the Company's Internal Control System and "Accounting System"	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	The Board of Directors, based on the resolution of the Audit Committee, passed the motion without objection.
		Proposed to amend the Company's "Articles of Incorporation"	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	The Board of Directors, based on the resolution of the Audit Committee, passed the motion without objection.

- (II) Any matters, other than those mentioned above, not approved by the Audit Committee but approved by more than two-thirds of all directors: None.
- II. Any circumstance where, in the event of any independent director's recusal from a motion involving conflict of interest, the independent director, the motion, the reason for recusal, and the participation in voting shall be stated: None.
- III. Communication between independent directors and internal/external CPAs (on the Company's financial and business affairs, methods, and results).
- (I) The Company has independent directors, who form the Audit Committee and the Remuneration Committee. The head of audit submits a monthly audit report to the independent directors and attends the board meetings each quarter to report.
 - (II) Independent directors have direct communication channels with the head of internal audit and the CPAs. They invite the CPAs to attend Audit Committee meetings when necessary, and the communication is smooth.
- IV. Annual work focus of the Audit Committee
- The Audit Committee held 5 meetings in 2024, and the matters discussed mainly included:
- (I) The Company's financial statements were presented fairly and the 2023 financial statements and the 2024 Q2 financial statements were reviewed.
 - (II) The appointment (or dismissal) of the CPA, their qualifications, independence, and performance, as well as the review of the suitability, independence.
 - (III) Appointment and dismissal of financial accounting or internal audit managers.
 - (IV) The effective implementation of the Company's internal controls, including the review of the internal audit report and the 2023 Statement of Internal Control..
 - (V) The review of significant asset transactions and matters related to reinvestments.
 - (VI) The review and amendment of various regulations, including the internal audit system, internal control system, and approval authority regulations, as well as the "General Principles and Methods for Pre-Approval of Non-Assurance Services Policy".
 - (VII) Significant matters as required by the competent authority.

(III) The operation of corporate governance and deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:

Evaluation item	Implementation			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reason for such deviation
	Yes	No	Summary	
I. Has the Company formulated and disclosed Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has established a "Corporate Governance Best Practice Principles," which has been disclosed on the Company's website and the MOPS.	No significant differences
II. The Company's shareholding structure and shareholders' equity (I) Has the Company formulated any internal operating procedures for handling shareholders' suggestions, doubts, disputes and lawsuits and complied with such procedures?	V		The Company has established a spokesperson and acting spokesperson system, and has set up a spokesperson mailbox as a communication channel for shareholders, allowing for the proper handling of shareholder suggestions and concerns. In terms of shareholder services, the Company has appointed a professional shareholder services agency to handle related matters.	No significant differences
(II) Does the Company have a list of the major shareholders with ultimate control over the Company and a list of the ultimate controllers of the major shareholders?	V		The Company keeps track of the list of major shareholders and the ultimate controllers of major shareholders, based on the shareholder register provided by the shareholder services agency.	No significant differences
(III) Has the Company set up and implemented risk control and firewall mechanisms between the Company and its affiliates?	V		The Company has no affiliates; however, to protect the interests of the Company and its shareholders, the Company has established "Management Operations for Transactions with Related Parties, Specific Companies and Group Enterprises" to regulate financial and business transactions between the	No significant differences

Evaluation item	Implementation			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reason for such deviation
	Yes	No	Summary	
			Company and specific companies or group enterprises.	
(IV) Has the Company formulated any internal codes to prohibit insiders from buying and selling securities using information undisclosed on the market?	V		The Company has established "Management Operations to Prevent Insider Trading" as a regulation to prevent the occurrence of insider trading. Additionally, the Company occasionally provides guidance to insiders, instructing them not to trade the Company's securities using non-public market information.	No significant differences
III. Composition and responsibilities of the Board of Directors (I) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	V		The members of the Company's Board of Directors possess diverse professional knowledge and skills, and have formulated appropriate diversification policies based on the Company's operations, business model, and development needs.	No significant differences
(II) Has the Company proactively set up other functional committees in addition to the remuneration committee and the audit committee established by law?	V		On December 9, 2024, the Company's Board of Directors approved the establishment of a Nomination Committee to assist in the search, review, and nomination of candidates for board directors and senior management, as well as to build and develop the organizational structure of the Board of Directors and its committees.	No significant differences.

Evaluation item	Implementation			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reason for such deviation
	Yes	No	Summary	
(III) Does the Company have any defined measures and methods for evaluating the performance of the Board of Directors, appraise performance regularly every year, and report the results to the Board of Directors, as a reference for remuneration payable to individual directors and nomination for reappointment?	V		On December 9, 2024, the Company's Board of Directors passed a resolution to establish the "Regulations Governing the Board of Directors and Functional Committees Performance Evaluation". The performance evaluation of the Board of Directors and functional committees will be conducted at least once a year, and the evaluation results will be submitted to the Board of Directors. The evaluation procedure is carried out at the end of each year by the secretarial unit, using internal questionnaires and conducted through self-evaluation by board members and functional committee members. The evaluation scope includes the performance evaluation of the overall Board of Directors, individual board members, and functional committees. The performance evaluation standards for the Company's Board of Directors and functional committees primarily include the level of participation in the Company's operations, improvement of decision-making quality by the Board of Directors and functional committees, composition and structure of the Board and functional committees, the selection and continuing education of directors and functional committee members, and internal controls. The evaluation results are submitted to the Board of Directors and	No significant differences.

Evaluation item	Implementation			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reason for such deviation
	Yes	No	Summary	
			serve as a reference for individual director remuneration and for the selection or nomination of directors. The Company has completed the performance evaluation for 2024, with all evaluation criteria met, indicating that the overall operation of the Board of Directors and functional committees is in good condition. The performance evaluation results were submitted to the Board of Directors on March 10, 2025.	
(IV) Does the Company assess the independence of CPAs regularly?	V		The Company's Audit Committee evaluates the independence and suitability of CPAs annually. In addition to obtaining an "Independence Declaration" from the CPA, the Committee also refers to current regulations and professional ethical standards governing CPA practice. A CPA review checklist is used to assess 15 items, including whether the CPA and the Company are related parties or have business or financial interests in common. Additionally, the Audit Committee refers to the latest Audit Quality Indicator (AQI) from Ernst & Young, using five key dimensions and 13 indicators to confirm the CPAs and the firm's performance in areas such as professionalism, quality control, independence, supervision, and innovation capability, thereby evaluating the independence and suitability of CPAs. The Company has conducted the CPA independence	No significant differences.

Evaluation item	Implementation			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reason for such deviation
	Yes	No	Summary	
			and suitability evaluation for 2024, and the evaluation results were reviewed and approved by the Audit Committee and the Board of Directors on March 10, 2025.	
IV. Has the Company has appointed an appropriate number of competent corporate governance personnel and designated a corporate governance officer to be responsible for corporate governance affairs (including but not limited to providing directors and supervisors with the materials required for the performance of their duties, assisting directors and supervisors with compliance, handling matters related to board meetings and shareholders' meetings, and preparing minutes of board meetings and shareholders' meetings)?	V		To implement corporate governance and enhance the effectiveness of the Board of Directors, the Company's Board of Directors passed a resolution on December 9, 2024, appointing Manager Hsiu-Wen Hsieh as the Head of Corporate Governance. She is responsible for overseeing the execution of corporate governance-related matters to strengthen corporate governance, protect shareholders' rights, and enhance the effectiveness of the Board of Directors and various functional committees. The scope of corporate governance responsibilities is outlined in Article 3-1 of the "Corporate Governance Best Practice Principles", which includes 8 items.	No significant differences.
V. Has the Company has established communication channels with stakeholders (including but not limited to shareholders, employees, clients, and suppliers) and set up a section dedicated to stakeholders on the Company's website to properly respond to stakeholders' major CSR issues of concern?	V		The Company has established a service mailbox, with a spokesperson and an acting spokesperson responsible for external communication. The Company's website also features a stakeholder section, creating a comprehensive mechanism for responding to inquiries.	No significant differences.
VI. Has the Company appointed a professional stock affairs agency to handle affairs related	V		The Company has appointed the professional shareholder services agency, "IBF Securities Co.,	No significant differences.

Evaluation item	Implementation			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reason for such deviation
	Yes	No	Summary	
to shareholders' meetings?			Ltd. Shareholder Services Department," to assist with various shareholder services matters.	
VII. Information disclosure (I) Has the Company set up a website to disclose information on financial operations and corporate governance?	V		The Company has set up a website to disclose financial, business, and corporate governance information.	No significant differences.
(II) Has the Company adopted other methods to disclose information (such as setting up an English website, designating personnel to collect and disclose company information, implementing a spokesperson system, or placing the proceedings of investor conferences on the Company website)?	V		The Company has appointed one spokesperson and one acting spokesperson, and has designated personnel responsible for collecting and disclosing information on the Company's website.	No significant differences.
(III) Does the Company announce and report the annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2 and Q3 financial statements and monthly operations earlier than the specified deadline?	V		The Company is listed on the Emerging Market and has disclosed and reported the annual financial report, semi-annual financial report, and monthly operational updates within the required deadlines as per regulations.	No significant differences.
VIII. Does the Company have other important information that facilitates the understanding of the operations of corporate governance (including but not limited to employee rights, employee care, investor relations,	V		(I) Employee Rights and Welfare: The Company has established a Employee Welfare Committee, implemented a pension system, provided group insurance for employees, conducted health check-ups, offered a	No significant differences.

Evaluation item	Implementation			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reason for such deviation
	Yes	No	Summary	
supplier relations, stakeholders' rights, directors' and supervisors' continuing education, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, and the Company's purchase of liability insurance for directors and supervisors)??			<p>comprehensive benefits system, and provided job-related education and training. The Company fosters a strong relationship of mutual trust and reliance with its employees and ensures the protection of employees' legal rights in accordance with the Labor Standards Act.</p> <p>(II) Investor Relations: The Company's website features an investor section providing relevant financial and stock-related information for investors. Additionally, a spokesperson system is in place, with designated personnel handling related inquiries.</p> <p>(III) Supplier Relations: The Company maintains strong communication with its suppliers and occasionally discusses material specifications to enhance quality, fostering a mutually beneficial partnership.</p> <p>(IV) Stakeholder Rights: Stakeholders can engage in two-way communication with the Company, provide suggestions, and have their legitimate rights respected and safeguarded.</p> <p>(V) Directors' Continuing Education : The Company's directors possess professional</p>	

Evaluation item	Implementation			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reason for such deviation
	Yes	No	Summary	
			<p>backgrounds and practical management experience. They also continuously undertake relevant professional training courses as required by regulations to enhance their corporate governance capabilities.</p> <p>(VI) Risk Management Policy and Implementation of Risk Measurement Standards: Responsibilities are assigned based on job duties at different levels. For details, please refer to Page 82 of the annual report.</p> <p>(VII) Implementation of Customer Policies: The Company strictly adheres to contracts signed with customers and relevant regulations to ensure customer rights and provide high-quality service.</p> <p>(VIII) The Company's Purchase of Directors' Liability Insurance: The Company has purchased liability insurance for all directors to protect shareholders' interests.</p>	
IX. Please specify any improvements made as per the results of the corporate governance evaluation announced by the Corporate Governance Center, Taiwan Stock Exchange Corporation, in the most recent year and put forth prioritized measures to improve those that have not yet improved: The Company is listed on TPEX, therefore this is not applicable				

(IV) The composition and operations of the Remuneration Committee:

1. Information on members of the Remuneration Committee

Identity	Criteria	Professional qualifications and experience	Independence	Number of other public companies where the individual serves as a member of the remuneration committee concurrently
	Name			
Convener and Independent Director	Tsang Sheau Lee	Please refer to page 6 for information disclosure regarding the professional qualifications, experience, and independence of directors.		1
Independent Director	Steve Lee			2
Independent Director	Chien-Cheng Lin			1

2. Information on the operation of the Remuneration Committee

(1) The Remuneration Committee consists of 3 members.

