

Stock Code: 6953

Declaration Website: <https://sii.twse.com.tw>

# Gudeng Equipment Co., Ltd.

## 2024 Annual Report

Notice to readers

*This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.*

**Printed on April 30, 2025**

**The Annual Report is available at <https://mops.twse.com.tw>**

**Please visit the company website at <https://www.gdauto.com.tw>**

## **1. Spokesperson and Deputy Spokesperson**

Spokesperson

Name: Meng-Chuan Liu

Title: Sales Manager, Sales Department

Tel: 886-3-550-6279

E-mail: IR@gdauto.com.tw

Deputy Spokesperson

Name: Yi Shan Lo

Title: Assistant Manager, Audit Department

Tel: 886-3-550-6279

E-mail: IR@gdauto.com.tw

## **2. Headquarters, Branches and Plant**

Headquarters: 8F.-5, No. 2, Sec. 4, Zhongyang Rd., Tucheng Dist., New Taipei City, Taiwan

Tel: 886-3-550-6279

Hsinchu Operations Center: No. 117, Sec. 1, Jiafeng 11th Rd., Zhubei City, Hsinchu County, Taiwan

Tel: 886-3-550-6279

Tainan Tree Valley Plant: 4F.-2&-5, No. 17, Zilian Rd., Xinshi Dist., Tainan City, Taiwan

Tel: 886-6-589-2558

Branches: None

## **3. Stock Transfer Agency**

Name: Stock Affairs Agency Department of Yuanta Securities Co., Ltd.

Address: B1F., No. 67, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City, Taiwan

Website: <https://www.yuanta.com.tw>

Tel: 886-2-2586-5859

## **4. Certified Public Accountants for the Latest Financial Statements**

Name: Chien-Ming Tseng and Pan-Fa Wang

Accounting Firm: Deloitte & Touche

Address: 20F., No. 100, Songren Rd., Xinyi Dist., Taipei City, Taiwan

Website: <https://www2.deloitte.com/tw>

Tel: 886-2-2725-9988

## **5. Overseas Securities Exchange Where Securities are Listed and Method of Inquiry: Not applicable**

## **6. Company Website: <https://www.gdauto.com.tw>**

## Table of Contents

<b>I. Letter to Shareholders.....</b>	<b>1</b>
<b>II. Corporate Governance Report .....</b>	<b>6</b>
1. Information of Directors, Supervisors, General Manager, Vice President, Assistant Vice President, Heads of Departments and Branch Managers .....	6
2. Remuneration Paid to Directors, Supervisors, General Manager, and Vice President in the Most Recent Year.....	12
3. Status of Corporate Governance .....	16
4. Information for Audit Fees of CPAs.....	45
5. Replacement of CPAs.....	46
6. Any of the Company's Chairperson, General Manager, or Managerial Officers Responsible for Financial or Accounting Affairs Being Employed by the CPAs' Firm or Any of Its Affiliated Company in the Most Recent Year. ....	46
7. For the Most Recent Year and Up to the Publication Date of the Annual Report, Changes in the Transfer of Equity Interest and Share Pledge of Directors, Supervisors, Managerial Officers, and Shareholders Holding More Than 10% of Shares .....	46
8. Information on Shareholders Among the Top 10 by Proportion of Shareholding Who Are Related Parties to One Another or Spouse, Kindred Within the Second Degree of Kinship.....	47
9. Number of Shares Held by the Company, Its Directors, Supervisors, Managerial Officers, and Entities Directly or Indirectly Controlled by the Company in the Same Investee Company, and the Consolidated Shareholding Ratios Calculated Accordingly .....	48
<b>III. Capital Overview.....</b>	<b>49</b>
1. Capital and Shares .....	49
2. Status of Corporate Bonds.....	52
3. Status of Preferred Shares .....	52
4. Status of Global Depositary Receipts (GDRs).....	52
5. Status of Employee Stock Options Certificates .....	52
6. Status of Restricted Stock Awards for Employees .....	52
7. Status of Issuance of New Shares for Mergers or Acquisitions of Other Companies' Shares .....	52
8. Implementation Status of Capital Allocation Plans.....	52

<b>IV. Operations Overview .....</b>	<b>54</b>
1. Business Content .....	54
2. Market and Sales Overview .....	64
3. Information of Employees in the Most Recent Two Years and Up to the Publication Date of the Annual Report .....	70
4. Environmental Protection Expenditure Information .....	70
5. Labor Relations .....	70
6. Information Security Management.....	73
7. Material Contracts .....	75
<b>V. Review and Analysis of Financial Status and Financial Results and Risk     Items .....</b>	<b>76</b>
1. Analysis of Financial Position.....	76
2. Financial Performance.....	77
3. Cash Flow.....	77
4. Major Capital Expenditures and Impact on Financial and Business in the Most Recent Year.....	78
5. Recent Investment Policies, Major Reasons for Profit or Loss, Improvement Plans, and Investment Plans for the Coming Year.....	78
6. Risk Management.....	78
7. Other Important Matters.....	83
<b>VI. Special Disclosure .....</b>	<b>84</b>
1. Summary of Affiliates .....	84
2. Private Placement of Securities in the Most Recent Year and Up to the Publication Date of the Annual Report.....	85
3. Other Necessary Supplements.....	85
<b>VII. If There Are Any Events That Have a Significant Impact on Shareholders’     Equity or Securities Prices as Stipulated in Subparagraph 2, Paragraph 3,     Article 36 of the Securities and Exchange Act in the Most Recent Year and     Up to the Publication Date of the Annual Report .....</b>	<b>85</b>

## I. Letter to Shareholders

Dear Shareholders,

Thank you for your continuing support and encouragement throughout the year. The results of our operating performance in 2024 and business plan for 2025 are as follows:

### 1. Operating Performance in 2024

Benefiting from the growing global demand for Artificial Intelligence (AI) and High-Performance Computing (HPC), the semiconductor market continues to expand, driving significant advancements in process technologies and innovative developments in Advanced Processes and Advanced Packaging. Taiwan, with its technological progress significantly influencing the evolution of semiconductor processes, holds a pivotal role in the global semiconductor industry. Beyond individual corporate advancement, Taiwanese companies emphasize on “Co-Creation” through collaboration with key clients, enhancing and refining core technologies to foster diverse innovative applications and further industry development.

Gudeng Equipment Co., Ltd. (hereinafter referred to as GDE) was officially listed on the Taipei Exchange (TPEX) in May 2024. GDE primarily focuses on automation equipments related to mask handling in semiconductor lithography processes, including Mask Cleaning, Exchange, Storage, and Management. GDE specializes in automation solutions specifically designed for EUV mask handling and advanced semiconductor processes, supported by a robust patent portfolio comprising of numerous inventions and utility model patents related to mask handling equipment. Through integration with Gudeng Precision carrier storage and continuous purge storage stocker and warehouse equipment solutions, GDE delivers stable quality and high added-value products. These solutions have been certified and adopted by multiple leading international semiconductor manufacturers, enabling GDE to successfully enter the global wafer manufacturing leaders' supply chains.

Reviewing the overall performance of GDE in 2024, the Company upheld its core corporate values of “*Partner with Heart, Innovation with Focus*”. In addition to maintaining stable deliveries of existing mask automation equipment—including mask cleaning, exchange, storage, and management—GDE successfully collaborated with key clients to introduce EUV POD inspection equipment integrated with AI-based image recognition technology. This innovation supports customers in enhancing quality management within EUV process production lines. Significant achievements were also made in mask automation handling solutions, notably through the development of multi-mask carrier systems integrated with customized mask identification functions, which have been successfully implemented in mask manufacturing customers. Regarding international market presence and expansion, GDE maintained stable sales

performance in Singapore, the United States, and China. In 2024, GDE also began establishing a presence in Japan's semiconductor market, engaging in discussions with key clients on new equipment applications, and anticipates further successes in 2025.

GDE initiated the Phase 3 expansion project of its Southern Taiwan Science Park (STSP) facility in 2024. This new plant not only increases production capacity, but also provides greater resources for technological innovation and product development, aiming to meet the growing demands of the market. This expansion marks a significant step in the company's efforts to upgrade its technology and expand its manufacturing capabilities, demonstrating a proactive response to future market prospects.

The key highlights of the Company's operating performance in 2024 are summarized as follows:

(1) Results of Business Plan Implementation

The Company's consolidated revenue for 2024 was NT\$1,301,925 thousand, representing an 8% increase compared to NT\$1,207,145 thousand in 2023. The net income after tax amounted to NT\$239,746 thousand, reflecting a 5% growth from NT\$228,243 thousand in the previous year. Earnings per share (EPS) for the year stood at NT\$8.25.

(2) Budget Implementation: The Company did not establish and announce any financial forecasts; therefore, this item is not applicable.

(3) Financial Income and Expenditure and Profitability Analysis: Please refer to the attached financial statements.

(4) Research and Development (R&D) Status

A. The Ratio of the R&D Expenditure to Total Revenue in the Most Recent Three Years:

Unit: NT\$ thousand

Item	2022	2023	2024
R&D Expenditure	75,035	150,604	124,141
Ratio to Total Revenue	7%	12%	10%

B. Successfully Developed Technologies and Products in the Most Recent Two Years:

Year	R&D Results
2023	Next Gen. EUV Mask Inspection Equipment & PVD Prototype
2024	AOI Mask Inspection and Exchange Integrated Equipment AI-Based Mask Inspection and Analysis Equipment / Multi-Mask Exchange System

## 2. Business Plan Overview for 2025

### (1) Business Strategies and Key Production and Sales Policies

Upholding the core corporate values of “*Partner with Heart, Innovation with Focus*,” GDE remains closely aligned with customer needs, leveraging strong technical integration capabilities and Project-Based Production Management to enhance production efficiency and ensure superior product quality, and by offering comprehensive solutions, GDE strives to deliver maximum value to its clients. Business development continues to center around three key strategies: Cultivating Relationships with Key Clients, Corporating with New Customers, and Expanding into New Markets. In addition, GDE actively collaborates with its Parent Group, Semiconductor Alliances, and Suppliers to contribute to Taiwan’s national semiconductor team. These efforts aim to collectively strengthen the resilience of the semiconductor supply chain and generate shared value across the industry.

Looking ahead, the GDE team remains committed to driving revenue growth and advancing technological innovation. In addition to continually enhancing its existing mask automation equipment—including mask cleaning, exchange, storage, and management—GDE is placing greater focus on applications for advanced process equipment, particularly in the fields of High-End Mask and EUV Mask Operations. As EUV lithography has become a standard in advanced semiconductor manufacturing, leading semiconductor companies are increasingly emphasizing the efficiency of manufacturing, handling, and storing critical components under tightly controlled process environments. In response, GDE has devoted significant effort in recent years to developing advanced EUV mask handling integrated solutions and PVD-related equipment, with the aim of extending and optimizing high-end mask solutions. The Company is also expanding the application of its AOI mask inspection and exchange integrated systems to photolithography (DUV) processes, while extending its mask cleaning and inspection technologies into advanced packaging processes. These initiatives aim to fulfill customer demands for fully automated and integrated mask handling solutions across a wide range of semiconductor applications.

Another key emerging trend in the semiconductor industry is smart manufacturing. In response to this industry trend, GDE is placing strategic emphasis on the development of automated mask handling equipment. GDE engineering team is actively engaged in the research and development of a new automated POD packaging system, with plans to implement it in customer production lines. This innovation aims to optimize mask packaging and shipment management within mask manufacturing facilities, enhancing productivity, operational efficiency, and accuracy—further aligning with the industry’s move toward intelligent, highly

automated production environments.

In the area of micro-contamination control within the semiconductor industry, GDE continues to collaborate closely with customers to enhance EUV micro-environment purging process technologies. The Company is also working to extend this purging technology to wafer processing and EUV High-NA lithography applications, with the goal of creating new momentum for future revenue growth.

- (2) Sales Forecast: The Company did not establish and announce any financial forecasts; therefore, this item is not applicable.
- (3) The Future Development Strategy and the Impact of the External Competitive Environment, Regulatory Environment, and Macroeconomic Conditions

Globally, the semiconductor industry continues to experience robust growth, fueled by rising demand for Artificial Intelligence (AI) and High-Performance Computing (HPC). However, intensifying geopolitical competition—reflected in policy such as the U.S. CHIPS and Science Act and the European Chips Act (ECA)—has prompted governments around the world to promote localized semiconductor supply chains. These developments are placing increasing pressure on the resilience of global supply networks. GDE is always vigilant in monitoring market dynamics, ensuring full regulatory compliance while maintaining close collaboration with key clients. In alignment with its parent company, Gudeng Precision, GDE actively participating in the co-development of an AI Industry Ecosystem—one of its strategic priorities in recent years. GDE also continues to collaborate across the supply chain, investing in the research and development of EUV mask technologies, advanced packaging processes, PVD-related equipment, and critical components. Through ongoing, adaptive adjustments to its supply chain strategies, GDE aims to respond more flexibly to the evolving rules of the global market.

In recent years, the global semiconductor supply chain has placed increasing emphasis on environmental sustainability and net-zero carbon emissions. ESG represents a company's commitment to corporate social responsibility, and GDE integrates this responsibility into its daily management practices. In response to the Taiwanese government's 2050 Net-Zero Emissions Policy, GDE successfully completed its Scope 1 and Scope 2 greenhouse gas (GHG) inventories in 2024. The Company also plans to initiate its Scope 3 GHG inventory in 2025 and will establish related ESG initiatives to further advance its sustainability goals.

The first phase of GDE new facility under construction in the Southern Taiwan Science Park (STSP) is planned to have a total floor area of approximately 5,000 pings (approximately 16,500 square meters), with an investment amounting to



NT\$1.093 billion. The facility is scheduled to commence operations in 2027 and will support the Design, Manufacturing, Sales, and Maintenance of semiconductor equipment and related components, in line with the Company's long-term development strategy. The new facility is being designed based on green building standards and will incorporate various energy-saving and carbon-reduction features, reflecting the company's commitment to balancing corporate growth with environmental sustainability.

In recent years, GDE has been dedicated to and focused on the development of intelligent mask handling and micro-contamination control technologies, earning strong recognition from its customers. Looking ahead, GDE team will continue to uphold its core corporate values of "*Partner with Heart, Innovation with Focus*" staying closely aligned with customer needs and striving for excellence. The Company remains committed to actively expanding its business markets and is optimistic about the continued growth in operational momentum, with the goal of consistently enhancing overall corporate value.

We wish you good health and all the best!

Chairperson: Ming-Chien Chiu

General Manager: Yin-Feng Chan

Accounting Supervisor: Hui-Wen Shih

## II. Corporate Governance Report

### 1. Information of Directors, Supervisors, General Manager, Vice President, Assistant Vice President, Heads of Departments and Branch Managers

#### (1) Directors and Supervisors

##### A. Information of Director and Supervisor

March 24, 2025; Unit: Shares; %

Title	Name	Gender/ Age	Nationality/ Place of Incorporation	Date First Elected	Date Elected	Term (Years)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Major Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors or Supervisors who are Spouses or Kindred Within the Second Degree of Kinship			Remarks
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationships	
Chairperson	Gudeng Precision Industrial Co., Ltd.	-	R.O.C	2023.05.31	2023.05.31	3	11,302,701	50.10	13,639,268	45.44	-	-	-	-	-	-	-	-	-	-
	Representative of Corporate Director: Ming-Chien Chiu	Male 51-60	R.O.C	2023.05.31	2023.05.31	3	632,000	2.80	764,720	2.55	-	-	-	-	Ph.D., Graduate Institute of Management Information Systems, National Chengchi University EMBA, Guanghua School of Management, Peking University EMBA, National Taipei University	Note 2	None	None	None	Note 9
Director	Gudeng Precision Industrial Co., Ltd.	-	R.O.C	2023.05.31	2023.05.31	3	11,302,701	50.10	13,639,268	45.44	-	-	-	-	-	-	-	-	-	-
	Representative of Corporate Director: Tien-Jui Lin	Male 51-60	R.O.C	2023.05.31	2023.05.31	3	632,000	2.80	764,720	2.55	-	-	-	-	EMBA, China Europe International Business School EMBA, National Chengchi University Master, Global Executive Program, National Chengchi University Department of Mechanical Engineering , Hwa Hsia University of Technology	Note 3	None	None	None	Note 9
Director	Yin-Feng Chan	Male 51-60	R.O.C	2016.06.22	2023.05.31	3	1,242,786	5.51	1,505,771	5.02	-	-	-	-	Micronic Laser System Inc. Site Manager EMBA, National Yang Ming Chiao Tung University Master of Electrical Engineering, University of Missouri-Columbia Director, Alcatel Vacuum Technology Director and General Manager, Grand Process Technology Corporation Site Manager, Micronic Laser System Inc.	Note 4	None	None	None	-

Title	Name	Gender/ Age	Nationality/ Place of Incorporation	Date First Elected	Date Elected	Term (Years)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Major Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors or Supervisors who are Spouses or Kindred Within the Second Degree of Kinship			Remarks
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationships	
Director	Jui-Ching Hu	Female 51-60	R.O.C	2023.01.31	2023.05.31	3	-	-	-	-	-	-	-	-	EMBA and Bachelor of Science, National Chiao Tung University Master of Science, Stanford University Vice President, Hermes Microvision, Inc. Vice President, Metrodyne Microsystem Corp. Director of Intel Capital, Intel Microelectronics Asia LLC	Note 5	None	None	None	-
Independent Director	Wen-Chung Lee	Male 61-70	R.O.C	2023.05.31	2023.05.31	3	-	-	-	-	-	-	-	-	MBA, University of Leicester, UK Executive Director, Rectron Technology Co., Ltd. Director, Cheng Loong Corporation Chairperson, Advantec Enterprise Co., Ltd. Independent Director, Star World Technology Corporation Director, EVA Airways Corporation	Note 6	None	None	None	-
Independent Director	Jui-Hsing Chen	Female 51-60	R.O.C	2023.05.31	2023.05.31	3	-	-	-	-	-	-	-	-	Master's Degree, College of Management, National Taiwan University Vice President, Mercuries Life Insurance Co., Ltd. Assistant Vice President, First Venture Capital Co., Ltd. Certified Public Accountant (CPA) qualification	Note 7	None	None	None	-
Independent Director	Joy Lin	Female 41-50	R.O.C	2023.05.31	2023.05.31	3	-	-	-	-	-	-	-	-	EMBA, National Yang Ming Chiao Tung University Master of Laws (LLM), College of Law, University of Illinois Urbana-Champaign, USA Bachelor of Laws (LLB), Department of Law, National Taiwan University Attorney / Integrated Partner of Tsar & Tsai Law Firm Senior Attorney / Counselor of Lee and Li, Attorneys-at-Law	Note 8	None	None	None	-

- Note 1: When the Chairperson and the General Manager or an equivalent position (the highest executive) are the same person, spouses, or relatives within the first degree of kinship, the reasons, reasonableness, necessity, and corresponding measures should be disclosed: There is no such situation in the Company.
- Note 2: The Chairperson and CEO of Gudeng Precision Industrial Co., Ltd., the Chairperson of We Solutions Technology Co., Ltd., the Chairperson of Gudeng Construction Co., Ltd., the Chairperson of Hengyang Green Energy Co., Ltd., the Chairperson of Cypress Precision Industrial Co., Ltd., the Chairperson of Partner one Limited, the Chairperson of JYR Aviation Components Co, Ltd., the Chairperson of Suting Precision Industry Co., Ltd., the Director of Gudeng Venture Capital Co., Ltd., the Director of iAnalyzer Inc., the Director of Symtek Automation Asia Co., Ltd., the Representative of Jiaqian Tech Co., Ltd., the Representative of Gudeng Inc., the Representative of Gudeng Investment Co., Ltd., the Supervisor of TSS Holdings Limited, the Representative of Gudeng Japan Co., Ltd., the Representative of Gudeng Korea Co., Ltd.
- Note 3: The Vice Chairperson and General Manager of Gudeng Precision Industrial Co., Ltd., the Director of We Solutions Technology Co., Ltd., the Corporate Representative and Chairperson of Gudeng Venture Capital Co., Ltd., the Corporate Representative and Chairperson of Gu Chance Venture Capital Co., Ltd., the Corporate Representative and Director of Gu Luck Venture Capital Co., Ltd., the Corporate Representative and Director of Cypress Precision Industrial Co., Ltd., the Corporate Representative and Director of Suting Precision Industry Co., Ltd., the Supervisor of iAnalyzer Inc., the Corporate Representative and Chairperson of Gudeng Aerospace Technologies Corporation, the Corporate Representative and Director of JYR Aviation Components Co, Ltd., the Chairperson of Gudeng Investment Limited, the Representative of Sun Park Development Limited, the Chairperson of Gudeng Aerospace Inc., the Director of Gudeng Inc.
- Note 4: The General Manager of the Company, the Corporate Representative and Chairperson of ShoWa Precision Co., Ltd., the Independent Director of Tailyn Technologies, Inc., the Supervisor of Raytek Semiconductor, Inc.
- Note 5: The Corporate Representative and Chairperson of SwiRoc Corp., the Corporate Representative and Chairperson of Energic Technologies Corporation, the Corporate Representative Director & CEO of GlintMed Innovation Co., Ltd., the Independent Director of Clientron Corp., the Vice President of Hermes-Epitek Corporation, the Corporate Representative Director of High Power Optoelectronics, Inc.
- Note 6: The Managing Partner of Chinese International Law Office, the Director of Taoyuan Bus Company, Ltd., Person in Charge of Feng Yun Tung Development Ltd., Person in Charge of Chung-Ling Investment Co., Ltd., the Adjunct Assistant Professor of Department of Law, Fu Jen Catholic University
- Note 7: The Executive Assistant to the Chairperson of Mercuries & Associates Holding, Ltd., the Corporate Representative Director of Sanyou Drugstores. Ltd., the Corporate Representative Supervisor of Simple Mart Plus Co., Ltd.
- Note 8: The Managing Partner of Era International Law Firm, the Supervisor of Shiyi Investment Co., Ltd.
- Note 9: First elected as a natural person on June 22, 2016

## B. Major Shareholders of Institutional Shareholders

March 25, 2025

Name of Institutional Shareholders	Major Shareholders
Gudeng Precision Industrial Co., Ltd.	Ming-Lang Chuang (8.82%) Ming-Chien Chiu (6.99%) Tien-Jui Lin (4.87%) Tsai-Fang Lo (3.63%) Sheng Jie Investment Co., Ltd. (3.17%) Deutsche Bank AG Taipei Branch, entrusted with the custodial management of St. James (3.17%) Citigroup Custody of Norges Bank Investment Account (2.82%) Yun Sheng Investment Co., Ltd. (2.50%) Su-Chun Pan (1.73%) Taipei Fubon Commercial Bank, Custodian of Tien-Jui Lin Trust Property Account (1.67%)

## C. Major Shareholders of the Company's Major Institutional Shareholders

March 25, 2025

Name of Institutional Shareholders	Major Shareholders
Sheng Jie Investment Co., Ltd.	Tien-Jui Lin (49.90%), Su-Chun Pan (45.70%), Wei-Cheng Lin (2.20%), Ching-Ya Lin (2.20%)
Yun Sheng Investment Co., Ltd.	Ming-Chien Chiu (52.20%), Tsai-Fang Lo (47.80%)

## D. Directors' Professional Qualifications and Independent Directors' Independence Status

Criteria Title / Name	Professional Qualifications and Experience	Independent Directors' Independence Status	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Gudeng Precision Industrial Co., Ltd. Representative of Corporate Director: Ming-Chien Chiu (Chairperson)	For Directors' professional qualification and experience, please refer to pages 6–8 of the annual report. None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Act.	Not Applicable	-
Gudeng Precision Industrial Co., Ltd. Representative of Corporate Director: Tien-Jui Lin			-
Director: Yin-Feng Chan			1
Director: Jui-Ching Hu			1
Independent Director: Wen-Chung Lee		Each of the Independent Directors satisfies the requirements stipulated in Article 14-2 of "Securities and Exchange Act" and "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	-
Independent Director: Jui-Hsing Chen			-
Independent Director: Joy Lin			-

## E. Diversity and Independence of the Board of Directors

### (A) Board Member Diversity Policy

The selection of the Company's directors should consider the overall composition of the board. The composition of the board members should take diversity into account, and the Company should formulate appropriate diversity policies based on its operations, operating model, and development needs. These policies should include, but not be limited to, the following two areas:

- Basic Conditions and Values: Gender, age, nationality, culture, etc.
- Professional Knowledge and Skills: Professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience, etc.
- The Company's current board member diversity policy and its implementation status are as follows:

Core Areas of Diversity Name / Title		Basic Conditions						Professional Competence							
		Nationality	Gender	Age			Other Position Concurrently Held at the Company	Business Judgment	Finance and Accounting	Business Management	Crisis Management	Knowledge of the Industry	International Market Perspective	Leadership	Decisionmaking Ability
				41~50	51~60	61~70									
Ming-Chien Chiu	Chairperson: Representative of Gudeng Precision Industrial Co., Ltd.	R.O.C.	Male		v			v		v	v	v	v	v	v
Tien-Jui Lin	Director: Representative of Gudeng Precision Industrial Co., Ltd.	R.O.C.	Male		v			v		v	v	v	v	v	v
Yin-Feng Chan	Director	R.O.C.	Male		v		v	v		v	v	v	v	v	v
Jui-Ching Hu	Director	R.O.C.	Female		v			v	v	v	v	v	v	v	v
Wen-Chung Lee	Independent Director	R.O.C.	Male			v		v	v	v	v	v	v	v	v
Jui-Hsing Chen	Independent Director	R.O.C.	Female		v			v	v	v	v	v	v	v	v
Joy Lin	Independent Director	R.O.C.	Female	v				v	v	v	v	v	v	v	v

### (B) The Objectives of the Board Member Diversity Policy and Its Achievements, and the Independence of the Board of Directors

The Company's current Board of Directors consists of seven members, including four non-independent directors (57%) and three independent directors (43%). Among the non-independent directors, one seat (14%) is held by a director who also serves as a company executive. All independent directors meet the qualifications for independence and possess extensive experience and expertise in various fields, including industry, operations, finance and accounting, and management. Moreover, there are no familial relationships between the directors, including spouses or relatives within second degrees of kinship. In addition, the Company emphasizes gender equality in the composition of the board. Currently, there are four male directors (57%) and three female directors (43%), ensuring that the representation of each gender is at least one-third of the total board composition.