(2) The term of office for the 1st term committee members was from August 19, 2023, to January 10, 2024. The Remuneration Committee held 1 (A) meeting in the most recent year, with the following qualifications and attendance of the members:

Title	Name	Meetings actually attended (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Independent Director	Tsang Sheau Lee	1	0	100	-
Independent Director	Steve Lee	1	0	100	-
Independent Director	Chien-Cheng Lin	1	0	100	-

Additional information to be recorded:

1. If the Board of Directors did not adopt or amend the Remuneration Committee's suggestions, the date of the board meeting, the session, the content of the motion, the results of the resolutions by the Board of Directors, and the Company's response to said opinions shall be specified (if the remuneration approved by the Board of Directors is better than the Remuneration Committee's suggestions, the difference and the reasons therefor shall be specified): None.
2. In the event of any dissenting or qualified opinion of any member on motions resolved by the Remuneration Committee as recorded or documented, state the date, session, motion, opinions of all members, and response to the said opinions in respect of a meeting of the Remuneration Committee: None.

(3) The term of office for the 2nd term committee members is from January 10, 2024, to December 21, 2026. The Remuneration Committee held 5 (A) meetings in the most recent year, with the following qualifications and attendance of the members:

Title	Name	Meetings actually attended (B)	Attendance by proxy	Actual attendance rate (%) (B/S)	Remarks
Independent Director	Tsang Sheau Lee	5	0	100	-
Independent Director	Steve Lee	5	0	100	-
Independent Director	Chien-Cheng Lin	4	0	80	-

Additional information to be recorded:

1. If the Board of Directors did not adopt or amend the Remuneration Committee's suggestions, the date of the board meeting, the session, the content of the motion, the results of the resolutions by the Board of Directors, and the Company's response to said opinions shall be specified (if the remuneration approved by the Board of Directors is better than the Remuneration Committee's suggestions, the difference and the reasons therefor shall be specified): None.
2. In the event of any dissenting or qualified opinion of any member on motions resolved by the Remuneration Committee as recorded or documented, state the date, session, motion, opinions of all members, and response to the said opinions in respect of a meeting of the Remuneration Committee: None.

3. Annual work focus of the Remuneration Committee:

The Remuneration Committee held 5 meetings in 2024, and the matters discussed mainly included:

- (1) Remuneration distribution to directors and supervisors
- (2) Remuneration and bonus distribution to managers and employees
- (3) Adjustment of various remuneration items for directors and managers
- (4) Remuneration to newly appointed managers

(V) Information on the members and operations of the Nomination Committee:

1. Describe the qualifications for appointment as members of the Company's Nomination Committee and their responsibilities

The Company's Nomination Committee is composed of at least three directors, as nominated by the Board of Directors, with more than half of the members being independent directors. The term of office for directors serving on the Committee, unless otherwise specified by laws, the Company's Articles of Incorporation, or regulations, begins from the date of appointment by the Board of Directors and ends upon the expiration of the director's term, resignation from the Committee or the directorship, or the appointment of a replacement director by the Board of Directors. The Nomination Committee shall exercise the following powers and submit its recommendations to the Board of Directors for discussion:

- (1) The Nomination Committee shall establish the standards for the professional knowledge, skills, experience, gender diversity, and independence required for the members of the Board of Directors and senior management. Based on these standards, the Committee will seek, review, and nominate candidates for the positions of directors and senior management, as well as assess the independence of independent directors.
- (2) Other matters resolved by the Board of Directors to be handled by the Nomination Committee.

2. Professional qualifications, experience, and operations of the members of the Nomination Committee:

(1) The Nomination Committee consists of 3 members.

(2) Term of the 1st committee members: December 9, 2024, to December 21, 2026. In the most recent year, the Nomination Committee held 1 meeting (A). The professional qualifications, experience, attendance, and discussion details of the members are as follows:

Title	Name	Professional qualifications and experience	Meetings actually attended (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Convener and Independent Director	Steve Lee	Please refer to Pages 5 to 6 for the professional qualifications and experience of directors.	1	0	100	-
Chairman	David Tu		1	0	100	-
Independent Director	Tsang Sheau Lee		1	0	100	-

Additional information to be recorded:

Describe the meeting date, term, content of motions, the suggestions or objections raised by the Nomination Committee members, the Nomination Committee's resolution results, and how the Company has addressed the Nomination Committee's opinions regarding the main agenda items.

Date of meeting	Session	Description of proposal	Suggestions or objections raised by the Nomination Committee members	Resolution results of the Nomination Committee	The Company's handling of the opinions of the Nomination Committee
2025.3.10	1st meeting of the 1st term	Performance evaluation report of the Board of Directors and functional committees	None	The chairperson sought the unanimous consent of all attending members, and the motion was approved without objection.	Proceed as resolved

(VI) Implementation of sustainable development and deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor:

Promotion items	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/listed Companies and reason for such deviation
	Yes	No	Summary	
I. Has the Company established a governance structure for the promotion of sustainable development and set up a dedicated (or concurrent) department to promote sustainable development that is implemented by the senior management as authorized by the Board of Directors, and how is it supervised by the Board of Directors?	V		The Company has formed a risk management team consisting of department heads, reporting to the Board of Directors. The risk management team is responsible for both risk management operations and promoting the planning and implementation of sustainability. They are also required to report their progress to the Board of Directors at least once a year.	No significant differences.
II. Does the Company conduct risk assessments in respect of environmental, social and corporate governance (ESG) issues related to the Company's operations based on the materiality principle, and set risk management policies or strategies?	V		The Company has established a "Risk Management Policy and Procedures", which was approved by the Board of Directors, and conducts risk assessments based on the principle of materiality. The Company has integrated the risks related to environmental, social, and governance issues into its operational strategy. These are gradually implemented in accordance with the Company's operational status and legal requirements. The implementation of risk management is reported regularly (at least once a year) to the Audit Committee and the Board of Directors. The Audit Committee oversees the implementation to ensure the effective operation and implementation of risk management.	No significant differences.

Promotion items	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/listed Companies and reason for such deviation
	Yes	No	Summary	
III. Environmental issues				
(I) Has the Company established an appropriate environmental management system based on its industrial characteristics?	V		The Company has established an environmental protection policy, continuously committed to pollution prevention and remediation to reduce the environmental hazards caused by various processes and activities. This policy is implemented collaboratively with all employees, working together to promote environmental sustainability.	No significant differences.
(II) Does the Company endeavor to improve energy efficiency and use renewable materials with low environmental impact?	V		The Company is committed to improving the efficiency of resource utilization, such as implementing waste sorting and recycling, using both sides of paper whenever possible, and reusing recycled paper to reduce paper consumption. Additionally, the Company has adopted LED lighting and purchased fully electric vehicles for official use to minimize environmental impact.	No significant differences.
(III) Has the Company assessed the potential risks and opportunities from climate change for its business now and in the future, and adopted relevant countermeasures?		V	The Company, as an emerging stock company, has not yet established a related policy on climate-related issues. However, the Company's management team will continuously monitor any changes in this regard.	Currently under planning and development.
(IV) Does the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other		V	1. The Company has compiled water usage and total waste weight data for the past two years. Although GHG emissions have not been measured, the Company is still committed to implementing energy-saving and carbon-reduction measures, such as controlling air conditioning equipment, resource	Currently under planning and development.

Promotion items	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/listed Companies and reason for such deviation									
	Yes	No	Summary										
wastes?			<p>recycling, replacing lighting with LED energy-saving bulbs, and replacing company vehicles with all-electric cars, to improve overall environmental performance and enhance environmental quality.</p> <p>2. The Company is focused on water conservation and has implemented measures to promote water-saving practices. These include raising awareness among employees about the importance of water conservation, prioritizing the purchase of water-efficient equipment with water-saving labels, and installing a DI WATER wastewater recycling system to maximize the utilization of available water resources.</p> <p>The water resource policy is as follows: "Full participation in water conservation, maximizing water usage efficiency, and promoting awareness and savings of water resources".</p> <p>Water consumption in the last two years:</p> <p style="text-align: right;">Unit: tons</p> <table><tr><th>Year</th><th>Total water usage (tons)</th><th>Water intensity</th></tr><tr><td>2023</td><td>11,020</td><td>31.22</td></tr><tr><td>2024</td><td>14,335</td><td>28.61</td></tr></table>	Year	Total water usage (tons)	Water intensity	2023	11,020	31.22	2024	14,335	28.61	
Year	Total water usage (tons)	Water intensity											
2023	11,020	31.22											
2024	14,335	28.61											

Promotion items	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/listed Companies and reason for such deviation																				
	Yes	No	Summary																					
			<p>3. The Company strictly classifies and properly stores general and hazardous industrial waste, and in accordance with environmental protection regulations, carries out waste removal, treatment, and recycling operations, continuously managing waste effectively. The waste management policy is as follows: "Enhance the performance of industrial waste management by legally carrying out waste removal, treatment, and recycling operations".</p> <p>Waste output in the last 2 years:</p> <table> <tr> <th colspan="5">Unit: tons</th></tr> <tr> <th>Year</th><th>Non-hazardous waste</th><th>Unit product intensity</th><th>Hazardous waste (Note)</th><th>Unit product intensity</th></tr> <tr> <td>2023</td><td>27.7431</td><td>0.0786</td><td>None</td><td>None</td></tr> <tr> <td>2024</td><td>36.3308</td><td>0.0725</td><td>7.105</td><td>0.0142</td></tr> </table> <p>(Note) Refers to the waste generated from products that the Company has ceased developing.</p>	Unit: tons					Year	Non-hazardous waste	Unit product intensity	Hazardous waste (Note)	Unit product intensity	2023	27.7431	0.0786	None	None	2024	36.3308	0.0725	7.105	0.0142	
Unit: tons																								
Year	Non-hazardous waste	Unit product intensity	Hazardous waste (Note)	Unit product intensity																				
2023	27.7431	0.0786	None	None																				
2024	36.3308	0.0725	7.105	0.0142																				
IV. Social issues (I) Has the Company established related management policies and procedures in accordance with applicable laws and the International Bill of Human Rights?	V		<p>The Company supports and adheres to the human rights protection principles and basic standards outlined in international human rights conventions, such as the “United Nations Universal Declaration of Human Rights”, the “United Nations Global Compact</p>	No significant differences.																				

Promotion items	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/listed Companies and reason for such deviation
	Yes	No	Summary	
			<p>(UNGC)”, and the “ILO Declaration on Fundamental Principles and Rights at Work”.</p> <p>1. Comply with relevant labor regulations and establish the Company's human rights policy. The Company ensures that the basic wages, working hours, leave, retirement benefits, labor and health insurance benefits, and occupational accident compensation for employees comply with the relevant provisions of the Labor Standards Act, and these are stipulated in the work rules.</p> <p>2. The Company has established a Employee Welfare Committee through employee elections to handle various welfare matters. Regular labor-management meetings are held to understand the views of both parties and promote labor-management harmony, creating a win-win situation.</p> <p>3. The Company respects internationally recognized fundamental labor human rights principles. Our employment policy ensures non-discriminatory treatment and prohibits any actions that could harm the basic rights of workers.</p>	
(II) Has the Company developed and implemented reasonable employee benefits measures (including compensation, leave of absence, and other benefits), and	V		The Company has established "Work Rules" in accordance with the Labor Standards Act to regulate reasonable welfare measures for employees. Additionally, based on the overall business	No significant differences.

Promotion items	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/listed Companies and reason for such deviation
	Yes	No	Summary	
appropriately reflected operating performance or results in the employee's compensation?			performance and industry conditions, the Company appropriately reflects the operating results to employees, sharing the business achievements. The Company's Articles of Incorporation also stipulate that if there is a profit in a year, at least 1% should be allocated for employee remuneration. For further details, please refer to Page 63 of this annual report.	
(III) Does the Company provide employees with a safe and healthy work environment and offer safety and health education to employees regularly?	V		<p>(I) The Company conducts regular fire drills every year to protect the safety and health of its employees. Specialized personnel are provided with regular training, ensuring effective management and execution to prevent safety accidents.</p> <p>(II) The Company arranges annual health check-ups for employees and provides fitness equipment to promote the physical and mental well-being of its employees.</p> <p>(III) The Company has established the "Emergency Response Procedures" and "Corrective, Preventive, and Improvement Procedures" to enhance safety management (including fire safety management) and effectively respond to disasters, as well as to correct/prevent the recurrence of incidents. The Company also conducts emergency response drills for</p>	No significant differences.

Promotion items	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/listed Companies and reason for such deviation
	Yes	No	Summary	
			potential emergency situations. In 2024, the Company recorded zero fire incidents, zero fatalities and injuries, and a casualty ratio of zero relative to the total number of employees.	
(IV) Has the Company offered effective career development training for employees?	V		<p>The Company develops an annual training plan based on its operational strategy and short-, mid-, and long-term goals. The Company focuses on enhancing employees' professional development by offering various training courses to help them stay updated with new technologies. Additionally, the Company implements mechanisms such as job rotation, job shadowing, and on-the-job training to strengthen employees' diverse skills. Employees are also encouraged to actively participate in external training courses and obtain professional certifications related to their work.</p> <p>The Company provides a variety of training resources, with a training system that includes 4 major categories, namely new employee competency training, professional skills training, general management competency training, and safety and</p>	No significant differences.

Promotion items	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/listed Companies and reason for such deviation
	Yes	No	Summary	
			<p>health management training. These courses are designed to offer employees appropriate training at different stages of their career development, ensuring that both the Company and employees can adapt to the rapidly changing global trends and acquire up-to-date knowledge, skills, and capabilities. The Company promotes a learning culture, encouraging employees to contribute their expertise and make full use of training resources. An internal trainer system has been established to implement knowledge management and technical inheritance within the Company, strengthening its core competitiveness.</p> <p>In 2024, a total of 16 new employee competency training sessions were held, with 16 participants and a total of 16 training hours. Additionally, 17 professional competency training sessions were conducted, with 23 participants and a total of 226 training hours. There were also 3 general competency training sessions, attended by 179 participants, totaling 3 training hours. 4 occupational safety and health management training sessions were conducted, with a total of 105 participants and 10 training hours.</p>	
(V) Does the Company comply with applicable laws and international standards with respect to customer health and safety,	V		1.The Company maintains good communication channels with its customers and has established the following procedures to address product and service	No significant differences.

Promotion items	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/listed Companies and reason for such deviation
	Yes	No	Summary	
customer privacy, marketing, and labeling of products and services and implement consumer protection policies and complaint procedures?			<p>quality: (1) "Regulations for Handling Customers' Complaints of Abnormal Quality" and (2) "Regulations for Customer Satisfaction Measurement". These procedures are used to understand the gap between customer needs and expectations, and the Company conducts an annual customer satisfaction survey to serve as a basis for improvements. Regarding customer data, the Company handles the collection, processing, or use of such data in accordance with the "Regulations for the Protection of Personal Data", which applies to all employees, customers, and suppliers of the Company. Data access is properly managed by the HR Unit to ensure the protection of privacy.</p> <p>2. The Company has established the "Procedures for Ethical Management and Guidelines for Conduct" and the "Code of Ethical Conduct", which require employees to adhere to fair trading regulations, treat customers, competitors, and employees fairly, and not manipulate, conceal, or misuse information obtained through their positions to make false statements on important matters or engage in other unfair trading practices to gain improper benefits.</p>	

Promotion items	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/listed Companies and reason for such deviation
	Yes	No	Summary	
			3.The Company does not directly provide final products to consumers and therefore does not have issues related to product and service labeling.	
(VI) Has the Company formulated a supplier management policy requiring suppliers to comply with applicable regulations on issues such as environmental protection, occupational safety and health, or labor rights, and how is it implemented?	V		<p>The Company has established the "Regulations Governing the Management of Suppliers", which require suppliers undergoing evaluation to comply with relevant regulations on environmental protection, occupational health and safety, and labor rights. Additionally, before engaging in business transactions, the Company assesses whether the suppliers have any records that impact the environment and society.</p> <p>The contract content should include a requirement to comply with both parties' corporate social responsibility policies. It should also include provisions that allow for the termination or dissolution of the contract at any time if the supplier violates these policies and causes significant impact on the environment and society of the supply source community.</p>	No significant differences.

Promotion items	Implementation			Deviation from the Sustainable Development Best Practice Principles for TWSE/listed Companies and reason for such deviation
	Yes	No	Summary	
V. Has the Company prepared its sustainability report or other reports disclosing non-financial information by referring to international standards or guidance for preparing reports? Has the Company obtained third-party assurance or certification for the reports above?		V	The Company, as an emerging stock company, is not required to prepare a ESG Report.	It will be handled according to regulations in the future.
VI. If the Company has formulated its own Sustainable Development Best Practice Principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," state any deviation from the established principles: The Company established the "Sustainable Development Best Practice Principles" on December 9, 2024, and there is no difference from the Best Practice Principles.				
VII. Other important information that helps better understand the Company's promotion of sustainable development: None				

(VII) Implementation status of ethical corporate management and deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor:

Promotion items	Implementation			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reason for such deviation
	Yes	No	Summary	
<p>I. Establishment of an ethical corporate management policy and plan</p> <p>(I) Has the Company established a ethical corporate management policy approved by the Board of Directors, and explicitly stated the policy and practices of ethical corporate management in its regulations and external documents, as well as the commitment of the Board of Directors and senior management to actively implement the policy?</p>	V		The Company has established and obtained approval from the Board of Directors for specific policies related to ethical corporate management, including the "Procedures for Ethical Management and Guidelines for Conduct", "Code of Ethical Conduct", and "Procedures for Handling Reports of Illegal, Unethical, and Dishonest Conduct" to ensure the concrete implementation of the ethical corporate management policy. The Company operates in compliance with relevant laws and regulations, and has established various procedures and rules, which are published on the Company's website.	No significant differences.
<p>(II) Has the Company established a risk assessment mechanism for unethical conduct, regularly analyzing and evaluating business activities with higher risks of unethical conduct within its scope of operations, and based on this, formulated measures to prevent unethical conduct, covering at least the preventive measures for the conducts listed in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for</p>	V		The Company has established the "Procedures for Ethical Management and Guidelines for Conduct", which includes preventive measures for each item under Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Company". All employees have signed the "Ethical Corporate Management Policy Compliance Statement" and adhere to the guidelines. Internal auditors implement audits according to the audit plan to ensure compliance.	No significant differences.

Promotion items	Implementation			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reason for such deviation
	Yes	No	Summary	
TWSE/TPEX Listed Companies"?				
(III) Does the Company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	V		The company has established prevention measures for unethical conduct in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Company", which include the "Code of Ethical Conduct", "Procedures for Ethical Management and Guidelines for Conduct", and "Procedures for Handling of Illegal, Unethical, and Dishonest Conduct". These clearly prohibit the acceptance of any improper benefits or actions that violate integrity or the law. The Company has also set up a whistleblowing mailbox to encourage reporting of any illegal or unethical conduct. Additionally, it is required to regularly promote the importance of ethical conduct to the Board of Directors and employees. The aforementioned plan is regularly reviewed in accordance with the risk assessment mechanism for unethical conduct to evaluate the appropriateness and effectiveness of the prevention measures, and appropriate adjustments or modifications are made.	No significant differences.
II. Ethical management practices (I) Has the Company assessed the integrity record of its counterparties and explicitly stated integrity clauses in the contracts	V		Before initiating transactions with customers and suppliers, the Company conducts an evaluation and investigation through relevant departments. The transactions are then reviewed and approved by the	No significant differences.

Promotion items	Implementation			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reason for such deviation
	Yes	No	Summary	
signed with these counterparties?			management team, and business contracts are signed based on actual needs. Additionally, the transaction records of business partners are regularly reviewed and assessed.	
(II) Has the Company set up a dedicated unit to promote ethical corporate management under the Board of Directors, and does it regularly (at least once a year) report to the Board of Directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	V		On December 9, 2024, the Company's Board of Directors approved the adoption of the "Procedures for Ethical Management and Guidelines for Conduct", designating the corporate governance team as the dedicated unit under the Board of Directors responsible for promoting ethical corporate management. The team is required to report its implementation status to the Board of Directors on a regular basis (at least once a year).	No significant differences.
(III) Has the Company established policies to prevent conflicts of interest, provided appropriate communication and complaint channels, and properly implemented such policies?	V		To prevent any conflicts of interest, the Company has established the "Procedures for Ethical Management and Guidelines for Conduct" and the "Code of Ethical Conduct", providing appropriate channels for directors and managers to proactively disclose any potential conflicts of interest with the Company. For those attending or present at board meetings, if they have any personal or representative corporate interests in a motion that may harm the Company's interests, they may present their opinions and respond to inquiries, but they are not allowed to participate in discussions or voting. During discussions and voting,	No significant differences.

Promotion items	Implementation			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reason for such deviation
	Yes	No	Summary	
			they must recuse themselves and are prohibited from delegating their voting rights to other directors. Directors must also refrain from improper mutual support.	
(IV) Does the Company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	V		The Company has established an effective accounting system and internal control system. Internal audit personnel conduct regular audits to ensure compliance with these systems and report on audit activities to the Board of Directors to ensure the implementation of ethical corporate management. Additionally, when necessary, the Company may also commission a CPA to perform audits.	No significant differences.
(V) Does the Company provide internal and external ethical corporate management training regularly?	V		In 2024, the Company held internal training on ethical corporate management for directors, independent directors, and department heads.	No significant differences.
III. Operation of the Company's whistleblowing system (I) Has the Company established specific whistleblowing and reward procedures, set up conveniently accessible whistleblowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers?	V		The Company has established a specific reporting and reward system, set up an illegal conduct reporting mailbox, and provides corresponding channels for different types of reports. Multiple reporting channels are available for complaints, and all reports are handled by dedicated units.	No significant differences.

Promotion items	Implementation			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reason for such deviation
	Yes	No	Summary	
(II) Has the Company established any SOP for accepting reported misconducts, any tracking measures or confidentiality measures to be taken after an investigation is completed?	V		The Company's "Procedures for Handling of Illegal, Unethical, and Dishonest Conduct" includes related operational procedures for receiving, processing, investigating, and appealing reports. If the reported incident is verified as true, the relevant department shall be tasked with reviewing and proposing corrective actions to prevent the recurrence of such conduct. The handling methods and subsequent review and improvement measures will be reported to the Board of Directors. The company handles whistleblowing cases confidentially, with independent channels for investigation, and fully protects the whistleblower.	No significant differences.
(III) Has the Company adopted proper measures to protect whistleblowers from retaliation for filing complaints?	V		The Company did not receive any report of misconduct in 2024.	No significant differences.
IV. Enhanced information disclosure Has the Company disclosed the content of its Ethical Corporate Management Best Practice Principles and its implementation results on its website and the MOPS?	V		The Company has disclosed the "Procedures for Ethical Management and Guidelines for Conduct" and other corporate governance-related regulations on the Company's website and the MOPS. The Company also provides information on ethical corporate management and its implementation effectiveness under the "Corporate Governance Structure" section of the website.	No significant differences.
V. If the Company has established its own Ethical Corporate Management Best Practice Principles based on the "Ethical Corporate				

Promotion items	Implementation			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reason for such deviation
	Yes	No	Summary	
Management Best Practice Principles for TWSE/TPEX Listed Companies", please describe the operational differences and the differences with the established principles: The Company has established the "Procedures for Ethical Management and Guidelines for Conduct" based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", and has implemented it without any differences.				
VI. Other important information that helps to understand the operation of the Company's ethical corporate management (such as review or amendmant of the Ethical Corporate Management Best Practice Principles): The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, relevant regulations for TWSE/TPEX listed companies, and other laws related to commercial activities, as the fundamental premise for implementing ethical corporate management.				

(VIII) Other important information that may enhance the understanding of the Company's governance operations may be disclosed: None.

(IX) Implementation of the internal control system:

1. Statement of Internal Control: Please refer to the MOPS/Single Company/Corporate Governance/Company Regulations/Internal Control/Statement of Internal Control.
2. If a CPA is commissioned to review the internal control system, disclose the CPA's review report: None.

(X) Important resolutions made at shareholders' meetings and Board of Directors' meetings in the most recent year as of the publication date of this annual report:

1. Major resolutions of the shareholders' meeting

Date	Key matters to be resolved	Implementation
2024.6.17	Proposed the 2023 business report and financial statements	The resolution was approved.
	Proposed the 2023 earnings distribution	The resolution was approved.
	Proposed the capital increase through the issuance of new shares from retained earnings	The resolution was approved.
	Proposed the changes in the Company's business items	The resolution was approved.
	Proposed the amendments of certain provisions of the Company's Articles of Incorporation	The resolution was approved and will be handled according to the amended operating procedures.
	Proposed the Company's cash capital increase prior to the initial application for listing, with all original shareholders waiving their priority rights	The resolution was approved.