(2) Information of General Manager, Vice President, Assistant Vice President, Heads of Departments and Branch Managers:

March 24, 2025; Unit: Shares; %

Title	Name	Gender	Nationality	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Major Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Managers who are Spouses or Kindred Within the Second Degree of Kinship			Remarks
					Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relationships	
General Manager	Yin-Feng Chan	Male	R.O.C	2016.08.01	1,505,771	5.02	-	-	-	-	EMBA, National Yang Ming Chiao Tung University Master of Electrical Engineering, University of Missouri-Columbia Director, Alcatel Vacuum Technology Director and General Manager, Grand Process Technology Corporation Site Manager, Micronic Laser System Inc.	Concurrent position in the Company: Director Corporate Representative and Chairperson, ShoWa Precision Co., Ltd. Independent Director, Tailyn Technologies, Inc. Supervisor, Raytek Semiconductor, Inc.	None	None	None	-
Vice President, Sales Department	Yu-Cheng Chen	Male	R.O.C	2016.08.01	456,855	1.52	261,000	0.87	-	-	Master of Research and Technology Management, National Chin-Yi University of Technology Senior Sales Director, Grand Process Technology Corporation	General Manager, ShoWa Precision Co., Ltd.	None	None	None	-
Vice President, Operations & Supply Chain Department	Shao-Chieh Chuang	Male	R.O.C	2016.09.01	412,905	1.38	-	-	-	-	Bachelor of Electrical Engineering, Chinese Culture University Independent Director, Maing Chau Enterprise Co., Ltd. Procurement Manager, Thermacore Taiwan Inc. Senior Materials Director, Grand Process Technology Corporation Procurement Section Manager, Prime View International Co., Ltd.	None	None	None	None	-
Manager, Engineering Department	An-Pang Wang	Male	R.O.C	2016.08.01	375,355	1.25	148,500	0.49	-	-	Master of Management Information Systems, National Pingtung University of Science and Technology Senior Assistant Manager, Gudeng Precision Industrial Co., Ltd.	None	None	None	None	-
Manager, Design Department	Lin-Hsin Tu (Note2)	Male	R.O.C	2020.12.07	51,500	0.17	-	-	-	-	Master of Applied Chemistry, National Yang Ming Chiao Tung University Director, Centrillion Technologies Taiwan Co., Ltd. Executive Assistant to General Manager, Subtron Technology Co., Ltd. Manager, Toppan Chunghwa Electronics Co., Ltd. Mask Department Manager, United Microelectronics Corporation	Director, Bush Technology Corporation	None	None	None	-
Manager, Finance & Administration Department & Corporate Governance Officer	Hui-Wen Shih	Female	R.O.C	2022.12.19	20,000	0.07	-	-	-	-	MBA, University of North Alabama Audit Manager, U-MEDIA Communications, Inc.	None	None	None	None	-
Audit Supervisor	Yi Shan Lo	Female	R.O.C	2023.11.07	-	-	-	-	-	-	Bachelor of Accounting, Tamkang University Senior Auditor, Silicon Motion Technology Corp. Audit Supervisor, ACTi Corporation	None	None	None	None	-

Note1: Where the General Manager or person of an equivalent post (the highest level manager) and Chairperson of the Board of Directors are the same person, spouses, or relatives within the first degree of kinship, the reason, reasonableness, necessity thereof, and the measures adopted in response thereto must be disclosed: There is no such situation in the Company.

Note2 : Transferred on April 25, 2025

## 2. Remuneration Paid to Directors, Supervisors, General Manager, and Vice President in the Most Recent Year

### (1) Remuneration of Directors

December 31, 2024; Unit: NT\$ thousand

Title	Name	Remuneration of Directors								Amount of Total Remuneration (A+B+C+D) and Proportion to Net Income After Tax (%)		Relevant Remuneration Received by Directors Who Are Also Employees								Amount of Total Remuneration (A+B+C+D+E+F+G) and Proportion to Net Income After Tax (%)		Remuneration from Ventures Other than Subsidiaries or from the Parent Company
		Remuneration (A)		Severance Pay and Pension (B)		Remuneration of Directors (C)		Business Execution Expenses (D)				Salaries, Bonuses, and Special Allowances (E)		Severance Pay and Pension (F)		Remuneration of Employee (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	Cash	Stock	Cash	Stock			
Chairperson	Gudeng Precision Industrial Co., Ltd.	-	-	-	-	5,009	5,009	416	416	5,425 2.26%	5,425 2.26%	7,981	8,616	0	0	920	0	920	0	14,326 5.98%	14,961 6.24%	71,180
	Corporate Director Representative: Ming-Chien Chiu																					
Director	Gudeng Precision Industrial Co., Ltd.	-	-	-	-	5,009	5,009	416	416	5,425 2.26%	5,425 2.26%	7,981	8,616	0	0	920	0	920	0	14,326 5.98%	14,961 6.24%	71,180
	Corporate Director Representative: Tien-Jui Lin																					
	Yin-Feng Chan																					
	Jui-Ching Hu																					
Independent Director	Wen-Chung Lee	-	-	-	-	3,757	3,757	304	304	4,061 1.69%	4,061 1.69%	0	0	0	0	0	0	0	0	4,061 1.69%	4,061 1.69%	0
	Jui-Hsing Chen																					
	Joy Lin																					

1. Please describe the policy, system, standard, and structure of remuneration for independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: The Company's remuneration policy for independent directors is formulated in accordance with the "Regulations Governing the Remuneration of Directors, Functional Committee Members, and Managerial Officers". Directors' remuneration is appropriated pursuant to the Articles of Incorporation, with consideration given to the overall performance of the Board of Directors, the Company's operational results, future business outlook, and risk appetite. The policy will be reviewed and amended as necessary in response to the Company's actual operating conditions and relevant legal requirements.

2. In addition to the above remuneration, the remuneration received by the directors of the Company in the recent year for providing services to all companies included in the financial statements (such as serving as a nonemployee consultant for the parent company / all companies included in the financial statements / investee companies, etc.): There is no such situation.



### Range of Remuneration for Directors

Range of Remuneration Paid to Directors	Names of Directors			
	Total Remuneration (A+B+C+D)		Total Remuneration (A+B+C+D+E+F+G+H)	
	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements
Less than NT\$1,000,000	Ming-Chien Chiu, Tien-Jui Lin	Ming-Chien Chiu, Tien-Jui Lin	Ming-Chien Chiu, Tien-Jui Lin	-
NT\$1,000,000 (incl.) ~ NT\$2,000,000 (excl.)	Yin-Feng Chan, Jui-Ching Hu, Wen-Chung Lee, Jui-Hsing Chen, Joy Lin	Yin-Feng Chan, Jui-Ching Hu, Wen-Chung Lee, Jui-Hsing Chen, Joy Lin	Jui-Ching Hu, Wen-Chung Lee, Jui-Hsing Chen, Joy Lin	Jui-Ching Hu, Wen-Chung Lee, Jui-Hsing Chen, Joy Lin
NT\$2,000,000 (incl.) ~ NT\$3,500,000 (excl.)	Gudeng Precision Industrial Co., Ltd.	Gudeng Precision Industrial Co., Ltd.	Gudeng Precision Industrial Co., Ltd.	Gudeng Precision Industrial Co., Ltd.
NT\$3,500,000 (incl.) ~ NT\$5,000,000 (excl.)	-	-	-	-
NT\$5,000,000 (incl.) ~ NT\$10,000,000 (excl.)	-	-	-	-
NT\$10,000,000 (incl.) ~ NT\$15,000,000 (excl.)	-	-	Yin-Feng Chan	Yin-Feng Chan
NT\$15,000,000 (incl.) ~ NT\$30,000,000 (excl.)	-	-	-	-
NT\$30,000,000 (incl.) ~ NT\$50,000,000 (excl.)	-	-	-	Ming-Chien Chiu, Tien-Jui Lin
NT\$50,000,000 (incl.) ~ NT\$100,000,000 (excl.)	-	-	-	-
NT\$100,000,000 and above	-	-	-	-
Total	8	8	8	8

(2) Remuneration Paid to the Supervisors: Not applicable.

(3) Remuneration Paid to the General Manager and Vice Presidents

December 31, 2024; Unit: NT\$ thousand

Title	Name	Remuneration (A)		Severance Pay and Pension (B)		Salaries, Bonuses, and Special Allowances (C)		Remuneration of Employee (D)				Amount of Total Remuneration (A+B+C+D) and Proportion to Net Income After Tax (%)		Remuneration from Ventures 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	Stock	Cash	Stock			
General Manager	Yin-Feng Chan	9,788	11,669	216	216	10,918	11,118	3,020	0	3,020	0	23,942 9.99%	26,023 10.85%	-
Vice President	Yu-Cheng Chen													
Vice President	Shao-Chieh Chuang													

#### Range of Remuneration for the General Manager and Vice Presidents

Range of Remuneration Paid to the General Manager and Vice Presidents	Names of the General Manager and Vice Presidents	
	The Company	All Companies in the Financial Statements
Less than NT\$1,000,000	-	-
NT\$1,000,000 (incl.) ~ NT\$2,000,000 (excl.)	-	-
NT\$2,000,000 (Incl.) ~ NT\$3,500,000 (excl.)	-	-
NT\$3,500,000 (incl.) ~ NT\$5,000,000 (excl.)	-	-
NT\$5,000,000 (incl.) ~ NT\$10,000,000 (excl.)	Yin-Feng Chan, Yu-Cheng Chen, Shao-Chieh Chuang	Yin-Feng Chan, Yu-Cheng Chen, Shao-Chieh Chuang
NT\$10,000,000 (incl.) ~ NT\$15,000,000 (excl.)	-	-
NT\$15,000,000 (incl.) ~ NT\$30,000,000 (excl.)	-	-
NT\$30,000,000 (incl.) ~ NT\$50,000,000 (excl.)	-	-
NT\$50,000,000 (incl.) ~ NT\$100,000,000 (excl.)	-	-
NT\$100,000,000 and above	-	-
Total	3	3

(4) Remuneration of the Top Five Highest-Paid Executives in the Most Recent Year: Not applicable.

(5) Name of Managerial Officers with Remuneration as Employee and the Status of Payment

December 31, 2024; Unit: NT\$ thousand

	Title	Name	Stock	Cash	Total	Proportion of Total to Net Income After Tax (%)
Managerial Officers	General Manager	Yin-Feng Chan	0	6,320	6,320	2.64%
	Vice President	Yu-Cheng Chen				
	Vice President	Shao-Chieh Chuang				
	Manager	An-Pang Wang				
	Manager	Lin-Hsin Tu(Note)				
	Manager	Hui-Wen Shih				

Note : Transferred on April 25, 2025

(6) Separate Comparison and Description of Total Remuneration, as the Proportion of Aftertax Net Income Stated in the Individual Financial Reports, as Paid by the Company and All Other Companies Included in the Consolidated Financial Statements During the Most Recent Two Years to Directors, Supervisors, General Manager and Vice Presidents, with Analysis and Description of Remuneration Policies, Standards and Packages, and Procedure for Determining Remuneration, and Link to Business Performance and Future Risks

A. Analysis of the Proportion of the Total Remuneration of Directors, Supervisors, General Managers and Vice Presidents of the Company Paid by the Company and All Companies in the Consolidated Financial Statement To Net Income After Tax in Individual Financial Statements of the Most Recent Two Years

Unit: NT\$ thousand; %

Title	2023				2024			
	Total Remuneration		Proportion of the Total Remuneration to Net Income After Tax (%)		Total Remuneration		Proportion of the Total Remuneration to Net Income After Tax (%)	
	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
Director	7,587	7,587	3.32	3.32	9,486	9,486	3.96	3.96
Supervisor	948	948	0.42	0.42	-	-	-	-
General Manager and Vice Presidents	20,846	25,368	9.13	11.11	23,942	26,023	9.99	10.85

B. Remuneration Policies, Standards and Packages, and Procedure for Determining Remuneration, and Link to Business Performance and Future Risks

The Company pays remuneration to directors and supervisors in accordance with Article 24 of the Articles of Incorporation. Subject to the

Company generating profits in the current year, up to 3% of the annual earnings may be allocated as remuneration for directors and supervisors. The determination of such remuneration is delegated to the Board of Directors, which considers the extent of directors' and supervisors' participation in the Company's operations, their contributions, and references to industry standards. The remuneration of the General Manager and Vice Presidents includes salary, bonuses, and employee profit-sharing. It is determined based on the position held, the level of responsibility undertaken, and individual contributions, with reference to industry standards. In determining the remuneration for directors, supervisors, the General Manager, and Vice Presidents, the Company takes into account future business development and operational risks. Remuneration is evaluated to ensure a positive correlation with performance results, aiming to achieve a balance between sustainable development and risk management.

### 3. Status of Corporate Governance

#### (1) Operations of Board of Directors

From January 1, 2024 to the publication date of the Annual Report, the Board of Directors held seven meetings [A]. The attendance of directors is detailed as follows:

Title	Name	Attendance in Person [B]	Attendance by Proxy	Attendance Rate (%) [B/A]	Note
Corporate Appointee as Chairperson	Gudeng Precision Industrial Co., Ltd. Representative: Ming-Chien Chiu	7	0	100%	-
Corporate Director	Gudeng Precision Industrial Co., Ltd. Representative: Tien-Jui Lin	7	0	100%	-
Director	Yin-Feng Chan	7	0	100%	-
Director	Jui-Ching Hu	6	1	86%	-
Independent Director	Wen-Chung Lee	7	0	100%	-
Independent Director	Jui-Hsing Chen	7	0	100%	-
Independent Director	Joy Lin	7	0	100%	-

#### Other matters to be recorded:

- When any of the following situations occur to the operations of the Board of Directors, the meeting's date, term, proposal contents, all independent directors' opinions, and the Company's actions in response to the opinions should be stated:
  - Matters specified in Article 14-3 of Taiwan's Securities and Exchange Act: The Company has established an Audit Committee in accordance with the law. Please refer to the section on "Operations of Audit Committee" for further details.
  - Other matters apart from the aforementioned where an independent director has a dissenting opinion or qualified opinion: None
- Regarding recusals of directors from voting due to conflicts of interests, the names of the directors, contents of proposals, reasons for recusal, and results of voting shall be

specified:

Term of Board Meeting	Date of Board Meeting	Name of Director	Contents of Proposal	Reasons for Recusal	Results of Voting
4 <sup>th</sup> Meeting of 4 <sup>th</sup> Term	2024.03.04	Yin-Feng Chan	2023 Remuneration Distribution for Managerial Officers	The director, who concurrently serves as the General Manager, is a stakeholder in this case.	Apart from the recusal of stakeholders, the case was approved as proposed with no objections from the remaining attending directors, following the Chairperson's consultation.
5 <sup>th</sup> Meeting of 4 <sup>th</sup> Term	2024.03.26	Yin-Feng Chan	Formulation of the Employee Stock Subscription Rules and Managerial Officer Subscription Plan for the Cash Capital Increase Prior to the Company's Initial Listing on the TPEX.	The director, who concurrently serves as the General Manager, is a stakeholder in this case.	Apart from the recusal of stakeholders, the case was approved as proposed with no objections from the remaining attending directors, following the Chairperson's consultation.
5 <sup>th</sup> Meeting of 4 <sup>th</sup> Term	2024.03.26	Yin-Feng Chan	2024 Q1 Performance Evaluation and Bonus for the Company's Managerial Officers	The director, who concurrently serves as the General Manager, is a stakeholder in this case.	Apart from the recusal of stakeholders, the case was approved as proposed with no objections from the remaining attending directors, following the Chairperson's consultation.
6 <sup>th</sup> Meeting of 4 <sup>th</sup> Term	2024.05.02	Yin-Feng Chan	2024 Salary Adjustment for the Company's Managerial Officers	The director, who concurrently serves as the General Manager, is a stakeholder in this case.	Apart from the recusal of stakeholders, the case was approved as proposed with no objections from the remaining attending directors, following the Chairperson's consultation.
8 <sup>th</sup> Meeting of 4 <sup>th</sup> Term	2024.11.05	Yin-Feng Chan	2024 Performance Bonus for the Company's Managerial Officers	The director, who concurrently serves as the General Manager, is a stakeholder in this case.	Apart from the recusal of stakeholders, the case was approved as proposed with no objections from the remaining attending directors, following the Chairperson's consultation.
9 <sup>th</sup> Meeting of 4 <sup>th</sup> Term	2024.12.03	Yin-Feng Chan	Proposed Implementation of Employee Stock Ownership Trust (ESOT)	The director, who concurrently serves as the General Manager, is a stakeholder in this case.	Apart from the recusal of stakeholders, the case was approved as proposed with no objections from the remaining attending directors, following the Chairperson's consultation.
10 <sup>th</sup> Meeting of	2025.03.04	Jui-Ching Hu Wen-Chung Lee Jui-Hsing Chen	The Company formulated the director	The directors are a stakeholder	Apart from the recusal of stakeholders, the

4 <sup>th</sup> Term		Joy Lin	remuneration and amended “Regulations Governing the Remuneration of Directors, Functional Committee Members, and Managerial Officers”.	in this case.	case was approved as proposed with no objections from the remaining attending directors, following the Chairperson’s consultation.
10 <sup>th</sup> Meeting of 4 <sup>th</sup> Term	2025.03.04	Yin-Feng Chan	2024 Remuneration Distribution for Managerial Officers	The director, who concurrently serves as the General Manager, is a stakeholder in this case.	Apart from the recusal of stakeholders, the case was approved as proposed with no objections from the remaining attending directors, following the Chairperson’s consultation.