2. Major resolutions of the Board of Directors

Date	Key matters to be resolved
2024.1.10	1. Proposed the appointment of members of the Remuneration Committee
2024.2.5	1. Proposed the 2023 year-end bonus plan for managers 2. Proposed to the changes of the head of accounting 3. Proposed to the changes of the acting spokesperson
2024.3.28	1. Proposed to discuss the 2023 annual business report and financial statements 2. Proposed the distribution of employees remuneration and director and supervisor remuneration for 2023 3. Proposed the discussion of the 2023 earnings distribution 4. Proposed the changes in the Company's business items 5. Proposed to amend certain provisions of the Company's Articles of Incorporation 6. Proposed the amendment to the Company's approval authority table 7. Proposed to authorize board members to sign off on the internal audit report and follow-up report for discussion 8. Proposed to adjust various remuneration items for the Company's directors and managers 9. Proposed to amend certain provisions of the Company's Rules of Procedure for Meetings of the Board of Directors 10. The proposed amendment to certain provisions of the Company's Rules of Procedure for Meetings of the Board of Directors 11. Proposed to amend certain provisions of the Company's Audit Committee Organizational Charter

	<ul style="list-style-type: none"> 12. Proposed to amend certain provisions of the Company's Rules of Management Procedures for Audit Committee Meetings 13. Proposed to approve the Company's 2023 Statement of Internal Control 14. Proposed the Company's cash capital increase prior to the initial application for listing, with all original shareholders waiving their priority rights 15. Proposed for the Company's application for short-term comprehensive credit facilities and mid-term secured loans 16. Proposed the capital increase through the issuance of new shares from retained earnings 17. Proposed for the evaluation of the independence and suitability of the Company's CPA and their appointment 18. Propose to establish the general principles of the Company's pre-approval policy for non-assurance services. 19. Proposed to set the date, location, and agenda for the Company's 2024 annual general shareholders' meeting and other related matters
2024.6.17	<ul style="list-style-type: none"> 1. Proposed the Company's 2023 directors and supervisors remuneration distribution plan 2. Proposed the Company's 2023 managers and employees remuneration distribution plan 3. Proposed the ratification of severance payment for former Head of Accounting Chi-Tsai Liao in excess of legal requirement
2024.8.12	<ul style="list-style-type: none"> 1. Proposed the appointment of the head of accounting 2. Proposed to the changes the CPA in response to the internal adjustment of the accounting firm 3. Proposed the financial statements of Q2 2024 4. Proposed to determine the ex-dividend date and ex-rights record date and payment date for 2024
2024.12.9	<ul style="list-style-type: none"> 1. Proposed for the Company to renew the land lease with the Southern Taiwan Science Park Bureau 2. Proposed to donate to the Lung Yingtai Cultural Foundation 3. Proposed to the changes of the head of internal audit 4. Proposed the Company's 2025 audit plan 5. Proposed the Company's 2025 budget plan 6. Proposed to invest in Orchid Botanical Garden 7. Proposed the Company's 2023 managers and employees remuneration distribution plan 8. Proposed the Company's remuneration to managers 9. Proposed the Company's adjustments for the remuneration to managers 10. Proposed the Company's medical expense reimbursement for the General Manager in case of work-related injuries. 11. Proposed to establish the salary range for entry-level employees 12. Proposed to amend certain provisions of the Company's "Articles of Incorporation" 13. Proposed to establish to "Nomination Committee Organizational Charter" 14. Proposed to establish a Nomination Committee and appoint its members 15. Proposed to amend the "Remuneration Committee Organizational Charter" 16. Proposed for the appoint of the head of corporate governance for discussion 17. Proposed the amendments to the Company's "Procedures for Acquisition or Disposal of Assets", "Procedures for Derivatives Transactions", "Operational Procedures for Lending funds to Others", and "Operational Procedures for

	<p>Endorsements/Guarantees”</p> <p>18. Proposed the Company’s establishment of the “Procedures for Ethical Corporate Management and Guidelines of Conduct” and “Code of Ethical Conduct”</p> <p>19. Proposed to the amendment and renaming of the Company’s Internal Control System and Management Measures</p> <p>20. Proposed the Company’s establishment of the “Corporate Governance Best Practice Principles” and “Sustainable Development Best Practice Principles”</p> <p>21. Proposed the Company’s establishment of the Internal Control System and Management Measures</p>
2025.1.16	1. Proposed the Company's remuneration to managers
2025.3.10	<p>1. Proposed for the evaluation of the independence and suitability of the Company’s CPA.</p> <p>2. Proposed the Company's appointment of CPAs and their audit fees</p> <p>3. Proposed to discuss the 2024 annual business report and financial statements</p> <p>4. Proposed the distribution of employees and director remuneration for 2024</p> <p>5. Proposed the discussion of the 2024 earnings distribution</p> <p>6. Proposed the capital increase through the issuance of new shares from retained earnings</p> <p>7. Proposal for the Company's 2024 Declaration of Internal Control System</p> <p>8. Proposed the non-assurance services provided by Ernst & Young and other affiliates</p> <p>9. Proposed to amend the salary range for entry-level employees</p> <p>10. Proposed to the amendment of the Company’s Internal Control System and “Accounting System”</p> <p>11. Proposed to amend the Company's “Articles of Incorporation”</p> <p>12. Proposed to amend the Company's “Procedures for Election of Directors”</p> <p>13. Proposed for the Company's application for short-term comprehensive credit facilities</p> <p>14. Proposed to set the date, location, and agenda for the Company's 2025 annual general shareholders’ meeting and other related matters</p>

(XI) In the most recent year and up to the publication date of the annual report, if any director or supervisor had dissenting opinions on important resolutions passed by the Board of Directors and had recorded or written statements: None.

IV. Information on CPA Audit Fees:

Amount unit: NTD thousands

Name of accounting firm	Names of CPAs	Period covered by the CPA audit	Audit fees	Non-audit fees	Total	Remarks
Ernst & Young	Shih-Chieh Yao	2024.1.1 to 2024.12.31	1,050	50	1,100	Taxation certification services.
	Kuo-Sen Hung					

- (I) If the accounting firm is changed and the audit fees for the year following the change are lower than those of the previous year, the amounts of the audit fees before and after the change and the reasons should be disclosed: Not applicable.
- (II) If the audit fees have decreased by more than 10% compared to the previous year, the amount, percentage, and reasons for the decrease should be disclosed: The audit fees

were reduced by NTD 1,530 thousand, a decrease of 58%, primarily due to a reduction in public offering project review service fees.

V. Replacement of CPAs:

(I) About the predecessor CPA

(3) About the predecessor CPA				
Date of replacement	From Q2, 2024 (the Board of Directors approved on August 12, 2024)			
Reasons for replacement and description	Due to internal adjustments at Ernst & Young, the Company's financial statements, previously audited by CPA Kuo-Sen Hung and CPA Li Fang-Wen, will now be audited by CPA Shih-Chieh Yao and CPA Kuo-Sen Hung.			
Explain whether the termination or refusal of the appointment was initiated by the principal or the CPA	Party		CPA	Principal
	Status		Not applicable	
	The appointment was terminated voluntarily			
	No longer accepted (continued) the appointment			
The audit report opinions other than unqualified opinions issued in the past two years and the reasons therefor	Not applicable			
Whether there were any differing opinions with the issuer	Yes		Accounting principles or practices	
			Disclosure of financial statements	
			Scope or steps of audit	
			Others	
	None	V		
	Description			
Other disclosure matters (those that should be disclosed according to Article 10, Paragraph 6, Item 1-4 to 1-7 of this Guideline)	None			

(II) About the succeeding CPA

Name of accounting firm	Ernst & Young
Names of CPAs	Shih-Chieh Yao, Kuo-Sen Hung
Date of appointment	From Q2, 2024 (the Board of Directors approved on August 12, 2024)
The accounting treatment methods or accounting principles for specific transactions prior to the appointment, and any consulting matters regarding the opinions that might be issued on the financial statements and their results	Not applicable
The written opinion of the succeeding CPA on the matters of disagreement with the predecessor CPA	Not applicable

(III) The predecessor CPA's response to the matters in Article 10, Paragraph 6, Subparagraph 1 and 2-3 of this Guideline: Not applicable.

VI. If the Chairman, General Manager, or managers responsible for financial or accounting matters of the Company has held a position within the accounting firm or its affiliates in the most recent year, their name, title, and the duration of their employment with the accounting firm or its affiliates should be disclosed: None

VII. Any transfer or pledge of shares by any director, supervisor, managers, and shareholders holding more than 10% of shares in the most recent year and up to the publication date of the annual report:

(I) Changes in shares held by directors, supervisors, managers, and major shareholders:

Unit: shares

Title	Name	2024		2025 As of April 11, 2025	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares
Chairman, General Manager, major shareholders	David Tu	241,786	-	-	-
Corporate director	Representative, D&K Group Limited: Karen Hong	130,990	-	-	-
Independent Director	Steve Lee	-	-	-	-
Independent Director	Tsang Sheau Lee	-	-	-	-
Independent Director	Chien-Cheng Lin	1,440	-	-	-
Major shareholder	Karen Hong	348,150	-	-	-
Manager	Hsiu-Wen Hsieh	13,164	-	2000	-
Manager	Shou-Chih Yeh	9,973	-	-	-
Manager	Chun-Hsien Lin	4,646	-	-	-
Head of Accounting (Note 1)	Yu-Chun Weng	-	-	-	-
Head of Accounting (Note 2)	Tsun-Chuan Huang	-	-	-	-
Note 1: Resigned on May 17, 2024.					
Note 2: Appointed on August 12, 2024.					

(II) Share transfer information: None.

(III) Share pledge information: None.

VIII. Information on relationships among the top ten shareholders, including spouses and second degree relatives or closer, among the top ten shareholders:

March 31, 2025; Unit: shares; %

Name	Shareholding of the individual		Shareholding of spouse or minor children		Total shareholding by nominee arrangement		Information on the names and relationships of the top ten shareholders who are related parties or have a spouse or relative within the second degree of kinship.		Remarks
	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	Name	Relationship	
Karen Hong	2,471,017	21.66	1,716,095	15.04	929,712	8.15	David Tu	Spouse	-
							Cheng-En Tu / Hsin-Fa Hung / Shih-Hsun Hung / Mei-Man Hung / Ming-Chung Hung	Relatives within second degree of kinship	-
							D&K Group Limited	Chairman of the Company	-
David Tu	1,716,095	15.04	2,471,017	21.66	-	-	Karen Hong	Spouse	-
							Cheng-En Tu / Hsin-Fa Hung / Shih-Hsun Hung / Mei-Man Hung / Ming-Chung Hung	Relatives within second degree of kinship	-
D&K Group Limited	929,712	8.15	-	-	-	-	Karen Hong	Chairman, D&K Group Limited	-
Hsin-Fa Hung	556,585	4.88	224,232	1.97	-	-	Mei-Yin Hong / Shih-Hsun Hung / Mei-Man Hung / Ming-Chung Hung	Relatives within second degree of kinship	-
Chieh-Mei Tso	489,362	4.29	-	-	-	-	-	-	-
Cheng-En Tu	342,624	3.00	-	-	-	-	David Tu / Karen Hong	Relatives within second degree of kinship	-
							D&K Group Limited	Supervisor of the Company	-
Shih-Hsun Hung	316,376	2.77	-	-	-	-	Karen Hong / Hsin-Fa Hung / Shih-Hsun Hung / Ming-Chung Hung	Relatives within second degree of kinship	-
Mei-Man Hung	311,837	2.73	-	-	-	-	Karen Hong / Hsin-Fa Hung / Mei-Man Hung / Ming-Chung Hung	Relatives within second degree of kinship	-
Ming-Chung Hung	232,800	2.04	-	-	-	-	Karen Hong / Hsin-Fa Hung / Mei-Man Hung / Shih-Hsun Hung	Relatives within second degree of kinship	-
Li-Chun Hsieh	229,172	2.01	-	-	-	-	-	-	-

IX. The number of shares held by the Company, its directors, supervisors, managers, and entities directly or indirectly controlled by the Company in an reinvestee and the consolidated shareholding ratio: None.