### 3. Implementation Status of the Board’s Evaluation.

Frequency	Period	Scope	Method	Content
At least once per year	2024.01.01~2024.12.31	The performance evaluation of the Board of Directors, board members and functional committees	Self-evaluations of the Board of Directors, board members, and functional committees. Additionally, an external performance evaluation shall be conducted at least once every three years by an independent professional institution or a team of external experts and scholars.	[Performance Evaluation Report for the Board of Directors]

#### [Performance Evaluation Report for the Board of Directors]

(1) To strengthen corporate governance and enhance the functions of the Board of Directors and functional committees, the Company has established the “Rules for Performance Evaluation of the Board of Directors and Functional Committees.” Evaluations are conducted periodically in accordance with the rules. The evaluation criteria are based on the Company’s status and needs and cover, at a minimum, the following aspects:

A. Self-evaluation of the Board of Directors: Participation in the operation of the Company, improvement of the quality of the Board of Directors’ decision-making, composition and structure of the Board of Directors, election and continuing education of the directors, and internal control.

B. Self-evaluation of the board members: Alignment of the goals and missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationship and communication, professionalism and continuing education of the directors, and internal control.

C. Self-evaluations of the functional committees: Participation in the operation of the

Company, awareness of the duties of the functional committees, improvement of the quality of the functional committees' decision-making, composition of the functional committees and election of members, and internal control.

- (2) 2024 Performance evaluation results: The performance evaluation results of the Board of Directors, the board members, the functional committees during the evaluation period are all above 96 points, and have been reported to the Board of Directors on March 4, 2025.

4. Goals of enhancing the board's functionality in the current and most recent years

- (1) The Company has established the "Rules of Procedure for Board of Directors Meetings" in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies". All board operations are conducted in compliance with these rules to ensure sound corporate governance.
- (2) The Company has formulated and obtained board approval for the "Operating Procedures for Handling Material Inside Information and Prevention of Insider Trading" to ensure regulatory compliance.
- (3) On May 31, 2023, the Company established an Audit Committee, comprising all independent directors as its members, to perform duties in accordance with the Securities and Exchange Act, the Company Act, and other relevant laws and regulations.
- (4) On May 31, 2023, the Company also established a Remuneration Committee to assess the remuneration policies and systems for directors and managerial officers, thereby strengthening the Board's execution of its responsibilities.
- (5) The training hours completed annually by the Company's directors meet the requirements set by the competent authority. The Company also encourages directors and related members to attend various professional development courses and legal compliance seminars to continuously update their knowledge and maintain their professional competence.

(2) Operations of the Audit Committee or Participation of Supervisors in the Board of Directors

A. Operations of Audit Committee:

The Audit Committee was established on May 31, 2023, composed of all independent directors. From the most recent year to the publication date of the Annual Report, the Audit Committee held six meetings [B/A]. The attendance of independent directors is detailed as follows:

Title	Name	Attendance in Person [B]	Attendance by Proxy	Attendance Rate (%) [B/A]	Note
Independent Director	Wen-Chung Lee	6	0	100%	-
Independent Director	Jui-Hsing Chen	6	0	100%	
Independent Director	Joy Lin	6	0	100%	

Other matters to be recorded:

1. When any of the following situations occur to the operations of the Audit Committee, the meeting's date, term, proposal contents, independent directors' dissenting or qualified opinions, or content of major suggestions, resolutions of the Audit Committee, and the Company's actions in response to the opinions of the Audit Committee should be stated:
  - (1) Matters specified in Article 14-5 of Taiwan's Securities and Exchange Act:

Term of Audit Committee Meeting	Date of Audit Committee Meeting	Contents of Proposal	Resolutions	The Company's Actions in Response to the Opinions of the Audit Committee
4 <sup>th</sup> Meeting of 1 <sup>st</sup> Term	2024.03.04	2023 Business Report and Financial Statements (Consolidated and Individual)	Approved without objection by all committee members present.	N/A
		2023 Earnings Distribution	Approved without objection by all committee members present.	N/A
		2023 Internal Control Statement	Approved without objection by all committee members present.	N/A
		Audit Fees and Assessment of the Independence and Competency of the Company's CPAs for 2024	Approved without objection by all committee members present.	N/A
5 <sup>th</sup> Meeting of 1 <sup>st</sup> Term	2024.03.26	Cash Capital Increase Prior to Initial Listing on the TPEX	Approved without objection by all committee members present.	N/A
6 <sup>th</sup> Meeting of 1 <sup>st</sup> Term	2024.05.02	2024 Q1 Consolidated Financial Statements	Approved without objection by all committee members present.	N/A
		Capital Expenditure Budget for the Construction of a Plant in the Southern Taiwan Science Park	Approved without objection by all committee members present.	N/A
7 <sup>th</sup> Meeting of 1 <sup>st</sup> Term	2024.08.01	2024 Q2 Consolidated Financial Statements	Approved without objection by all committee members present.	N/A
		Amendment to "Internal Control System" and "Internal Audit Implementation Rules"	Approved without objection by all committee members present.	N/A
8 <sup>th</sup> Meeting of 1 <sup>st</sup> Term	2024.11.05	2024 Q3 Consolidated Financial Statements	Approved without objection by all committee members present.	N/A
		2025 Audit Plan	Approved without objection by all committee members present.	N/A
9 <sup>th</sup> Meeting of 1 <sup>st</sup> Term	2025.03.04	2024 Business Report and Financial Statements (Consolidated and Individual)	Approved without objection by all committee members present.	N/A
		2024 Earnings Distribution	Approved without objection by all committee members present.	N/A



			members present.	
		2024 Internal Control Statement	Approved without objection by all committee members present.	N/A
		Assessment of the Independence and Competency of the Company's CPAs for 2025	Approved without objection by all committee members present.	N/A
		Appointment and Audit Fees of the Company's CPAs for 2025	Approved without objection by all committee members present.	N/A
		Amendment to "Articles of Incorporation"	Approved without objection by all committee members present.	N/A

(2) In addition to the foregoing, other resolutions not approved by the Audit Committee and approved by two-thirds or more of all directors: None.

2. Regarding recusals of independent directors from voting due to conflicts of interests, the names of the independent directors, contents of proposals, reasons for recusal, and results of voting shall be specified: None.
3. The communication among independent directors, the internal audit supervisor, and the CPAs (including material matters, methods, and results of communication regarding the Company's financial and business status):

**Communication Policy Among Independent Directors, the Internal Audit Supervisor, and CPAs**

- (1) The internal audit supervisor reports regularly to the Audit Committee on the annual audit plan, the results of the internal control self-evaluation, and the execution status of completed audit tasks. Any audit deficiencies are discussed, and the communication results are documented and reported to the Board of Directors.
- (2) The CPAs report to the independent directors on the Company's financial status and the results of internal control audits. They also fully communicate any material adjusting entries or the impact of regulatory changes on accounting treatment.
- (3) In the event of significant irregularities, or if the independent directors, the internal audit supervisor, or the CPAs consider independent communication necessary: meetings may be convened on an ad hoc basis.

B. Participation of Supervisors in the Board of Directors: Independent directors have been appointed, thus this is not applicable.

(3) Implementation Status of Corporate Governance, Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, and Reasons for Deviations

Evaluation Item	Implementation Status			Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” (hereinafter referred to as the “Corporate Governance Best Practice Principles”) and Reasons
	Yes	No	Summary	
1. Does the Company establish and disclose the Corporate Governance Best Practice Principles based on “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company has established the “Corporate Governance Best Practice Principles” based on “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and disclosed the principles on the Company’s website and the Market Observation Post System (MOPS).	No material deviations.
<b>2. Shareholding Structure and Shareholders’ Equity</b>				
(1) Does the Company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	✓		The Company has established the “Rules of Procedure for Shareholders’ Meetings” and implements them in accordance with relevant procedures. In addition, a spokesperson system is in place to facilitate external communication with shareholders and stakeholders, and to handle shareholders’ suggestions, doubts, disputes, and litigation matters.	No material deviations.
(2) Does the Company possess a list of its major shareholders with controlling power as well as the ultimate controllers of those major shareholders?	✓		The Company has engaged a professional stock affairs agency to handle shareholder services. The Company also submits monthly reports on the shareholdings of directors, managerial officers, and shareholders holding more than 10% of the Company’s shares, in order to identify the major shareholders who actually control the Company and the ultimate controllers of such major shareholders.	No material deviations.
(3) Does the Company establish and implement a risk management and firewall system between it and its affiliates?	✓		The Company's transactions with its affiliates are conducted in accordance with the internal control system and relevant laws, with necessary control mechanisms in place to prevent irregular transactions.	No material deviations.
(4) Does the Company establish internal rules prohibiting insiders from using undisclosed information to trade in securities?	✓		The Company has established the “Operating Procedures for Ethical Management and Guidelines for Conduct” and the “Operating Procedures for Handling Material Inside Information and Prevention of Insider Trading” to prohibit insiders from trading securities using undisclosed market information, and enforces these procedures accordingly.	No material deviations.

Evaluation Item	Implementation Status			Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” (hereinafter referred to as the “Corporate Governance Best Practice Principles”) and Reasons
	Yes	No	Summary	
3. Composition and Responsibilities of the Board of Directors				
(1) Does the Board formulate diversity policies, specific management objectives and implement it accordingly?	✓		<p>A. The Company has established the “Corporate Governance Best Practice Principles” to formulate a diversity policy in Chapter 3 “Strengthening the Functions of the Board of Directors”. The nomination and selection of the Company’s board members are conducted in accordance with the Company’s Articles of Incorporation through the candidate nomination system. Each candidate is carefully evaluated based on the “Rules for Election of Directors” and the “Corporate Governance Best Practice Principles” to ensure diversity and independence in the composition of the Board.</p> <p>B. The 4<sup>th</sup>-term Board of Directors of the Company consists of seven members, including two corporate directors, two individual directors, and three independent directors. The members possess extensive experience and expertise in fields such as industry, operations, finance and accounting, and management. None of the board members are spouses or relatives within the second degree of kinship. In addition, the Company also places emphasis on gender equality in board composition, with three female directors currently serving, accounting for 43% of the board.</p> <p>C. The Company discloses its board diversity policy and composition on the Company’s website and on the page 10 of the annual report, under the section “Diversity and Independence of the Board of Directors.”</p>	No material deviations.
(2) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	✓		Apart from the establishment of the Remuneration Committee and the Audit Committee, the Company has not established any other functional committees.	The Company will consider establishing such committees in the future depending on operational needs.
(3) Does the Company establish regulations governing the board performance evaluation and its evaluation method, regularly conduct performance evaluation every year, submit the results of performance evaluation to the board of directors, and base the determination of remuneration, the election or nomination of an individual director on the evaluation results?	✓		The Company has established the “Rules for Performance Evaluation of the Board of Directors and Functional Committees” and conducts evaluations annually. The results are reported to the Board of Directors and will be used as a reference for determining the remuneration and reappointment nominations of individual directors in the future.	No material deviations.

Evaluation Item	Implementation Status			Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” (hereinafter referred to as the “Corporate Governance Best Practice Principles”) and Reasons
	Yes	No	Summary	
(4) Does the Company regularly assess the independence of the CPA?	✓		According to Article 29 of the Company’s “Corporate Governance Best Practice Principles,” the independence of the CPA is assessed at least once annually. No issues affecting independence were identified during this year's assessment, and the results were presented to and approved by the Board of Directors on March 4, 2025. For further details on the CPA independence assessment, please refer to Note 1.	No material deviations.
4. Does the Company have an adequate number of corporate governance personnel with appropriate qualifications and appoint a corporate governance officer to be in charge of corporate governance affairs (including but not limited to providing information required by directors and supervisors, assisting directors and supervisors with legal compliance, handling matters relating to board meetings and shareholders’ meetings according to laws, and preparing minutes of board meetings and shareholders’ meetings)?	✓		The Company has appointed a Corporate Governance Officer through a resolution of the Board of Directors. A Corporate Governance Task Force, composed of cross-functional personnel from the finance, stock affairs, and internal audit departments, has been established to handle corporate governance-related matters and to continuously promote and implement an effective corporate governance framework.	No material deviations.
5. Does the Company establish communication channels and set up a designated section on its website for stakeholders (including but not limited to shareholders, employees, and suppliers), and properly respond to the issues they care about in terms of corporate social responsibility (CSR)?	✓		The Company has designated spokespersons to communicate externally with shareholders and stakeholders. Dedicated personnel and an email address have also been provided to handle related inquiries. In addition, an Investor Relations section is available on the Company’s website, which provides links to financial, operational, and corporate governance information for easy reference by shareholders and stakeholders.	No material deviations.
6. Does the Company appoint a professional stock affairs agency to deal with shareholder affairs?	✓		The Company appointed “Stock Affairs Agency Department of Yuanta Securities Co., Ltd.” to handle shareholders' meeting matters	No material deviations.
7. Information Disclosure				
(1) Does the Company set up a website to disclose financial, operational, and corporate governance information?	✓		The Company has set up an official website with an Investor Relations section to promptly disclose financial, operational, and corporate governance information for shareholders and stakeholders.	No material deviations.

Evaluation Item	Implementation Status			Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” (hereinafter referred to as the “Corporate Governance Best Practice Principles”) and Reasons
	Yes	No	Summary	
(2) Does the Company adopt other methods of information disclosure (e.g., establishing an English website, appointing designated personnel to handle information collection and disclosure, implementing a spokesperson system, and uploading investor conference materials to the Company’s website)?	✓		The Company has established both Chinese and English official websites with an Investor Relations section to promptly disclose financial, operational, and corporate governance information. Designated personnel are responsible for collecting and disclosing Company information. In addition, a spokesperson and deputy spokesperson system has been implemented and effectively carried out.	No material deviations.
(3) Does the Company announce and report the annual financial report within two months after the end of the fiscal year, and announce and report the financial report for the first, second, and third quarters, as well as the operating status of each month before the prescribed deadline?	✓		The Company was listed on the TPEX on May 13, 2024. The annual financial report, as well as the financial reports for the first, second, and third quarters, and the monthly operating status, were all announced and reported before the prescribed deadline.	No material deviations.
8. Does the Company have other important information for better understanding the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, the rights of stakeholders, continuing education of directors and supervisors, implementation of risk management policies and risk assessment standards, implementation of customer policies, liability insurance for the Company’s directors and supervisors)?	✓		<p>A. Employee Rights and Care: For details on the protection of employee rights and employee care measures, please refer to Section 5, “Labor Relations,” on pages 70–73 of the annual report.</p> <p>B. Investor Relations: The Company has established a spokesperson system and designated stock affairs personnel to handle shareholders’ suggestions and disputes. Designated personnel also disclose information such as financial status, business operations, and changes in insider shareholding through the Market Observation Post System (MOPS) in a timely manner, in accordance with relevant regulations, to maintain effective communication with shareholders.</p> <p>C. Supplier Relations and Stakeholder Rights: The Company upholds the principle of integrity in building mutually beneficial relationships with suppliers. The Company also maintains open communication channels with stakeholders, including banks, other creditors, shareholders, employees, customers, consumers, suppliers, and local communities.</p> <p>D. Continuing Education of Directors: The Company provides directors with information on relevant training programs from time to time. In 2024, each director completed more than three hours of continuing education and obtained the required certification. For more information, please refer to Note 2.</p> <p>E. Implementation of Risk Management Policies and Risk Assessment Standards: The</p>	No material deviations.

Evaluation Item	Implementation Status			Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” (hereinafter referred to as the “Corporate Governance Best Practice Principles”) and Reasons
	Yes	No	Summary	
			<p>Company has established internal rules and internal control systems in accordance with applicable laws to manage and assess various risks. The internal audit department conducts both scheduled and unscheduled audits to check the effectiveness of internal control implementation.</p> <p>F. Implementation of Customer Policies: The Company maintains stable and positive relationships with its customers. It adheres to a customer-first and flexible policy approach aimed at maximizing profitability.</p> <p>G. Liability Insurance for Directors and Supervisors: The Company has purchased liability insurance for its directors. The insurance period is from May 1, 2024, to May 1, 2025.</p>	
9. Please describe the improvement status according to the result of corporate governance evaluation announced by Corporate Governance Center of TWSE in the most recent year, and the first priority improving items and measures on non-improving items: Not applicable.				

Note1. Accountant Independence Assessment Form

Item	Assessment Items	CPA Chien-Ming Tseng		CPA Pan-Fa Wang	
		Results	Whether the CPA Meets Independence Requirements	Results	Whether the CPA Meets Independence Requirements
1	The accountant or any member of the audit team and their family members (including spouses, cohabitants, and minor children) do not have any direct or significant indirect financial interest in the Company.	Yes	Yes	Yes	Yes
2	The accounting firm and its affiliates do not have any direct or significant indirect financial interest in the Company.	Yes	Yes	Yes	Yes
3	Neither the accountant nor the accounting firm and its affiliates have provided non-audit services to the Company that may affect their absolute independence.	Yes	Yes	Yes	Yes
4	Neither the accountant nor any member of the audit team currently holds, or has held within the most recent two years, a position as a director, managerial officer, or other role that has a significant influence on the audit case in the Company.	Yes	Yes	Yes	Yes
5	Neither the accountant nor any member of the audit team has promoted or acted as an agent in the issuance of the Company's stocks or other securities.	Yes	Yes	Yes	Yes
6	Except as permitted by law, neither the accountant nor any member of the audit team has represented the Company in legal proceedings or other disputes.	Yes	Yes	Yes	Yes
7	Neither the accountant nor any member of the audit team has a spouse, lineal relative by blood or marriage, or a relative within the second degree of kinship who serves as a director, managerial officer, or holds a position significantly influencing the audit case in the Company.	Yes	Yes	Yes	Yes
8	Any formerly engaged co-signing accountant has not taken a position as a director, managerial officer, or held a role significantly influencing the audit case in the Company within one year after resignation.	Yes	Yes	Yes	Yes
9	Neither the accountant nor any member of the audit team has received significant gifts or special favors from the Company, its directors, managerial officers, or major shareholders.	Yes	Yes	Yes	Yes
10	The accountant has not provided audit services to the Company for more than seven consecutive years.	Yes	Yes	Yes	Yes
11	When issuing audit, review, re-examination, or special project opinions on the Company's financial reports, the accountant maintains actual independence.	Yes	Yes	Yes	Yes
12	The audit team, other co-signing accountants, firm shareholders, the accounting firm, its affiliates, and alliance firms all maintain independence with respect to the Company.	Yes	Yes	Yes	Yes
13	The accountant maintains an impartial and objective stance when performing professional services, avoiding any prejudice, conflicts of interest, or relationships that may influence professional judgment.	Yes	Yes	Yes	Yes

Note2. 2024 Continuing Education Records of Directors

Title	Name	Date	Training Agency	Course	Hours
Chairperson	Ming-Chien Chiu	2024.08.13	Taipei Foundation of Finance	Corporate Governance	6
Director	Yin-Feng Chan	2024.05.10	Taiwan Investor Relations Institute	ESG Mindset and Actions Corporates Should Embrace	3
		2024.11.12	Taiwan Corporate Governance Association	Sustainability Trends and Governance	3
Director	Wen-Chung Lee	2024.07.09	Taipei Exchange	AI Strategy and Governance of TPEx-Listed Companies	3
		2024.10.01	Taiwan Academy of Banking and Finance	Analysis of Key Legal Judgments in Corporate Governance	3
		2024.11.12	Taiwan Corporate Governance Association	Sustainability Trends and Governance	3
Director	Joy Lin	2024.11.12	Taiwan Corporate Governance Association	Sustainability Trends and Governance	3
Director	Tien-Jui Lin	2024.08.13	Taipei Foundation of Finance	Corporate Governance	6
		2024.11.12	Taiwan Corporate Governance Association	Sustainability Trends and Governance	3
Director	Jui-Ching Hu	2024.07.09	Taipei Exchange	AI Strategy and Governance of TPEx-Listed Companies	3
		2024.09.23	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	3
		2024.11.12	Taiwan Corporate Governance Association	Sustainability Trends and Governance	3
Director	Jui-Hsing Chen	2024.07.09	Taipei Exchange	AI Strategy and Governance of TPEx-Listed Companies	3
		2024.07.11	Securities and Futures Institute	ChatGPT and the New Industrial Trends of Conversational AI	3
		2024.11.12	Taiwan Corporate Governance Association	Sustainability Trends and Governance	3



(4) Composition and Operation Status of the Remuneration Committee:

A. Information on the Members of the Remuneration Committee

April 30, 2025

Title / Name \ Criteria		Professional Qualifications and Experience	Independence Status	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Independent Director (Chairperson)	Joy Lin	For details on the independent directors, please refer to pages 6–9 of the annual report.		0
Independent Director	Wen-Chung Lee			0
Independent Director	Jui-Hsing Chen			0

B. Operation Status of the Remuneration Committee

(A) The Remuneration Committee of the Company consists of 3 members.

(B) Term of office for the Current Committee Members: The term of office for the first Remuneration Committee is from May 31, 2023 to May 30, 2025. For the most recent year and up to the publication date of the annual report, the Remuneration Committee held six meetings [A]. The attendance of independent directors is detailed as follows:

directors is detailed as follows:

Title	Name	Attendance in Person [B]	Attendance by Proxy	Attendance Rate (%) [B/A]	Note
Chairperson	Joy Lin	6	0	100%	-
Member	Wen-Chung Lee	6	0	100%	
Member	Jui-Hsing Chen	6	0	100%	

Other matters to be recorded:

a. If the Board of Directors does not accept or amends the suggestions made by the Remuneration Committee, the board meeting’s date, term, proposal contents, the board’s resolution result, and the Company’s actions in response to the opinions of the Audit Committee should be stated: None.

b. If any of the members has a dissenting or qualified opinion on Remuneration Committee’s resolutions, and such opinion has been recorded or declared in writing, the Remuneration Committee meeting’s date, term, proposal contents, opinions of all members, and the actions in response to the members’ opinions should be stated: None.

(5) Implementation Status of Sustainable Development, Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and Reasons for Deviations; Companies Meeting Certain Criteria Shall Disclose Climate-Related Information.

A. Implementation Status of Sustainable Development, Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and Reasons for Deviations

Initiatives	Implementation Status			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons									
	Yes	No	Summary										
1. Does the Company establish a governance structure for promoting sustainable development, with a dedicated (part-time) unit to handle the initiatives, authorized by the board of directors to senior management, and supervised by the board of directors?	✓		A. The Company established a Sustainable Development Committee in 2024, which serves as the highest-level internal unit for sustainable development. The committee is composed of the General Manager and senior executives, and its responsibilities and obligations are defined in the Sustainable Development Committee Charter. Its main role is to manage, decide, and oversee the governance strategies of major ESG issues related to the Company's operations, the effectiveness of policy implementation, and the goal achievement rate. The committee reports the execution results to the Board of Directors annually. B. The Sustainable Development Committee reported its execution results for the previous year at the Board of Directors meeting in the first quarter of 2025. C. The Board of Directors reviews the execution results of various sustainable development strategies and initiatives, fulfilling its supervisory responsibilities.	No material deviations.									
2. Does the Company conduct risk assessments on environmental, social and corporate governance (ESG) issues related to its operations according to the principle of materiality, and formulate relevant risk management policies or strategies?	✓		<table><tr><td colspan="3">The Company conducts risk assessments on environmental, social, and corporate governance (ESG) issues related to its operations in accordance with the principle of materiality, and formulates corresponding risk management strategies based on the identified risks, as follows:</td></tr><tr><td>Major Issues</td><td>Risk Assessment Items</td><td>Risk Management Strategies</td></tr><tr><td>Environment</td><td>Climate &amp; Energy Management</td><td>A. The Company follows the TCFD (Task Force on Climate-related Financial Disclosures) framework to identify climate risks. After cross-departmental discussions on the climate risks and opportunities, three risks and one opportunity have been identified. B. In 2024, the Company conducted an independent inventory of greenhouse gas emissions, having completed the Scope 1 and Scope 2 emissions inventory. Additionally, the Company has responded to government green office initiatives by using energy-saving and water-saving products, promoting video conferencing, and adopting a paperless office approach.</td></tr></table>	The Company conducts risk assessments on environmental, social, and corporate governance (ESG) issues related to its operations in accordance with the principle of materiality, and formulates corresponding risk management strategies based on the identified risks, as follows:			Major Issues	Risk Assessment Items	Risk Management Strategies	Environment	Climate & Energy Management	A. The Company follows the TCFD (Task Force on Climate-related Financial Disclosures) framework to identify climate risks. After cross-departmental discussions on the climate risks and opportunities, three risks and one opportunity have been identified. B. In 2024, the Company conducted an independent inventory of greenhouse gas emissions, having completed the Scope 1 and Scope 2 emissions inventory. Additionally, the Company has responded to government green office initiatives by using energy-saving and water-saving products, promoting video conferencing, and adopting a paperless office approach.	No material deviations.
The Company conducts risk assessments on environmental, social, and corporate governance (ESG) issues related to its operations in accordance with the principle of materiality, and formulates corresponding risk management strategies based on the identified risks, as follows:													
Major Issues	Risk Assessment Items	Risk Management Strategies											
Environment	Climate & Energy Management	A. The Company follows the TCFD (Task Force on Climate-related Financial Disclosures) framework to identify climate risks. After cross-departmental discussions on the climate risks and opportunities, three risks and one opportunity have been identified. B. In 2024, the Company conducted an independent inventory of greenhouse gas emissions, having completed the Scope 1 and Scope 2 emissions inventory. Additionally, the Company has responded to government green office initiatives by using energy-saving and water-saving products, promoting video conferencing, and adopting a paperless office approach.											