Three. Financing Status

I. Capital and Shares

(I) Sources of capital

1. Formation of share capital

April 11, 2025; Unit: thousand shares; NTD thousands

MM/YYYY	Issuance price	Authorized share capital		Paid-in capital		Remarks		
		No. of shares	Amount	No. of shares	Amount	Sources of capital	Capital paid in by assets other than cash	Others
2012.5	10	45,000	450,000	25,460	254,600	Cancellation of treasury stock for capital reduction (NTD 13,400 thousand)	None	Note 1
2020.3	10	45,000	450,000	25,040	250,400	Cancellation of treasury stock for capital reduction (NTD 4,200 thousand)	None	Note 2
2021.7	10	45,000	450,000	17,528	175,280	Cash capital reduction (NTD 75,120 thousand)	None	Note 3
2021.12	10	45,000	450,000	10,000	100,000	Cash capital reduction (NTD 75,280 thousand)	None	Note 4
2022.5	10	45,000	450,000	9,802	98,020	Cancellation of treasury stock for capital reduction (NTD 1,980 thousand)	None	Note 5
2024.9	10	45,000	450,000	11,409	114,095	Capitalization of earnings (NTD 16,075 thousand)	None	Note 6

Note 1: On May 23, 2012, pursuant to Nan-Shang-Zi No. 1010012105, the shares were canceled and registration was amended in accordance with Article 167-1, Paragraph 2 of the Company Act.

Note 2: On March 26, 2020, pursuant to Nan-Shang-Zi No. 1090007975, the shares were canceled and registration was amended in accordance with Article 167-1, Paragraph 2 of the Company Act.

Note 3: August 3, 2021, pursuant to Nan-Shang-Zi No. 1100022474.

Note 4: December 20, 2021, pursuant to Nan-Shang-Zi No. 1100037208.

Note 5: On May 27, 2022, pursuant to Nan-Shang-Zi No. 1110015506, the shares were canceled and registration was amended in accordance with Article 167-1, Paragraph 2 of the Company Act.

Note 6: September 23, 2024, pursuant to Nan-Shang-Zi No. 1130030027.

April 11, 2025; Unit: thousand shares; NTD thousands

2. Types of share capital issued

March 31, 2025; Unit: shares

Types of shares	Authorized share capital			Remarks
	Outstanding shares	Unissued shares	Total	
Ordinary shares	11,409,496	33,590,504	45,000,000	Stock that are not listed or publicly traded

(II) List of shareholders:

March 31, 2025; Unit: shares; %

Names of major shareholders	No. of shares held	Shareholding ratio
Karen Hong	2,471,017	21.66
David Tu	1,716,095	15.04
D&K Group Limited	929,712	8.15
Hsin-Fa Hung	556,585	4.88
Chieh-Mei Tso	489,362	4.29
Cheng-En Tu	342,624	3.00
Shih-Hsun Hung	316,376	2.77
Mei-Man Hung	311,837	2.73
Ming-Chung Hung	232,800	2.04
Li-Chun Hsieh	229,172	2.01

(III) Dividend policy and implementation:

1. Dividend policy defined in the Articles of Incorporation:

If the Company has profits in its annual financial statements, taxes should first be paid, followed by the compensation of accumulated losses from previous years. Then, 10% should be allocated to the legal reserve, but this requirement does not apply if the legal reserve has reached the Company's paid-in capital. The Company shall also allocate or reverse special reserves as required by laws or competent authorities. Any remaining profit, together with any accumulated undistributed earnings from previous years, will be proposed by the Board of Directors for distribution, to be approved by the shareholders' meeting. The Company may distribute shareholder dividends in the form of cash or stock. The amount of dividends shall be no less than 10% of the distributable earnings for the year, and the cash dividend proportion shall be no less than 10% of the total shareholder dividends. The Company is currently in a growth stage. The type and proportion of earnings distribution may be adjusted by the Board of Directors based on the Company's future capital needs and long-term operational plans. The Board of Directors shall propose a distribution plan, taking into account the current operational status, shareholders' interests, the balance between dividend policy, and capital requirements, and submit it to the shareholders' meeting for approval.

In the absence of losses, if the Company has no distributable earnings for the current year or based on considerations of the Company's financial, business, and operational factors, the Company may distribute all or part of the legal reserves and capital reserves in the form of new shares or cash, in proportion to the shareholders' original shares held, in accordance with laws and regulations or as required by competent authorities.

2. Dividend distribution proposed at the current shareholders' meeting:

The Company's earnings distribution proposal for 2024 was approved by the Board of Directors on March 10, 2025. A cash dividend of NTD 9 and a stock dividend of NTD 1.09 per share, totaling NTD 10.09 per share, is proposed, pending approval at the annual general shareholders' meeting scheduled for May 29, 2025.

3. If significant changes to the dividend policy are anticipated, they should be explained: None.

(IV) The impact of the distribution of bonus shares proposed at the current shareholders' meeting on the Company's business performance and earnings per share

On March 10, 2025, the Board of Directors resolved to distribute a stock dividend of NTD 1.09 per share, subject to approval at the annual general shareholders' meeting on May 29, 2025. After this distribution of earnings, the expected capital will be NTD 126,531,310, with the stock dividend resulting in a capital expansion ratio of 10.90%. Given the continued stable growth of the Company's operations, there will be no significant impact on the Company's business performance or earnings per share.

(V) Remuneration to employees, directors, and supervisors

1. The percentage or range of remuneration for employees, directors and supervisors as specified in the company's articles of association

The Company shall distribute employee remuneration amounting to no less than 1% of the annual profit, and distribute director remuneration amounting to no more than 4% of the annual profit. However, if the Company has accumulated losses, these shall be offset first.

The annual profit referred to in the preceding paragraph refers to the profit before tax, after deducting the employee remuneration and director remuneration to be distributed.

2. The basis for estimating employee, director, and supervisor remuneration amounts for this period, the calculation basis for stock-based employee remuneration, and the accounting treatment when there are discrepancies between the actual distribution amount and the estimated amount:

Employee and director remuneration is estimated based on a certain ratio within the percentage range defined in the Articles of Incorporation. If there is a discrepancy between the actual distribution amount and the estimated amount, it is treated as a change in accounting estimate and adjusted in the accounting records for the distribution year.

3. Distribution of remuneration approved by the Board of Directors:

- (1) Amount of remuneration to employees, directors and supervisors distributed in cash or in shares. If there is a discrepancy between the estimated and recognized expense for the year, the difference, the reason, and the treatment should be disclosed:

The Board of Directors of the Company passed a resolution on March 10, 2025, to distribute employee remuneration of NTD 2,585 thousand and director remuneration of NTD 2,585 thousand for 2024, which is the same as the estimate in the financial report for 2024, with no differences.

- (2) The amount of employee remuneration distributed in shares and its proportion to the net income after tax and the total employee remuneration in the parent company only or individual financial statements for this period:

The employee remuneration for 2024 was approved by the Board of Directors on March 10, 2025, and it was resolved to distribute the entire amount in cash.

4. The actual distribution of employee, director, and supervisor remuneration for the previous year (including the number of shares, amounts, and stock price), and any discrepancies with the recognized employee, director, and supervisor remuneration, should be explained, including the difference, reason, and treatment:

The remuneration distribution plan for 2023 was reported at the shareholders' meeting on June 17, 2024. Employee remuneration of NTD 8,907 thousand and director remuneration of NTD 978 thousand were distributed. The employee remuneration was fully distributed by December 2024, and the actual distribution of director remuneration matched the amount originally recognized.

(VI) Repurchase of the Company's shares: None.

II. Issuance of corporate bonds: None.

III. Issuance of preference shares: None.

IV. Issuance of depository receipts: None.

V. Issuance of employee stock options or new restricted employee shares: None.

VI. Issuance of new shares in connection with mergers, acquisitions, or acquisitions of shares of other companies: None.

VII. Implementation of capital utilization plan: None.

Four. Operational overview

I. Business activities:

(I) Scope of business:

1. Major business activities

Business item code	Scope of business
CB01010	Machinery Equipment Manufacturing
1. Research, develop, manufacture, and sell the following products: (1) Front-end process equipment components and subsystem equipment of semiconductors. (2) Eight-inch and larger single crystalline silicon wafers and single crystalline silicon. 2. Consulting on the production technology of the aforementioned products.	

2. Main products and their respective sales proportions

Unit: thousands of NT\$; %

Year Major products	2023		2024	
	Amount	Proportion (%)	Amount	Proportion (%)
Semiconductor equipment components	352,518	100.00	501,197	100.00
Total	352,518	100.00	501,197	100.00

3. Current products (services): Key consumable components for semiconductor manufacturing equipment

1	Retaining Ring
2	Susceptor
3	Heater
4	Shower Head
5	Collimator
6	GDP
7	Other semiconductor manufacturing equipment components

4. New products planned for development (services)

The Company has made significant efforts in plasma engineering technology over the years, producing key components and consumable parts required for various semiconductor front-end process equipment. This has been highly recognized by TSMC, which awarded us in March 1996. Additionally, after acquiring the eight-inch wafer plant equipment from Winbond Electronics Corporation, we refurbished it to learn the design and manufacturing of semiconductor equipment. Through this challenging phase, we were awarded a plaque by the Company, which highlights our professional engineering capabilities in semiconductor equipment components and solidifies our position in the industry. Therefore, precision machining, surface treatment, ceramic spraying, and plasma engineering are the core technologies of the

Company. With the engineering capability to design equipment in-house, the Company is more competitive in terms of quality, manufacturing costs, and manufacturing and inspection equipment.

The Company is a certified supplier and long-term strategic partner of leading global semiconductor equipment manufacturers. While its business scale has been steadily growing, achieving explosive growth on a large scale remains a significant challenge. Therefore, the Company is actively developing new products and customers, as well as establishing new business models to directly sell products to end users. Currently, the product under development is a conditioner for semiconductor CMP equipment. It is used to condition the polishing pad, remove impurities generated as byproducts during polishing, stabilize the polishing rate, improve wafer yield by achieving the required flatness for wafer grinding, and extend the polishing pad's service life. It is a key consumable component in the wafer polishing process.

The conditioner newly developed by the Company not only seeks breakthroughs in sales channels but also has significant differentiation in product design and manufacturing technology. Traditional designs, commonly referred to as Diamond Disks in the market, combine diamond and brazing methods (such as with Kinik Company and other mid-tier brands) or use electroplating. However, the Company's design is monolithic. While traditional diamond grain abrasives are island-shaped, our design is circular (as shown in Fig. 1). We have a high level of control over the raw materials. Furthermore, the Company independently designs and manufactures HFCVD (Hot Filament Chemical Vapor Deposition), mastering the key coating technology. The diamond coating particles are smaller, smoother, and more uniform, exhibiting the characteristic of being less prone to coating layer cracking or peeling during polishing. Compared to traditional diamond disks, our design offers better wear resistance.

In the complex semiconductor process, the wafer goes through repeated steps of deposition, exposure, development, etching, and other processes, stacking layers of microcircuits. If the microcircuits of each layer are not uniform, it will affect the stacking of layers and impact the quality. With the increasing demands of the semiconductor industry for the Chemical Mechanical Polishing (CMP) process, the growth momentum for the demand of conditioners has been driven. The conditioner developed by the Company is expected to bring significant contributions to the Company's overall revenue and profitability once it successfully passes customer certification in the future.



Fig. 1. The Company's newly developed product, conditioner

(II) Industry Overview:

1. Current status and development of the industry

The semiconductor industry has become an indispensable force in the global economy. Advancements in technology, such as the progression of technology nodes to enhance chip computing power, the evolution of AI chips, autonomous driving, automotive electronics, data storage, and wireless communications, have driven the demand for advanced chips, leading to the expansion of wafer fabs and intense competition in technology.