Initiatives	Implementation Status				Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons	
	Yes	No	Summary			
			Society	Occupational Health and Safety & Human Rights	A. In 2024, the Company passed the ISO 45001 Occupational Health and Safety Management System certification. B. The Company ensures that labor policies comply with both domestic and international human rights conventions and local government regulations. Regular labor-management meetings are held to ensure smooth communication between labor and management. C. For other human rights-related risk management strategies, please refer to Section 5, “Labor Relations,” on pages 70–73 of the annual report.	
			Corporate Governance	Legal Compliance & Board Function	A. Through the establishment and implementation of internal control mechanisms, the Company ensures that all personnel and operations comply with relevant laws and regulations. B. Based on the Company’s needs and changes in laws and regulations, relevant training topics are arranged for directors to ensure they are provided with up-to-date legal and corporate governance information.	
3. Environmental Issues						
(1) Does the Company establish proper environmental management systems based on the characteristics of its industries?	✓		The Company complies with relevant environmental regulations and has obtained ISO 14001:2015 Environmental Management System certification, valid from October 28, 2024 to October 28, 2027. The certification covers the design and manufacturing of semiconductor equipment for masks and various carrier applications. In line with the PDCA (Plan-Do-Check-Act) cycle of the management system, the Company has formulated an Environment, Health and Safety Management Manual and Environmental Protection Management Procedures. Annual action plans are developed to assess compliance with relevant standards and to review issues such as greenhouse gas emissions, water resources, and waste management, thereby fulfilling its sustainable development goals.			No material deviations.
(2) Does the Company make effort to improve energy efficiency and use environmentally friendly and low-impact renewable materials?	✓		The Company actively implements its environmental sustainability policy by improving energy efficiency and increasing the use of renewable materials to reduce environmental impact. As the Company is primarily engaged in the design and manufacturing of semiconductor-related equipment, we plan to adopt low-carbon and recycled raw materials to reduce the carbon footprint of our products and achieve green supply chain management			No material deviations.

Initiatives	Implementation Status			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons																					
	Yes	No	Summary																						
			goals. At the same time, the Company promotes energy conservation and carbon reduction by gradually phasing out high-energy-consuming equipment to reduce electricity consumption. Currently, all lighting equipment in our office areas uses energy-saving products such as LED lights, and equipment purchases will prioritize energy-efficient products in the future. Starting in 2024, the Company has begun tracking its energy consumption and will continue to monitor domestic and international regulations in order to establish feasible and steady carbon reduction targets.																						
(3) Does the Company assess the potential risks and opportunities of climate change on its present and future operation, and take measures to respond to climate-related issues?	✓		The Company’s assessment of climate change-related risks and opportunities, as well as its corresponding response measures, can be found in the “Climate-Related Information” section on pages 36–37 of the annual report.	No material deviations.																					
(4) Does the Company take inventories of greenhouse gas emissions, water consumption, and waste volume during the most recent two years and formulate policies for greenhouse gas reduction, water saving, and waste management?	✓		<div>A. Greenhouse Gas Emissions and Reduction Policies in the Most Recent Two Years: Please refer to page 38 of the annual report under “Greenhouse Gas Inventory Information.”</div> <div>B. Water Consumption and Reduction Policies in the Most Recent Two Years: (A) The Company has conducted a water consumption inventory covering its headquarters, Hsinchu Operations Center, and Tainan Tree Valley Plant.<table><tr><td>Item</td><td>2023</td><td>2024</td></tr><tr><td>Total Water Withdrawal (million liters)</td><td>Not yet inventoried</td><td>0.7995</td></tr><tr><td>Water Withdrawal per Revenue Unit (million liters/million revenue)</td><td>Not yet inventoried</td><td>0.0006</td></tr></table></div> <div>C. Waste Volume and Management Policies in the Most Recent Two Years: (A) The Company has conducted a waste inventory covering its headquarters, Hsinchu Operations Center, and Tainan Tree Valley Plant. The classification of hazardous and non-hazardous industrial waste follows local regulations at each site.<div>Unit: Metric Tons (t)</div><table><tr><td>Item</td><td>2023</td><td>2024</td></tr><tr><td>Hazardous Industrial Waste</td><td>Not yet inventoried</td><td>0.0000</td></tr><tr><td>Non-Hazardous Industrial Waste</td><td>Not yet inventoried</td><td>8.0476</td></tr><tr><td>Total</td><td>Not yet inventoried</td><td>8.0476</td></tr></table></div>	Item	2023	2024	Total Water Withdrawal (million liters)	Not yet inventoried	0.7995	Water Withdrawal per Revenue Unit (million liters/million revenue)	Not yet inventoried	0.0006	Item	2023	2024	Hazardous Industrial Waste	Not yet inventoried	0.0000	Non-Hazardous Industrial Waste	Not yet inventoried	8.0476	Total	Not yet inventoried	8.0476	No material deviations.
Item	2023	2024																							
Total Water Withdrawal (million liters)	Not yet inventoried	0.7995																							
Water Withdrawal per Revenue Unit (million liters/million revenue)	Not yet inventoried	0.0006																							
Item	2023	2024																							
Hazardous Industrial Waste	Not yet inventoried	0.0000																							
Non-Hazardous Industrial Waste	Not yet inventoried	8.0476																							
Total	Not yet inventoried	8.0476																							

Initiatives	Implementation Status			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			(B) Waste Management Policies: The Company tracks the types and quantities of waste. All industrial waste is handled by certified external waste management providers, and regular audits are conducted to ensure compliance with disposal requirements. In addition to source reduction, the Company is committed to enhancing resource value by promoting recycling and reuse, wherever feasible, under applicable local laws and with currently available technologies. This approach aims to make the most effective use of waste resources.	
4. Social Issues				
(1) Does the Company formulate related management policies and procedures according to relevant regulations and the international human rights conventions?	✓		Please refer to Section 5, "Labor Relations," on pages 70–73 of the annual report.	No material deviations.
(2) Does the Company formulate and implement reasonable employee benefits measures (including remuneration, vacation and other benefits, etc.), and appropriately reflect operating performance or results in employees' remuneration?	✓		Please refer to Section 5, "Labor Relations," on pages 70–73 of the annual report.	No material deviations.
(3) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		a. In accordance with the Occupational Safety and Health Act, the Company ensures the physical and mental well-being of employees through the following measures: (a) Safety Facilities and Measures: The Company provides a workplace that meets safety standards and installs necessary safety equipment such as fire protection systems, emergency exits, and ventilation systems. These are subject to automated inspections to ensure accuracy and reliability, thereby enhancing overall work quality and safety. (b) Occupational Safety and Health Training: Regular training and awareness campaigns are conducted to educate employees on how to prevent occupational injuries and health risks, thereby improving their safety awareness and health protection capabilities. (c) Risk Assessment and Improvement: Workplace risk assessments are conducted, and corresponding preventive measures are implemented to reduce the risk of accidents. Personal protective equipment (PPE) is also provided to employees. (d) Health Monitoring: Regular health checkups and work environment monitoring are carried out to ensure that employee health is not affected by the workplace. Contracted	No material deviations.

Initiatives	Implementation Status			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
			<p>health professionals provide specialized health management and occupational disease prevention services, helping to detect health issues early and reduce absenteeism and occupational health risks.</p> <p>b. External Certification: The Company's Hsinchu office and Tainan plant have obtained ISO 45001 certification. The effectiveness of the occupational health and safety management system is maintained through regular evaluations and continuous improvement efforts.</p> <p>c. In 2024, the Company's Disabling Injury Frequency Rate (DIFR) was 0, lower than the Frequency-Severity Indicator (FSI) of the same industry of 1.34 published by the Ministry of Labor for 2022. The Company recorded zero occupational injuries, zero injured personnel (0% of total employees as of the end of 2024), zero fires, and zero fatalities. Through ongoing improvements based on the PDCA cycle, the Company is committed to creating a zero-accident work environment.</p>	
(4) Does the Company provide its employees with career development and training sessions?	✓		Please refer to Section 5, "Labor Relations," on pages 70–73 of the annual report.	No material deviations.
(5) Does the Company comply with relevant regulations and international standards on the health and safety of customers, customer privacy, marketing and labeling of products and services, and formulates relevant policies and procedures to protect consumer rights and handling complaints?	✓		The Company ensures that all products comply with applicable international regulations and standards based on the region of sale, and are sold only after undergoing necessary testing and certification. The Company maintains effective communication channels with customers and provides transparent and efficient procedures for handling complaints related to its products and services.	No material deviations.
(6) Does the Company formulate and implement supplier management policy, requiring suppliers to follow relevant regulations on issues such as environmental protection, occupational, health and safety, or labor rights?	✓		The Company fulfills its responsibility in supply chain management by establishing the "Supplier Code of Conduct" in 2024, referencing international standards such as the Responsible Business Alliance (RBA), the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the Universal Declaration of Human Rights. The Code requires suppliers to enhance performance in labor practices, health and safety, environmental protection, ethical conduct, and management systems, and to comply with the laws and regulations of their operating locations. In addition to comprehensive promotion of the Code to all suppliers, the Company has developed plans for the short, medium, and long term to gradually require key suppliers to commit to compliance. The Company will also conduct regular monitoring and incorporate implementation results into its supplier evaluation and management system.	No material deviations.

Initiatives	Implementation Status			Deviations from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Summary	
5. Does the Company compile corporate social responsibility reports or reports that disclose the Company's non-financial information based on international CSR compiling standard or guidelines? Has the Company obtained a third-party verification or assurance opinion on previously-disclosed reports?	✓		The Company plans to prepare the “2024 ESG Report” in 2025 based on the Global Reporting Initiative (GRI) Standards, including the Universal Standards, Sector Standards, and Material Topics Standards. The Company will also evaluate the possibility of obtaining third-party assurance for the report in the future.	No material deviations.
6. If the Company makes its own corporate social responsibilities principles according to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please state the differences: The Company established its “Sustainable Development Best Practice Principles” in April 2023, which operates in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.” There are no significant deviations between the two.				
7. Other important information helpful to understand the status of implementation of sustainable development: A For the continuing education status of the Company’s managerial officers in 2024, please refer to Note 1. B. The Company will soon disclose implementation status of sustainable development in the “Corporate Governance” section ( <a href="https://www.gdauto.com.tw/investor-03-01">https://www.gdauto.com.tw/investor-03-01</a> ) and “ESG Sustainable Development” section ( <a href="https://www.gdauto.com.tw/esg">https://www.gdauto.com.tw/esg</a> ) on its official website to enhance public understanding.				

Note1. 2024 Continuing Education Records of Managerial Officers

Title	Name	Date	Training Agency	Course	Hours
Corporate Governance Officer	Hui-Wen Shih	2024.08.07	Securities and Futures Institute	Carbon Credit Trading Mechanism and Carbon Management Applications	3
		2024.08.28	Accounting Research and Development Foundation	Latest Regulations on Annual Reports / Sustainability Disclosures / Financial Reporting and Practical Internal Control Management	6
		2024.09.05	Accounting Research and Development Foundation	Enhancing Internal Control Efficiency through Robotic Process Automation (RPA)	6
		2024.10.24	Securities and Futures Institute	New ESG Trends in Labor Relations – Practical Approaches to Labor and Human Rights Management in Sustainable Supply Chains	3
		2024.11.12	Taiwan Corporate Governance Association	Sustainability Trends and Governance	3
Accounting Supervisor	Hui-Wen Shih	2024.08.08 ~2024.08.09	Accounting Research and Development Foundation	Professional development courses for Accounting Supervisor	12
Audit Supervisor	Yi Shan Lo	2024.10.18	The Institute of Internal Auditors	Corporate Implementation of ESG and Integration with Internal Audit and Control – Applications and Case Studies	6
		2024.11.11	The Institute of Internal Auditors	Self-Assessment in Practice	6
		2024.11.20	The Institute of Internal Auditors	Analysis of Sustainability Information Disclosure, Management Policies, and Key Audit Points	6

## B. Climate-Related Information

### (A) Implementation Status of Climate-Related Information

Item	Implementation Status					
a. Description of the Board of Directors and Management's oversight and governance on climate related risks and opportunities	The Board of Directors serves as the highest supervisory body for the Company's climate governance. The Chairperson provides strategic guidance and oversees the Sustainable Development Committee, which is responsible for assessing climate-related risks and opportunities, formulating response strategies, and supervising implementation status. At least once a year, climate strategies, targets, and greenhouse gas (GHG) inventory progress are reported to the Board of Directors for review and disclosure.					
b. Description of how the identified climate risks and opportunities impact the Company's business, strategies, and finance (short, mid, long term)	Based on the results of the climate risk and opportunity materiality matrix, the Company assesses the potential impact timeline and financial implications of climate risks and opportunities in the short term (within the next 3 years), medium term (3-6 years), and long term (over 6 years):					
	Type of Risk or Opportunity		Content	Potential Financial Impact	Timing of Impact	Management and Action Strategy
	Transition Risk	Policy and Regulations	Carbon pricing regulation and control	Increased operating costs: Carbon fee, costs for carbon reduction projects	Mid-to-long-term	Conduct GHG inventory, set and robustly implement carbon reduction targets.
		Reputation	Stakeholder disclosure requirements	Increased operating costs: Carbon fee, costs for carbon reduction projects, fines Reputation damage: Impact on order intake	Short-term	Implementation of ISO-standard GHG inventory and verification system
	Physical Risk	Acute	Increased severity of extreme weather events	Increased operating costs: Equipment Damage Operational Disruptions: Power outage Reputation damage: Impacting customer relationships	Short-term	Implement the "Emergency Response and Control Procedures" and insure assets to diversify disaster-related risks
	Opportunity	Products and Services	Develop low-carbon products and services	Increased revenue: new product sales	Mid-to-long-term	Invest in research and development to secure orders with green, low-carbon products and solutions.



c. Description of the financial impacts of extreme weather events and transition measures	The financial impact of extreme weather events on the Company is detailed in Item b above.
d. Description of how climate risk identification, assessment, and management process are integrated into the overall risk management system	The Company adopts the TCFD (Task Force on Climate-related Financial Disclosures) framework to identify climate-related risks and opportunities. The management and implementation of climate risk strategies are primarily carried out by the Environmental Sustainability Task Force, with execution supervised by the Corporate Governance Officer. The results are compiled into a report and submitted to the Sustainable Development Committee for review, before being presented to the Board of Directors.
e. Should scenario analysis be used to assess the Company's resilience in face of climate change risks, explanations on the scenario, parameters, hypothesis, analysis factors and major financial impacts should be provided	The Company has not yet adopted climate scenario analysis.
f. Should there be any transitional programs in response to managing climate-related risks, please explain the program's content and metrics and targets used to identify and manage physical and transitional risks	Programs and targets for managing climate-related risks include: supporting various government green office initiatives; completing Scope 1 and Scope 2 GHG inventories in 2024; and planning to implement Scope 3 inventory in 2025. In accordance with the sustainable development roadmap for listed companies, the Company will set 2026 as the baseline year, disclose reduction targets, strategies, and action plans for 2027, and report on the achievement of those targets in the following year.
g. Should internal carbon pricing be used as the planning tool, the pricing mechanism should be explained	The Company has not yet adopted internal carbon pricing.
h. Should climate-related targets be in place, information such as the scope of action, greenhouse gas (GHG) emissions, planned timeline, and yearly achieved progress should be stated; for targets achieved through carbon offset and RECs, the source of offset amount and number of RECs should be stated	The climate-related targets are detailed in Item f above.
i. Greenhouse gas (GHG) inventory and assurance status, and reduction goals, strategies and specific action plans	Please refer to (B) Greenhouse Gas Inventory and Assurance Status in the Most Recent Two Years, and (C) Greenhouse Gas Reduction Targets, Strategies, and Action Plans.

(B) Greenhouse Gas Inventory and Assurance Status in the Most Recent Two Years

a. Greenhouse Gas Inventory Information

Describe the greenhouse gas (GHG) emissions (in metric tons of CO<sub>2</sub>e), emission intensity (in metric tons of CO<sub>2</sub>e per million dollars), and the scope of the data for in the most recent two years.

■ The scope of data that must be disclosed according to the regulations of the sustainable development roadmap for listed companies.

i. The Company shall begin conducting inventories from 2025.

ii. Subsidiaries included in the consolidated financial statements shall begin conducting inventories from 2026.

■ Greenhouse Gas Inventory Status:

The Company conducted an independent inventory for 2024. The scope of the greenhouse gas inventory includes the headquarters, the Hsinchu Operations Center, and Tainan Tree Valley Plant. The inventory results are as follows:

Unit: Metric Tons of CO <sub>2</sub> e				
Scope	Category	Category Description	2023	2024
1	Category1	Direct greenhouse gas emissions and removals	Not yet inventoried	10.9377
2	Category2	Indirect greenhouse gas emissions from purchased energy	Not yet inventoried	211.8960
3	Category3	Indirect greenhouse gas emissions from transportation	Not yet inventoried	Not yet inventoried
	Category4	Indirect greenhouse gas emissions from products used by the organization	Not yet inventoried	Not yet inventoried
	Category5	Indirect greenhouse gas emissions associated with the use of the organization's products	Not yet inventoried	Not yet inventoried
	Category6	Indirect greenhouse gas emissions generated from other sources	Not yet inventoried	Not yet inventoried
Total			Not yet inventoried	222.8337
Greenhouse gas emission intensity (metric tons of CO <sub>2</sub> e per million dollars of revenue)			Not yet inventoried	0.1712

Note 1: Direct emissions (Scope 1, i.e., emissions directly from sources owned or controlled by the Company), energy indirect emissions (Scope 2, i.e., emissions from the generation of purchased electricity, heat, or steam), and other indirect emissions (Scope 3, i.e., emissions from activities of the Company, not included in Scope 2, that occur from sources owned or controlled by other companies).

Note 2: The coverage scope of direct emissions and energy indirect emissions data should be in accordance with the schedule specified in Paragraph 2, Article 10 of this guideline. Other indirect emissions information may be disclosed voluntarily.

Note 3: Greenhouse Gas Inventory Standard: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 published by the International Organization for Standardization (ISO).

Note 4: Greenhouse gas emissions intensity may be calculated per unit of product/service or revenue, but at least data calculated based on revenue (in million New Taiwan Dollars) should be disclosed

Note 5: The greenhouse gas emissions intensity in this table is calculated based on consolidated revenue.

b. Greenhouse Gas Assurance Information

Describe the assurance status for the most recent two years up to the publication date of the annual report, including the scope of assurance, the assurance provider, the assurance standards, and the assurance opinion.

- The Company's greenhouse gas inventory for 2024 was conducted as a voluntary self-inventory without external assurance.
- According to the regulations in the sustainable development roadmap for listed companies, the following scope of assurance must be implemented:
  - i. The Company shall begin implementing assurance from 2027.
  - ii. Subsidiaries included in the consolidated financial statements shall begin implementing assurance from 2028.

(C) Greenhouse Gas Reduction Targets, Strategies, and Action Plans

Describe the baseline year and its data for greenhouse gas reduction, the reduction targets, strategies, specific action plans, and the progress towards achieving the reduction targets.

- The Company's 2024 greenhouse gas inventory is still a voluntary self-inventory. The baseline year and its data, as well as reduction targets, have not yet been established. However, the following strategies and actions have been implemented: supporting various government green office initiatives, completing the Scope 1 and Scope 2 greenhouse gas inventories, and planning to implement the Scope 3 greenhouse gas inventory in 2025. Additionally, the Company will conduct climate-related risk and opportunity assessments, implement management responses, and establish robust and feasible carbon reduction targets.
- According to the regulations in the sustainable development roadmap for listed companies, the following scope of disclosure must be implemented: By no later than 2026, the baseline year should be set, and reduction targets, strategies, and specific action plans for 2027 should be disclosed. The progress towards achieving these reduction targets should be disclosed in the following year.

(6) Implementation Status of Ethical Corporate Management, Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the Reasons for Deviations

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
1. Establishment of Ethical Corporate Management Policies and Programs				
(1) Does the Company formulate ethical corporate management policy approved by Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	✓		The Company has established “Ethical Corporate Management Best Practice Principles” and “Operating Procedures for Ethical Management and Guidelines for Conduct”, these have been disclosed on the Market Observation Post System (MOPS) and the Company’s website, with both the Board of Directors and management committed to actively implementing them.	No material deviations.
(2) Whether the Company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”?	✓		To prevent unethical behavior arising from business activities, the company has established the “Ethical Corporate Management Best Practice Principles” and “Operating Procedures for Ethical Management and Guidelines for Conduct,” which clearly prohibit unethical behavior and conflicts of interest, providing specific regulations to prevent unethical conduct.	No material deviations.
(3) Does the Company clearly set out the operating procedures, behavior guidelines, and punishment for violation and appeal system in the unethical conduct prevention program, implement it, and regularly review and revise the program?	✓		The Company has established “Ethical Corporate Management Best Practice Principles” and “Operating Procedures for Ethical Management and Guidelines for Conduct”, clarifies and follows the ethical standards and code of conduct, regularly reviewing and revising them in reference to regulations and in response to changes in circumstances.	No material deviations.
2. Ethical Management Practice				
(1) Does the Company evaluate the ethics records of those it who have business relationships with and include ethical conduct related clauses in the business contracts?	✓		All of the Company’s business counterparts are subject to the Company’s review and approval, and the Company is also planning to incorporate ethical clauses into relevant contracts with business partners.	No material deviations.
(2) 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?	✓		The Company’s Finance & Administration Department is responsible for promoting the formulation and implementation of the “Ethical Corporate Management Best Practice Principles” and “Operating Procedures for Ethical Management and Guidelines for Conduct”. In the future, it will report relevant matters, handling methods, and follow-up review and improvement measures to the Board of Directors.	No material deviations.

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
(3) Has the Company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	✓		The Company has established “Ethical Corporate Management Best Practice Principles” and “Operating Procedures for Ethical Management and Guidelines for Conduct”. The content covers policies to prevent conflicts of interest, provides appropriate channels for reporting, and implements actions based on these policies.	No material deviations.
(4) 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 formulate related audit plans to audit the compliance with the systems to prevent unethical conduct or engage CPAs to perform the audits?	✓		The Company’s audit unit conducts regular audits to understand the implementation of ethical corporate management, ensuring the effectiveness of the accounting system and internal controls.	No material deviations.
(5) Does the Company provide internal and external ethical corporate management training programs on a regular basis?	✓		The Company annually informs the Board of Directors and managerial officers about internal and external training related to corporate governance and ethical corporate management, and assists in arranging training sessions. Additionally, the Company publicly promotes the “Ethical Corporate Management Best Practice Principles” and “Operating Procedures for Ethical Management and Guidelines for Conduct” through internal announcements. Regularly, during internal employee training and new employee orientation, the Company advocates the corporate spirit of ethics and related regulations.	No material deviations.
3. Implementation of Complaint Procedures				
(1) Has the Company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers?	✓		The Company has established “Ethical Corporate Management Best Practice Principles” and “Operating Procedures for Ethical Management and Guidelines for Conduct”. It has also created convenient whistle-blowing channels, assigning appropriate units to handle reported cases and ensuring that whistleblowers are protected from any unfair treatment due to their reporting.	No material deviations.
(2) Has the Company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	✓		The Company has established investigation procedures and related confidentiality mechanisms for handling whistle-blowing cases in its “Ethical Corporate Management Best Practice Principles” and “Operating Procedures for Ethical Management and Guidelines for Conduct.”	No material deviations.

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
(3) Has the Company adopted proper measures to protect whistleblowers from retaliation for filing complaints?	✓		The Company has established “Ethical Corporate Management Best Practice Principles” and “Operating Procedures for Ethical Management and Guidelines for Conduct” which specifically disclose measures to protect whistleblowers. As of now, no whistle-blowing cases have been reported.	No material deviations.
4. Strengthening Information Disclosure				
(1) Does the Company disclose its Ethical Corporate Management Best Practice Principles and the results of their implementation on the Company’s website and the Market Observation Post System (MOPS)?	✓		The Company has disclosed its established “Ethical Corporate Management Best Practice Principles” and “Operating Procedures for Ethical Management and Guidelines for Conduct” on the Market Observation Post System (MOPS) and the Company’s website.	No material deviations.
5. If the Company has established its own ethical corporate management best practice principles based on the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”, please describe any deviations between the principles and their implementation: The Company has established the “Ethical Corporate Management Best Practice Principles” and “Operating Procedures for Ethical Management and Guidelines for Conduct” to foster a culture of ethical business conduct. There are no material deviations between actual practices and the established principles.				
6. Other important information to facilitate a better understanding of the status of operation of the Company’s ethical corporate management policies (e.g., the Company’s reviewing and amending of its ethical corporate management best practice principles): (1) The Company complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, regulations related to listed and OTC companies, and other laws governing business conduct, as the fundamental requirements for implementing ethical corporate management. (2) The Company’s “Rules of Procedure for Board of Directors Meetings” include provisions on conflict of interest avoidance for directors. If a proposal listed on the board meeting agenda involves a conflict of interest between a director or the juristic person they represent and the interests of the Company, which may result in potential harm to the Company, the director may express opinions and respond to inquiries but must recuse themselves from the discussion and voting process. They are also prohibited from voting on behalf of other directors. Directors are expected to exercise self-discipline and must not support each other in such cases.				

(7) Other Important Information Regarding Corporate Governance: None.

(8) The implementation status of the internal control system should disclose the following matters:

A. Internal Control Statement: Please refer to the disclosures available on the Market Observation Post System (MOPS) for further information.

B. Engaging the CPAs to audit the Company’s internal control system, the audit report prepared by the CPAs should be disclosed: None.

(9) For the most recent year and up to the publication date of the annual report, major resolutions made in Shareholders' Meetings and Board of Directors Meetings

Date	Term	Important Resolutions	Implementation Status
2024.03.04	4 <sup>th</sup> Board of Directors Meeting of 4 <sup>th</sup> Term	1. Approval of 2023 remuneration distribution for directors, supervisors, and employees.	Submitted the report for the 2024 Annual Meeting of Shareholders in accordance with the resolution.
		2. Approval of 2023 remuneration distribution for directors and supervisors.	Executed in accordance with the resolution.
		3. Approval of 2023 remuneration distribution for managerial officers.	Executed in accordance with the resolution.
		4. Approval of 2023 business report and financial statements (consolidated and individual).	Submitted for approval at the 2024 Annual Meeting of Shareholders in accordance with the resolution.
		5. Approval of 2023 earnings distribution.	Submitted for approval at the 2024 Annual Meeting of Shareholders in accordance with the resolution.
		6. Approval of 2023 "Internal Control Statement".	Executed in accordance with the resolution.
		7. Approval of convening 2024 Annual Meeting of Shareholders.	Executed in accordance with the resolution.
		8. Approval of the audit fees and assessment of the independence and competency of the Company's CPAs for 2024.	Executed in accordance with the resolution.
		9. Approval of the amendment to the "Rules of Procedure for Board of Directors Meetings".	Executed in accordance with the resolution.
		10. Approval of the amendment to the "Audit Committee Charter".	Executed in accordance with the resolution.
2024.03.26	5 <sup>th</sup> Board of Directors Meeting of 4 <sup>th</sup> Term	1. Approval of the cash capital increase prior to the Company's initial listing on the TPEX.	In the cash capital increase, the Company issued 2,717,000 shares of common stock with a par value of NT\$10 per share, totaling NT\$27,170,000. The report was declared and effective on April 10, 2024, with an approval letter of No. 1130002075 issued by the TPEX.
		2. Approval of the employee stock subscription rules and managerial officer subscription plan for the cash capital increase prior to the Company's initial listing on the TPEX.	Executed in accordance with the resolution.
		3. Approval of 2024 Q1 performance evaluation and bonus for the Company's managerial officers.	Executed in accordance with the resolution.
2024.05.02	6 <sup>th</sup> Board of Directors Meeting of 4 <sup>th</sup> Term	1. Approval of 2024 Q1 consolidated financial statements.	Executed in accordance with the resolution.
		2. Approval of 2024 salary adjustment for the Company's managerial officers.	Executed in accordance with the resolution.