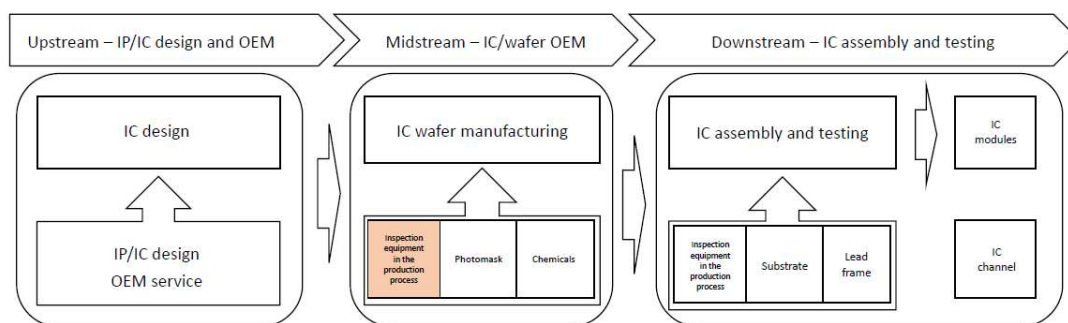
The World Semiconductor Trade Statistics (WSTS) organization forecasts that the global semiconductor market will reach a value of USD 626.8 billion in 2024, representing a 19% growth. The growth in 2024 will be primarily driven by two semiconductor sectors: Memory is expected to grow by 81.0%, and logic is expected to grow by 16.9%. WSTS forecasts that, driven by strong demand for semiconductors from artificial intelligence (AI), smartphones, and data centers, the global chip market will grow by 11% in 2025, reaching a record USD 697.1 billion. This growth will be mainly driven by the logic and memory sectors, with the value of these two industries expected to exceed USD 400 billion. Among these, the logic sector is expected to grow by more than 16% compared to the same period last year, while the memory sector is expected to grow by more than 13%. Regionally, the Americas will experience the fastest growth, increasing by 15.4% to USD 215.3 billion; followed by the Asia-Pacific region, growing by 10.4% to USD 376.2 billion; Europe will see the smallest increase, growing only 3.3% to USD 53.7 billion; and Japan is projected to grow by 9.4%, reaching USD 51.8 billion.

Production Value of the Global Semiconductor Industry

Fall 2024	Amounts in US\$M			Year on Year Growth in %		
	2023	2024	2025	2023	2024	2025
Americas	134,377	186,635	215,309	-4.8	38.9	15.4
Europe	55,763	52,031	53,736	3.5	-6.7	3.3
Japan	46,751	47,410	51,866	-2.9	1.4	9.4
Asia Pacific	289,994	340,792	376,273	-12.4	17.5	10.4
Total World - \$M	526,885	626,869	697,184	-8.2	19.0	11.2
Discrete Semiconductors	35,530	31,546	33,377	4.5	-11.2	5.8
Optoelectronics	43,184	42,092	43,705	-1.6	-2.5	3.8
Sensors	19,730	18,732	20,034	-9.4	-5.1	7.0
Integrated Circuits	428,442	534,499	600,069	-9.7	24.8	12.3
Analog	81,225	79,433	83,157	-8.7	-2.2	4.7
Micro	76,340	79,291	83,723	-3.5	3.9	5.6
Logic	178,589	208,723	243,782	1.1	16.9	16.8
Memory	92,288	167,053	189,407	-28.9	81.0	13.4
Total Products - \$M	526,885	626,869	697,184	-8.2	19.0	11.2

Source: WSTS (Fall 2024)

2. The relationships between the upstream, midstream and downstream of the industry
Taiwan has the most integrated semiconductor industry cluster and supply chain in the world. Once IC design is completed, it is outsourced to professional wafer foundries for production. After front-end testing, it is then sent to specialized packaging factories for precise packaging and testing, forming a complete and top-tier supply chain. The Company is a key component and consumable parts manufacturer for semiconductor IC/wafers manufacturing process equipment. Its products are used throughout the midstream processes and equipment of the semiconductor industry chain, and the Company is an important partner in the development of advanced processes for its customers.



3. Various product development trends

The Company has decades of professional experience, focusing on the manufacturing of key components and consumable parts required for various semiconductor front-end process equipment. Our technical foundation comes from the early experience of refurbishing the smoke-damaged equipment from Winbond Electronics Corporation, as well as the process of designing and manufacturing our own equipment. These valuable experiences have allowed us to successfully apply them to the processing and testing equipment of our products. Not only did it reduce manufacturing costs, but it also improved product stability, ensuring high quality.

With the mass production momentum of Taiwan's major foundries in the 5nm and 3nm advanced processes, as well as the progress of the 2nm expansion plans, the demand for semiconductor equipment and components remains strong. Although market conditions and inventory adjustments may cause fluctuations, the Company has established a strong long-term relationship with its customers, continuously optimizing processes and product quality, and improving the yield of customer products. We are confident in meeting the strict quality and yield requirements proposed by customers in advanced processes, and we will work hand in hand with our customers to grow together and meet market demand.

4. Market competition overview

The main competitors in the semiconductor process equipment components market come from both domestic and international markets, including OSM from the United States, CNUS from South Korea, as well as several processing factories from China and domestic companies. Faced with intense competition, the Company leverages its strengths in equipment design and engineering, achieving significant breakthroughs and advantages in automated production. In recent years, domestic semiconductor manufacturing giants have been actively expanding their businesses in Taiwan and supporting local enterprises. Leveraging its strong engineering capabilities, continuous investment in processing equipment, and ongoing optimization of technology, the Company has established a solid partnership with leading semiconductor manufacturers. We are committed to providing high-quality, boutique-level products and fast services, earning high recognition and trust from globally renowned manufacturers. Based on these advantages, our market competition pressure is effectively alleviated.

(III) Technology and R&D Overview

The founder and Chairman of the Company, Dr. David Tu, holds a Ph.D. in Materials Engineering. In the early years, he developed many individual products and successfully produced the Susceptor component for the P5000 single-wafer equipment, the predecessor of Applied Materials, Inc. He also established a wet processing special process and passed customer certification. From the experience accumulated by

refurbishing the smoke-damaged equipment at Winbond Electronics Corporation's 8-inch wafer plant, he mastered the core technology of "plasma engineering." In 2020, he successfully developed the thermal spray E-Chuck, a key component in the etching process equipment with top-level engineering technology. The Company has long been engaged in R&D and design manufacturing in the fields of semiconductor process equipment components, testing equipment, and various component simulation testing machines. In recent years, it has expanded to independently plan and design automated production systems. This makes the Company a highly specialized component manufacturer with a high level of engineering content, and it is a significant competitive advantage and the most notable difference from other competitors.

Chemical Mechanical Polishing (CMP) equipment is among the semiconductor process equipment with the highest proportion of consumable components. These consumables include polishing pads, slurry, retaining rings, diamond disks/Conditioners, membranes, and others. These components not only require frequent replacement and are expensive, but they also have extremely strict requirements for quality and stability. In the chip manufacturing process, CMP processes are used multiple times to flatten the surface of the wafer, enabling precise stacking, which is crucial for maintaining the yield of the subsequent processes.

The Company has been deeply involved in the semiconductor process equipment component field for many years and has become a qualified supplier for global semiconductor equipment manufacturers. It is also a key supplier of consumable components, specifically the retaining ring, for CMP equipment. In order to achieve sustainability and expand our business footprint, we have decided to focus on the development of the Conditioner, a consumable component for CMP equipment, as a key area for future growth. Through the development of the conditioner, we plan to establish a new business model, directly selling the products to end-users, such as major semiconductor manufacturers in Taiwan. We anticipate that this will bring significant revenue growth and profit contributions to the Company. The Company not only has mastered the raw materials, forming technology, and key coating technology for the conditioner, but has also independently designed and developed Hot Filament Chemical Vapor Deposition (HFCVD) equipment and simulators. This independent R&D of technology and equipment gives us full confidence in the progress of conditioner development, and we believe we can successfully achieve this strategic objective.

1. R&D expenses:

Unit: NTD thousands

Item \ Year	2024	As of March 31, 2025
R&D expenses	18,790	5,858

2. Technologies and/or products successfully developed:

Year	Technologies and/or products successfully developed
2020	Thermal Spray E-Chuck (ESC), E-Chuck tester
2021	Shearing test machine
2022	Online blade calibration and measurement system automation

(1) Thermal Spray E-Chuck (ESC), E-Chuck tester

In 2020, the Company's R&D personnel of the Engineering Department, in collaboration with the R&D team of a world-leading semiconductor manufacturer, successfully developed the thermal spray E-Chuck (ESC, as shown in Fig. 2). The principle of the E-Chuck is to apply a high voltage of over 2,500V to the dielectric material—electrode carrier plate—to store potential energy and generate electrostatic force. This electrostatic force creates an attraction between the electrode carrier plate and the wafer. In simple terms, it allows semiconductor and non-conductive substrates to remain adsorbed. For quite some time, E-Chucks relied heavily on imported new products or refurbished domestic products due to the high level of engineering knowledge, complexity, and high technical barriers involved. However, the Company not only overcame these technical bottlenecks and successfully developed the product, but also leveraged our unique equipment design and in-house engineering expertise. We independently designed and manufactured the E-Chuck Tester (as shown in Fig. 3). All of our self-produced E-Chucks are tested using this machine, ensuring that the thermal spray coating can withstand voltages as high as 5,000V without breakdown, thus enhancing the guarantee of high-quality products.



Fig. 2: The successfully developed thermal spray E-Chuck (ESC) of the Company.



Fig. 3. E-chuck tester designed and manufactured by the Company

(2) Shearing test machine

The Company has developed a key testing equipment, the shear testing machine, to improve the stability and quality of its products, which has received high recognition from customers. It is expected that further optimization and sales can be achieved in the future.

(3) Online blade calibration and measurement system automation design

The Company has proposed and implemented the concept of online blade calibration and measurement system automation on production equipment to reduce issues caused by loading and unloading of workpieces. This approach helps avoid errors caused by manual measurements and manual input mistakes. Workpieces can also be quickly positioned, coordinates updated in real time, and errors automatically corrected, ensuring the accuracy of each workpiece's processing dimensions. This makes controlling product size and precision easier, reduces the generation of defects, and enhances product stability.

(IV) Long-term and short-term business development Planned:

1. Short-term business development Planned

Continue to deepen our relationship with existing customers, providing excellent services and technical solutions, while focusing on process optimization to enhance

product quality. At the same time, we will expand our customer base, increase production capacity, and meet customer demands. The newly developed conditioner has secured cross-sample opportunities with customers and passed customer certification.

2. Long-term business development Planned

Establish a factory with intelligent production lines that integrates precision machining and automated control technologies, continuously expanding market share, exploring new markets, establishing overseas bases, further expanding the international market, and serving major semiconductor manufacturers worldwide.

II. Overview of the Market and Production and Sales

(I) Market analysis:

1. Sales area of major products

Unit: NTD thousands; %

Sales area \ Year		2023		2024	
		Sales amount	Ratio (%)	Sales amount	Ratio (%)
Taiwan		157,649	44.72	207,668	41.43
Foreign sales	Americas	18,383	5.21	31,421	6.27
	Asia	176,486	50.07	262,108	52.30
Total		352,518	100.00	501,197	100.00

2. Market share of major products

As major semiconductor companies enter mass production of advanced processes at 5nm and 3nm, with 2nm expected to enter mass production in 2025, the Company has already begun supplying in the early stages of customer mass production, gaining a first-mover advantage. Additionally, benefiting from customers' high standards for CMP process planarization, which requires higher quality for retaining rings, the Company, with its outstanding quality and technical capabilities, has successfully established entry barriers, increased market share, and solidified its competitive advantage in the market.

3. Supply and demand and growth potential of the market in the future.

According to IDC's latest study "Global Semiconductor Supply Chain Tracking Intelligence," due to the continuous rise in global demand for artificial intelligence (AI) and high-performance computing (HPC) until 2025, all major application markets—from cloud data centers and end devices to specific industry sectors—are facing an upgrade in specifications, and the semiconductor industry is poised to usher in a new era of prosperity. 2025 will be a critical year for 2nm technology, as the three major wafer manufacturers will enter mass production of 2nm. Driven by advanced processes, the demand for precision high-end components will continue to expand.



Worldwide Foundry Market Forecast



Source: IDC, 2024

4. Competitive Niche

The Company has nearly thirty years of engineering expertise, enabling it to solidify its current market position among numerous component manufacturers both domestically and internationally, while continuously exploring new market areas and expanding its market share. As a professional precision component manufacturer, the Company possesses outstanding equipment design and manufacturing capabilities, successfully reducing manufacturing costs and scrap rates, thereby establishing a uniquely competitive differentiating advantage. In the field of advanced process equipment components, the Company has firmly established its market foundation and developed a unique niche market. It closely collaborates with customers to jointly drive technological innovation, achieving mutual benefits and a win-win outcome. The Company is dedicated to providing customers with high-quality components and professional services, focusing on the stable development of the mature process equipment components market, and continuously creating value for customers to establish long-term and stable partnerships.

5. The favorable and unfavorable factors for the future development and the countermeasures

(1) Favorable factors

- A. The Company specializes in plasma engineering, with a management team led by founder and Chairman Dr. David Tu, actively establishing close collaborations with academic institutions and relevant industry enterprises. By understanding and mastering relevant technical information and industry trends, and through the continuous development of new technologies, product quality and precision have reached international standards, earning high recognition from the industry.
- B. Advantages of Highly Automated Production: The Company utilizes its engineering design capabilities to establish testing equipment and simulation machines, and has also introduced automated production lines. This not only ensures a stable workforce and efficient employee productivity, but also effectively improves production efficiency, enhancing product quality and stability.
- C. High Innovation and R&D Intensity in the Semiconductor Industry: The semiconductor industry's innovation and R&D in products and technologies are widely recognized, and innovation plays a decisive role in the growth of companies. The continuous pursuit of new technologies will drive the demand for upgrades in semiconductor process equipment, and the corresponding demand for equipment components will show a positive correlation.
- D. Technological Independence is the Key to Success: The conditioner developed by the Company is independent in design and sales, with production technology and key equipment possessing a competitive advantage, which will undoubtedly be the key to the Company's success.

(2) Unfavorable factors

The Company is a certified component manufacturer and supplier for world-leading semiconductor process equipment manufacturers. The main consumable component products are designed and controlled by customers, with changes being difficult to make. Although the Company has maintained a stable market share and profitability over the years, its growth and development scale remain limited.

(3) Countermeasures

To break through the bottleneck of large-scale growth, the Company is determined to focus on CMP equipment components, developing and designing innovative products with fully independent control over technology and sales channels. Since

CMP equipment is the category with the largest proportion of consumable components in semiconductor process equipment, and among various CMP equipment consumables, the Conditioner has a longer replacement cycle and is not designed by semiconductor equipment manufacturers. Therefore, after thorough evaluation and overcoming production technology challenges, the Company has decided to make the Conditioner its second core product, and will design its own equipment and simulation machines to fully master the key technologies. As a result, the Company can directly sell the conditioner to semiconductor manufacturers, achieving a completely independent sales channel. It is expected that this move will make a positive contribution to future business growth, enhance market competitiveness, and provide an optimistic outlook.

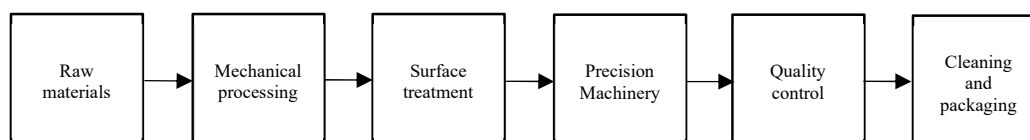
(II) Important functions and production processes of main products

1. Important functions of main products

Major products	Purpose of use
Key and consumable components of semiconductor process equipment	<p>The Company provides various key and consumable components required for semiconductor front-end process equipment, assisting customers in operating semiconductor production equipment and producing wafers with the highest and most stable quality, high utilization rates, low production costs, low waiting times, and short replacement cycles. The description of the use of main products is as follows:</p> <p>Retaining Ring: Mainly installed on the CMP equipment's polishing head, it prevents wafers from slipping off during grinding, thereby avoiding breakage.</p> <p>Susceptor, Heater: Used in PECVD and HDPCVD machines, it primarily ensures that the wafer maintains the required temperature during the manufacturing process.</p> <p>Collimator: Improves the PVD process by enhancing the deposition capabilities of sputter-coated films with high, deep, and wide aspect ratios.</p> <p>Shower Head, GDP : Plasma splitter or rectifier, which ensures that the required substances are evenly deposited onto the wafer or substrate during the plasma reaction.</p>

2. Production processes of main products

The main production process of the Company's products is as follows:



(III) Supply of main raw materials:

The Company's main raw materials include engineering plastics, stainless steel, aluminum alloys, nickel alloys, ceramic materials, and more, supplied by major domestic and international manufacturers. The Company has established stable and long-term partnerships with these suppliers to ensure the stability and reliability of the raw material supply chain. To date, the supply of the Company's main raw materials has been smooth, with no instances of production being affected by material delays, supply shortages, or other supply-related issues.

(IV) Name of any customer who accounted for more than 10% of total sales (purchases) in any of the past two years, along with the corresponding sales or purchase amount and ratio, and an explanation of the reasons for any increase or decrease in the amount:

1. Information on major suppliers for the past two years

Unit: NTD thousands; %

Item	2023				2024			
	Name	Amount	As a percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	As a percentage of annual net purchases (%)	Relationship with the issuer
1	Supplier A	33,960	40.42	None	Supplier A	88,100	58.46	None
2	Supplier B	13,492	16.06	None	Supplier B	40,105	26.61	None
3	Supplier C	8,691	10.35	None	Supplier C	78	0.05	None
4	Others	27,864	33.17	None	Others	22,431	14.88	None
	Total	84,007	100.00	-	Total	150,714	100.00	-

Description of changes: The Company has established long-term, positive relationships with its major suppliers, so there have been few changes in suppliers. Any changes in supply are due to factors such as quality yield, delivery schedule alignment, and price advantages, and there have been no significant or unusual changes. In 2024, due to increased end-user demand, the purchase amount from suppliers also increased accordingly.

2. Information on major customers for the most recent 2 years:

Unit: NTD thousands; %

Item	2023				2024			
	Name	Amount	As a percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	As a percentage of annual net sales (%)	Relationship with the issuer
1	Customer A	119,866	34.00	None	Customer A	188,123	37.53	None
2	Customer B	70,111	19.89	None	Customer B	94,010	18.76	None
3	Customer C	39,740	11.27	None	Customer C	58,420	11.66	None
4	Others	122,801	34.84	None	Others	160,644	32.05	None
	Net sales	352,518	100.00	-	Net sales	501,197	100.00	-

Description of changes: The Company has established long-term and stable cooperative relationships with its major sales customers; therefore, there were no significant changes in customers. The fluctuations in customer numbers resulted from normal business activities and do not represent any unusual changes in nature. In 2024, the increase in procurement volume from the Company was due to heightened end-user demand.

III. Number of employees, average years of service, average age, and the distribution ratio of educational background of employees for the past two years and up to the publication date of the annual report:

Unit: Persons; Years; %

Year		2023	2024	As of April 11, 2025
Number of employees	Direct labor	36	43	44
	Indirect labor	24	30	31
	Total	60	73	75
Average age		39.9	38.4	38.7
Average years of service		8.3	6.9	7.0
Distribution of education attainment	PhD	4.9	5.5	5.3
	Master	8.2	8.2	8.0
	College/University	50.8	45.2	46.7
	Senior high school	34.4	41.1	40.0
	Under senior high school	-	-	-

IV. Information on environmental protection expenditures:

For the most recent year and up to the publication date of the annual report, losses incurred due to environmental pollution (including compensation and violations of environmental protection regulations identified through environmental inspections):
None.

V. Labor Relations:

- (I) The Company's various employee benefit measures, continuing education, training, retirement system, and implementation thereof, as well as labor-management agreements and various employee rights protection measures

1. Employee benefit measures, continuing education, training

For sustainable operations and to ensure the stability of employees' lives while maximizing their talents, the Company aims to achieve mutual growth between individuals and corporate development. The implemented employee benefits are as follows:

Labor insurance, National Health Insurance, pension contributions, holiday bonuses, performance bonuses, long-service bonuses, group insurance, department gatherings, employee uniforms, health check-ups, birthday gifts, subsidies for weddings, funerals, and special occasions, among other benefits. Additionally, the Company has established an "Employee Welfare Committee" to organize various welfare activities such as year-end banquets, festive gatherings, employee family days, and domestic and international trips.

Employees are the Company's most valuable assets. The Company has planned training programs covering professional competencies, workplace safety and health, and IT skills development. These programs are complemented by professional skill certification, on-the-job education subsidies, and competency certification incentives to enhance employees' expertise and strengthen the Company's overall capabilities.

The Company conducts an employee satisfaction survey in Q4 every year, evaluating five key aspects, including working environment and remuneration benefits, to gain a comprehensive understanding of employees' perspectives and create a more employee-friendly workplace. The overall average score of the 2024 employee satisfaction survey was 82.1, indicating the Company's ongoing efforts to improve and optimize based on employee feedback and needs, with employee sentiment clearly reflected in the survey results.

2. Retirement system and its implementation

The Company's pension system, implemented in accordance with Taiwan's "Labor Standards Act", is a government-managed defined benefit retirement plan. For the employees qualified for retirement, the payment of their pensions is based on their service years and average wages of the six months prior to the retirement. For the service years within 15 years (inclusive), two bases are given for each full year of service rendered; for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45. In order to take care of employees' retirement, promote labor-management relations, and enhance work efficiency, the Company has established a Supervisory Committee of Business Entities' Labor Pension Reserve in accordance with the law. The Company allocates 2% of the total monthly salary to employee retirement pension, and the allocated retirement reserve is stored in a special account at Bank of Taiwan, with the storage and disbursement supervised by the Supervisory Committee of Business Entities' Labor Pension Reserve. Since July 1, 2005, the new labor pension scheme has been implemented in accordance with the law. For employees covered under the new

scheme, the Company contributes 6% of their monthly wages to their individual labor pension accounts managed by the Bureau of Labor Insurance.

3. Employer-employee agreements and various employee rights protection measures

The Company formulates employment contracts, work rules, and various management policies in accordance with labor laws and related regulations. Since its establishment, the Company has maintained harmonious labor relations with no significant labor disputes or losses. The Company holds regular labor-management coordination meetings each quarter. Over the years, employees have demonstrated strong teamwork, aligning with company decisions and maintaining seamless cooperation.

- (II) For the most recent year and up to the publication date of the annual report, losses incurred due to labor disputes (including violations of the Labor Standards Act identified through labor inspections) are as follows, along with an estimation of potential amounts and countermeasures for current and future occurrences. If a reasonable estimate cannot be made, the facts explaining why the estimate cannot be reasonably determined are provided: None.

VI. Information security management:

- (I) Describe the information security risk management framework, the information security policy, the specific management plan, and resources invested in information security management

1. Information security risk management framework

The Company's Information Department is responsible for planning and managing information security and related policies, as well as establishing an internal control system for information security management operations.

2. Cybersecurity policy and specific management plan

(1) Establish a firewall, vulnerability management, and antivirus management system; set up a backup schedule for performing backups; and regularly review abnormal firewall login activities and backup results.

(2) Implement access control mechanisms to regulate program, data access, and system usage permissions, and establish and enforce user password complexity requirements as well as regular password change policies.

(3) Conduct regular disaster recovery drills to enhance the Company's disaster response capabilities.

(4) The Audit Office conducts information security management control audits to assess whether various information security risk control measures are effectively implemented, aiming to reduce and prevent related information security risks.

(5) The Company plans to implement the ISO 27001 Cybersecurity Management System in 2025. Through the adoption of the ISO 27001 Cybersecurity Management System, the Company aims to strengthen its ability to respond to cybersecurity incidents and protect the security of both the Company's and customers' assets.

3. Resources invested in cybersecurity management

To strengthen information security management, the Company not only establishes and effectively implements related management procedures but also continuously adopts various information security defense technologies to reduce information security risks. In addition to reinforcing cybersecurity through network device firewalls, computer system antivirus, email antivirus, and spam filtering. In addition, the Company reinforces information security by providing education and training, as well as information security awareness programs to strengthen employees' information security awareness.

- (II) For the most recent year and up to the publication date of the annual report, the losses incurred due to significant cybersecurity incidents, the potential impacts, and the response measures. If it is not reasonably possible to estimate, the facts explaining the inability to reasonably estimate should be disclosed: None.

VII. Important Contracts:

Nature of contract	Party	Commencement and termination dates	Major content	Restrictive covenants
Lease contract	Southern Taiwan Science Park Bureau	2025.1.1 to 2045.12.31	Land lease	None
Lease contract	Southern Taiwan Science Park Bureau	2017.10.16 to 2037.10.15	Land lease	None
Lease contract	Southern Taiwan Science Park Bureau	2018.5.1 to 2038.4.30	Land lease	None
Credit contract	Mega Bank	2024.6.28 to 2025.6.28	Short-term borrowings	None
Credit contract	Mega Bank	2024.6.14 to 2025.6.13	Short-term borrowings	None

Five. Review and analysis of financial position and performance, along with risk factors

I. Financial Position

Unit: NTD thousands

Item \ Year	2023	2024	Increase (decrease) changes	
	Amount	Amount	Amount	%
Current assets	707,177	818,051	110,874	15.68
Property, plant and equipment	305,724	315,193	9,469	3.10
Right-of-use assets	38,248	34,951	(3,297)	(8.62)
Other non-current assets	10,858	19,267	8,409	77.45
Total assets	1,062,007	1,187,462	125,455	11.81
Current liabilities	175,704	149,880	(25,824)	(14.70)
Non-current liabilities	33,467	33,302	(165)	(0.49)
Total liabilities	209,171	183,182	(25,989)	(12.42)
Share capital	98,020	114,095	16,075	16.40
Capital surplus	27,756	27,609	(147)	(0.53)
Retained earnings	735,017	870,952	135,935	18.49
Other equity	(7,957)	(8,376)	(419)	(5.27)
Total equity	852,836	1,004,280	151,444	17.76
<p>1. Major changes (with a change of more than 20% and a monetary change of over NTD 10 million) and their main causes and impacts: None.</p> <p>2. Future response plans for significant impacts: The aforementioned changes have no significant adverse impact on the Company, and the overall performance of the Company shows no significant anomalies, therefore no response plan is necessary.</p>				

II. Financial Performance:

Unit: NTD thousands

Item \ Year	2023	2024	Increase (decrease) changes	
	Amount	Amount	Amount	%
Operating revenue	352,518	501,197	148,679	42.18
Operating costs	190,066	231,385	41,319	21.74
Gross profit	162,452	269,812	107,360	66.09
Operating expenses	39,368	53,718	14,350	36.45
Net operating profit	123,084	216,094	93,010	75.57
Non-operating income and expenses	15,475	33,332	17,857	115.39
Net income before tax	138,559	249,426	110,867	80.01
Income tax expenses	35,137	48,406	13,269	37.76
Net income for the year	103,422	201,020	97,598	94.37
Other comprehensive income	(541)	(419)	122	22.55
Total comprehensive income for the year	102,881	200,601	97,720	94.98
<p>1. Major changes (with a change of more than 20% and a monetary change of over NTD 10 million) and their main causes and impacts:</p> <p>(1) In 2024, due to heightened end-user demand, operating revenue, operating costs, gross profit, operating expenses, operating profit, profit before tax, income tax expense, net profit for the year, and total comprehensive income for the year all increased accordingly.</p> <p>(2) The increase in non-operating income (expenses) was mainly due to foreign exchange fluctuations, resulting in higher exchange gains.</p> <p>2. Expected sales volume and its basis, as well as the potential impact on the Company's future financial performance and business operations, along with any response plans:</p> <p>As the Company has not disclosed any financial forecasts, this is not applicable.</p>				

III. Cash flows

(I) Analysis and description of changes in cash flows in the most recent year

Unit: NTD thousands

Balance of cash at the beginning of the period (1)	Net cash flow from operating activities for the year (2)	Net cash flow from investing and financing activities for the year (3)	Estimated cash surplus (deficit) (1)+(2)+(3)	Remedies for cash deficit	
				Investment plans	Financing plans
500,943	159,320	(110,217)	550,046	-	-
<p>Analysis and description:</p> <p>1. Operating activities: This was mainly due to net cash inflows generated from operating activities.</p> <p>2. Investing activities: This was mainly due to net cash outflows from capital expenditures.</p> <p>3. Financing activities: This was mainly due to the distribution of cash dividends.</p> <p>4. Remedial measures for estimated cash shortage: The Company has not encountered any cash flow shortages in the most recent year.</p>					

- (II) Liquidity deficiency improvement plan for the most recent year: The Company's funds have not faced any liquidity deficiency.

(III) Liquidity analysis for the coming year

Unit: NTD thousands

Balance of cash at the beginning of the period (1)	Estimated net cash flow from operating activities for the year (2)	Net cash flow from investing and financing activities for the year (3)	Estimated cash surplus (deficit) (1)+(2)+(3)	Remedies for cash deficit	
				Investment plans	Financing plans
550,046	204,725	(137,530)	617,241	-	-
Analysis and description:					
1. Operating activities: This was mainly due to net cash inflows generated from operating activities.					
2. Investing activities: This was mainly due to net cash outflows from capital expenditures.					
3. Financing activities: This was mainly due to the distribution of cash dividends.					
4. Remedial measures for estimated cash shortage: The Company has not encountered any cash flow shortages in the most recent year.					

- IV. The impact of major capital expenditures on financial operations in the most recent year: The Company's major capital expenditures in the most recent year were funded by operating capital and bank loan facilities, thus having no significant impact on the Company's financial operations.
- V. The Company's investment policy in the most recent year, the main reasons for profits or losses, improvement plans, and investment plans for the coming year: None.
- VI. Risk factors should include analysis and evaluation of the following matters for the most recent year and up to the publication date of the annual report.
- (I) The impact of interest rate, exchange rate fluctuations, and inflation on the Company's profit and loss, as well as future countermeasures:
- Interest rate changes
The Company's interest income in 2023 and 2024 amounted to NTD 9,489 thousand and NTD 9,771 thousand, respectively, representing 2.69% and 1.95% of net operating revenue, and 6.85% and 3.92% of income before tax, respectively. Interest expense for 2023 and 2024 amounted to NTD 1,557 thousand and NTD 1,243 thousand, respectively, representing 0.44% and 0.25% of net operating revenue, and 1.12% and 0.50% of income before tax, respectively, indicating that changes in interest rates have not had a significant impact on the Company's profitability.
 - Exchange rate fluctuations
The Company's export and domestic sales are primarily settled in USD, and payments for overseas purchases are also mainly made in USD. The net foreign exchange gain amounted to NTD 2,925 thousand and NTD 22,392 thousand in 2023 and 2024, respectively, representing 0.83% and 4.47% of net operating revenue, and 2.11% and 8.98% of income before tax, respectively. The significant increase in foreign exchange gain in 2024 was due to substantial fluctuations in the USD exchange rate and is considered a special circumstance. In recent years, net foreign exchange gains have been relatively low, indicating that exchange rate fluctuations have not had a significant impact on the Company's operations. However, considering future international developments, the Company continues to maintain good advisory interactions between its finance department and bank foreign exchange units. The Company also actively

gathers exchange rate trend information to adjust its foreign currency position when necessary, aiming to mitigate the risks that exchange rate fluctuations may pose to its operations.

3. Inflation

The Company has not experienced significant impacts due to inflation. Additionally, the Company's pricing for customers and suppliers is adjusted flexibly based on fluctuations in market raw material prices, so the impact on the Company's profit and loss is limited.

- (II) The policy on engaging in high-risk, high-leverage investments, lending funds to others, endorsement and guarantees, and derivative transactions, the main reasons for profits or losses, and future countermeasures:

The Company has always adhered to the principle of focusing on its core business and pragmatic management. Its financial policy is based on a conservative and prudent approach, and the Company does not engage in high-risk, high-leverage investments, lending funds to others, providing endorsements or guarantees, or trading in derivative products. The Company has established "Procedures for Lending Funds to Others", "Procedures for Endorsements and Guarantees", "Procedures for Derivative Transactions", and "Procedures for Acquisition or Disposal of Assets". Should the Company engage in any investment, trading, or fund lending activities in the future due to business needs, such activities will be conducted in accordance with the established procedures.

- (III) Future R&D plans and the estimated expenses to be invested:

1. Future R&D plans

In the future, the Company will continue to focus on the development of key components for advanced semiconductor process equipment and provide Total Solutions for CMP process equipment components. The main focus will be on the development of pad conditioners for CMP process equipment. Additionally, the Company will design and manufacture its own Hot Filament Chemical Vapor Deposition (HFCVD) equipment. In-house equipment manufacturing will not only reduce production costs but also enable the Company to control key manufacturing technologies and increase entry barriers.

2. Estimated R&D expenses to be invested

Future R&D projects, along with funding allocations, will be dynamically adjusted based on the Company's operational status and market demand, aiming to achieve effective R&D investment and, in turn, enhance the Company's competitiveness.

- (IV) The impact of significant domestic and international policy and legal changes on the Company's financial operations and countermeasures:

The company operates in accordance with relevant domestic and international laws and regulations, while continuously monitoring any changes in related policies and laws. As of the most recent year and up to the publication date of the annual report, no significant impact on the Company's financial performance or operations has occurred due to domestic or international policy and legal changes.

- (V) The impact of technological changes (including cybersecurity risks) and industry changes on the Company's financial operations and countermeasures:

The Company consistently monitors trends in related industry technologies and developments, keeping abreast of industry dynamics. It evaluates the impact of these changes on its operations and continuously optimizes processes to improve product quality. The Company has established a cybersecurity management policy to ensure the security and integrity of system data, enhancing the Company's competitive advantage and keeping up with evolving management practices. As of the most recent

year and up to the publication date of the annual report, the Company has not been impacted by technological changes (including cybersecurity risks) or industry shifts that affected its financial performance or operations.

(VI) The impact of changes in corporate image on crisis management and countermeasures: The Company has always upheld and practiced the principles of integrity, excellence, diligence, and sustainability in its operations. To effectively strengthen the Company's operations and prevent management issues, the Company has established an internal control system and relevant management procedures, ensuring stable growth under transparent financial information. As of the most recent year and up to the publication date of the annual report, the Company has not faced any crisis management issues due to changes in its corporate image.

(VII) The expected benefits, potential risks, and countermeasures for mergers and acquisitions:

In the most recent year and up to the publication date of the annual report, the Company has no plans for mergers and acquisitions.

(VIII) The expected benefits, possible risks, and countermeasures for the expansion of the plant:

In the most recent year and up to the publication date of the annual report, the Company has no plan to expand its factory.

(IX) Risks associated with sales or purchase concentration and countermeasures:

1. Concentration of purchases:

The Company's main raw materials include engineering plastics, stainless steel, aluminum alloys, nickel alloys, and ceramic materials, supplied by more than two suppliers. The Company maintains good and stable relationships with each supplier, considering quality, finished products, delivery schedules, and supply stability when evaluating suppliers, and continuously seeks new suppliers and alternative raw materials to avoid the risk of over-concentration in procurement.

2. Concentration of sales:

The Company's main customers are large international semiconductor equipment manufacturers and well-known domestic and international semiconductor manufacturers, including publicly listed companies. In 2023 and 2024, the largest customer accounted for 34% and 37.53% of the total net sales for those respective years. The Company is also actively developing both domestic and international customers and expanding its product range to avoid the risk of sales concentration.

(X) The impact, risks, and countermeasures concerning significant transfer or change in shareholding by directors, supervisors, or major shareholders holding more than 10% of shares: None.

(XI) The impact, risks, and countermeasures concerning changes in operational control over the Company:

In the most recent year and up to the publication date of the annual report, the Company has not experienced any changes in operational control.

(XII) Litigation or non-litigation cases involving the Company, its directors, supervisors, General Manager, actual person in charge, major shareholders holding more than 10% of shares, or subsidiaries that have been finalized or are still pending, which may significantly affect shareholder rights or securities prices, should disclose the disputed facts, claim amounts, commencement dates, primary parties involved, and the handling status up to the publication date of the annual report: None.

(XIII) Other important risks and countermeasures: None.

VII. Other important matters: None.

Six. Special notes

I. Information related to the Company's affiliates

- (I) Consolidated business report of affiliates: None.
- (II) Consolidated financial statements of affiliates: None.
- (III) Affiliation report: None.

II. Private placement of securities in the most recent year and up to the publication date of the annual report: None.

III. Other necessary supplementary information: None.

Seven. During the most recent year and up to the publication date of the annual report, if any matters stipulated under Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act that significantly impact shareholder equity or securities prices occurred, they should be detailed one by one: None.

DURA TEK, INC.

Chairman: David Tu