Date	Term	Important Resolutions	Implementation Status
		3. Approval of the Company's capital expenditure budget for the construction of a plant in the Southern Taiwan Science Park.	Executed in accordance with the resolution.
2024.05.22	Annual Meeting of Shareholders	1. Approval of 2023 business report and financial statements (consolidated and individual).	Approved in accordance with the original proposal through voting.
		2. Approval of 2023 earnings distribution.	The proposal for the distribution of cash dividends to shareholders in the amount of NT\$ 122,839,200 (NT\$ 4.5 per share) was approved as originally proposed.
		3. Approval of the amendment to "Procedures for Acquisition or Disposal of Assets".	Approved in accordance with the original proposal through voting.
2024.08.01	7 <sup>th</sup> Board of Directors Meeting of 4 <sup>th</sup> Term	1. Approval of 2024 Q2 consolidated financial statements.	Executed in accordance with the resolution.
		2. Approval of the establishment of "Sustainability Report Preparation and Assurance Procedures."	Executed in accordance with the resolution.
		3. Approval of the amendment to "Internal Control System" and "Internal Audit Implementation Rules".	Executed in accordance with the resolution.
2024.11.05	8 <sup>th</sup> Board of Directors Meeting of 4 <sup>th</sup> Term	1. Approval of 2024 Q3 consolidated financial statements.	Executed in accordance with the resolution.
		2. Approval of 2025 budget proposal.	Executed in accordance with the resolution.
		3. Approval of 2025 Audit plan.	Executed in accordance with the resolution.
		4. Approval of 2024 performance bonus for the Company's managerial officers	Executed in accordance with the resolution.
		5. Approval of the proposal to apply for short-term and medium-term bank credit lines.	Executed in accordance with the resolution.
2024.12.03	9 <sup>th</sup> Board of Directors Meeting of 4 <sup>th</sup> Term	1. Approval of Proposed Implementation of Employee Stock Ownership Trust (ESOT)	Executed in accordance with the resolution.
		2. Approval of the proposal to open a corporate bank account with the Shanghai Branch of Bank Sinopac (China) Ltd.	Executed in accordance with the resolution.
2025.03.04	10 <sup>th</sup> Board of Directors Meeting of 4 <sup>th</sup> Term	1. Approval of the proposal to establish the director remuneration and amend the "Regulations Governing the Remuneration of Directors, Functional Committee Members, and Managerial Officers"	Executed in accordance with the resolution.
		2. Approval of 2024 remuneration distribution for directors and employees.	Submitted the report for the 2025 Annual Meeting of Shareholders in accordance with the resolution.
		3. Approval of 2024 remuneration distribution for directors.	Executed in accordance with the resolution.
		4. Approval of 2024 remuneration distribution for managerial officers.	Executed in accordance with the resolution.



Date	Term	Important Resolutions	Implementation Status
		5. Approval of 2024 business report and financial statements (consolidated and individual).	Submitted for approval at the 2025 Annual Meeting of Shareholders in accordance with the resolution.
		6. Approval of 2024 earnings distribution.	Submitted for approval at the 2025 Annual Meeting of Shareholders in accordance with the resolution.
		7. Approval of 2024 “Internal Control Statement”.	Executed in accordance with the resolution.
		8. Approval of the proposal for defining the scope of rank-and-file employees.	Executed in accordance with the resolution.
		9. Approval of the amendment of the “Articles of Incorporation”.	Submitted for discussion at the 2025 Annual Meeting of Shareholders in accordance with the resolution.
		10. Approval of convening 2025 Annual Meeting of Shareholders.	Executed in accordance with the resolution.
		11. Approval of the assessment of the independence and competency of the Company’s CPAs for 2025.	Executed in accordance with the resolution.
		12. Approval of the appointment and audit fees of the Company’s CPAs for 2025.	Executed in accordance with the resolution.
		13. Approval of 2025 remuneration plan for the Company’s managerial officers.	Executed in accordance with the resolution.
		14. Approval of the changes for the Company’s spokesperson and deputy spokesperson.	Executed in accordance with the resolution.
		15. Approval of the proposal to apply for medium-term and long-term bank credit lines.	Executed in accordance with the resolution.

(10) For the most recent year and up to the publication date of the annual report, major issues of record or written statements made by any director dissenting to important resolutions passed by the Board of Directors: None.

#### 4. Information for Audit Fees of CPAs

##### (1) Audit Fees of CPAs

Unit: NT\$ thousand

Accounting Firm	Name of CPAs	Period Covered by CPAs’ Audit	Audit Fees	Non-Audit Fees	Total	Remarks
Deloitte & Touche	Chien-Ming Tseng	2024.01.01~ 2024.12.31	2,050	250	2,300	Non-audit fee: Tax certification fee of NT\$200 thousand and annual report review fee of NT\$50 thousand.
	Pan-Fa Wang	2024.01.01~ 2024.12.31				

- (2) Changes in the accounting firm that result in lesser audit fees paid in comparison to the previous year, and disclosure for the change in audit fee, and the reason for the change: None.
- (3) Reduction of audit fees by more than 10% compared to the previous year, and disclosure for the amount and percentage reduced, and the reason for the reduction: None.

5. Replacement of CPAs: None.

6. Any of the Company's Chairperson, General Manager, or Managerial Officers Responsible for Financial or Accounting Affairs Being Employed by the CPAs' Firm or Any of Its Affiliated Company in the Most Recent Year: None.

7. For the Most Recent Year and Up to the Publication Date of the Annual Report, Changes in the Transfer of Equity Interest and Share Pledge of Directors, Supervisors, Managerial Officers, and Shareholders Holding More Than 10% of Shares

- (1) Changes in the transfer of equity interest and share pledge of directors, supervisors, managerial officers, and shareholders holding more than 10% of shares

Unit: Shares

Title	Name	2024		As of March 31, 2025	
		Increase (Decrease) in Shares Held	Increase (Decrease) in Shares Pledged	Increase (Decrease) in Shares Held	Increase (Decrease) in Shares Pledged
Chairperson	Gudeng Precision Industrial Co., Ltd.	857,000	-	-	-
	Corporate Director Representative: Ming-Chien Chiu	-	-	-	-
Director	Gudeng Precision Industrial Co., Ltd.	857,000	-	-	-
	Corporate Director Representative: Tien-Jui Lin	-	-	-	-
Director	Yin-Feng Chan	2,000	-	-	-
Director	Jui-Ching Hu	-	-	-	-
Independent Director	Wen-Chung Lee	-	-	-	-
	Jui-Hsing Chen	-	-	-	-
	Joy Lin	-	-	-	-
Major Shareholder	Gudeng Precision Industrial Co., Ltd.	857,000	-	-	-
Vice President	Yu-Cheng Chen	5,000	-	-	200,000
Vice President	Shao-Chieh Chuang	(124,000)	-	(54,000)	-
Manager	An-Pang Wang	(109,000)	-	-	-
Manager	Lin-Hsin Tu (Note)	(9,000)	-	-	-
Manager	Hui-Wen Shih	20,000	-	-	-

Note : Transferred on April 25, 2025

- (2) Information on cases where the counterparty of equity interest transfer by directors, supervisors, managerial officers, and shareholders holding more than 10% of shares is a related party: None.
- (3) Information on cases where the counterparty to share pledge by directors, supervisors, managerial officers, and shareholders holding more than 10% of shares is a related party: None.

**8. Information on Shareholders Among the Top 10 by Proportion of Shareholding Who Are Related Parties to One Another or Spouse, Kindred Within the Second Degree of Kinship**

March 24, 2025; Unit: Shares

Name	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Names and Relationships of the Top 10 Shareholders Who Are Related Parties to One Another or Spouse, Kindred Within the Second Degree of Kinship		Remarks
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Name	Relationships	
Gudeng Precision Industrial Co., Ltd.	13,639,268	45.44	-	-	-	-	Ming-Chien Chiu	Chairperson	-
Representative of Gudeng Precision Industrial Co., Ltd.: Ming-Chien Chiu	764,720	2.55	-	-	-	-			
Shih Ta Investment Co., Ltd.	1,713,422	5.71	-	-	-	-	Yin-Feng Chan	The representative of Shih Ta Investment Co., Ltd. is a related party, being the spouse of the shareholder.	-
Representative of Shih Ta Investment Co., Ltd.: Mei-Chun Chen	-	-	-	-	-	-			
Yin-Feng Chan	1,505,771	5.02	-	-	-	-	Shih Ta Investment Co., Ltd.	The representative of Shih Ta Investment Co., Ltd. is the spouse of the Company's General Manager.	-
Ming-Chien Chiu	764,720	2.55	-	-	-	-	Gudeng Precision Industrial Co., Ltd.	Chairperson	-
Tien-Jui Lin	764,720	2.55	-	-	-	-	Gudeng Precision Industrial Co., Ltd.	Vice Chairperson and General Manager	-
Chia-Jung Chan	681,369	2.27	-	-	-	-	Shih Ta Investment Co., Ltd.	The representative of Shih Ta Investment Co., Ltd. is a relative within the second degree of kinship.	-
							Yin-Feng Chan	Relative within the second degree of kinship	-
Yu-Cheng Chen	456,855	1.52	261,000	0.87	-	-	-	-	-
Shao-Chieh Chuang	412,905	1.38	-	-	-	-	-	-	-
An-Pang Wang	375,355	1.25	148,500	0.49	-	-	-	-	-
Wen-Hao Chan	360,455	1.20	-	-	-	-	Shih Ta Investment Co., Ltd.	The representative of Shih Ta Investment Co., Ltd. is a relative within the second degree of kinship.	-
							Yin-Feng Chan	Relative within the second degree of kinship	-

9. Number of Shares Held by the Company, Its Directors, Supervisors, Managerial Officers, and Entities Directly or Indirectly Controlled by the Company in the Same Investee Company, and the Consolidated Shareholding Ratios Calculated Accordingly

December 31, 2024; Unit: Shares

Investee Company	Investments of the Company		Investments Directly or Indirectly Controlled by Directors, Supervisors, Managerial Officers		Consolidated Investments	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
ShoWa Precision Co., Ltd.	3,773,236	100%	-	-	3,773,236	100%
Gudeng Inc.	208,000	4%	2,652,000	51%	2,860,000	55%

### III. Capital Overview

#### 1. Capital and Shares

##### (1) Source of Capital

##### A. Changes in the Company's Capital Stock up to the Publication Date of the Annual Report

Unit: thousand shares; NT\$ thousand

Month and Year (Note 1)	Issuing Price (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Number of Shares	Amount	Number of Shares	Amount	Source of Capital	Subscriptions Paid with Property Other than Cash	Others
2016.07	10	10,000	100,000	1,750	17,500	Establishment (Cash)	None	Note 2
2017.07	11	10,000	100,000	3,450	34,500	Capital increase by cash: 17,000	None	Note 3
2020.07	10	10,000	100,000	5,520	55,200	Capital increase by earnings: 20,700	None	Note 4
2021.08	10	50,000	500,000	11,040	110,040	Capital increase by cash: 55,200	None	Note 5
2022.06	10	50,000	500,000	16,560	165,600	Capital increase by cash: 55,200	None	Note 6
2022.12	22	50,000	500,000	22,560	225,600	Capital increase by cash: 60,000	None	Note 7
2023.05	10	50,000	500,000	27,297	272,976	Capital increase by cash: 47,376	None	Note 8
2024.05	216.8	50,000	500,000	30,014	300,146	Capital increase by cash: 27,170	None	Note 9

Note 1 : Based on the effective date of the registration of change.

Note 2 : Approved on July 18, 2016 with an approval letter of No. 1055214947.

Note 3 : Approved on July 19, 2017 with an approval letter of No. 1068044801.

Note 4 : Approved on July 17, 2020 with an approval letter of No. 1098050153.

Note 5 : Approved on August 24, 2021 with an approval letter of No. 1108059452.

Note 6 : Approved on June 1, 2022 with an approval letter of No. 1118037549.

Note 7 : Approved on December 7, 2022 with an approval letter of No. 1118086929.

Note 8 : Approved on May 12, 2023 with an approval letter of No. 1128032560.

Note 9 : Approved on May 17, 2024 with an approval letter of No. 1138034866.

##### B. Type of Issued Share

March 24, 2025; Unit: shares

Type of Share	Authorized Capital			Remarks
	Outstanding Shares	Unissued Shares	Total	
Common Stock	30,014,600	19,985,400	50,000,000	Shares Listed on TWSE/TPEX

##### C. Shelf Registration System Information: Not applicable.

## (2) List of Major Shareholders

March 24, 2025; Unit: shares; %

Name of Major Shareholders	Shares	Number of Shares Held	Shareholding Ratio
Gudeng Precision Industrial Co., Ltd.		13,639,268	45.44
Shih Ta Investment Co., Ltd.		1,713,422	5.71
Yin-Feng Chan		1,505,771	5.02
Ming-Chien Chiu		764,720	2.55
Tien-Jui Lin		764,720	2.55
Chia-Jung Chan		681,369	2.27
Yu-Cheng Chen		456,855	1.52
Shao-Chieh Chuang		412,905	1.38
An-Pang Wang		375,355	1.25
Wen-Hao Chan		360,455	1.20

## (3) Dividend Policy and Implementation Status

### A. Dividend Policy Stipulated under the Articles of Incorporation

The Company's dividend policy is aligned with its current and future development plans. It also takes into account factors such as domestic industry competitiveness, investment climate, and capital requirements. The amount allocated for dividend distribution shall not be less than 10% of the distributable earnings for the year. Dividends may be distributed in the form of stock dividends or cash dividends, with the proportion of cash dividends not less than 10% of the total dividends distributed.

### B. Proposed Dividend Distribution in the Shareholders' Meeting

(A) The proposal for earnings distribution and dividend per share for 2024, as approved by the Board of Directors on March 4, 2024 is as follows:

Unit: NTD

Item	Amount
Net Income of 2024	239,745,712
Add: Remeasurement of Defined Benefit Obligation	122,087
Less: 10% Legal reserve	(23,986,780)
Add: Reverse the special reserve	384,907
<b>Earnings in 2024 Available for Distribution</b>	<b>216,265,926</b>
Add: Undistributed earnings at the beginning of the period	183,115,093
<b>Earnings Available for Distribution as of December 31, 2024</b>	<b>399,381,019</b>
Distribution items	
Common stock cash dividend (NT\$6 per share)	(180,087,600)
<b>Undistributed earnings at the end of 2024</b>	<b>219,293,419</b>

C. Statement on Any Expected Material Changes to the Dividend Policy: None.

(4) Impact of the Bonus Share Distribution Proposed at This Shareholders' Meeting on the Company's Business Performance and Earnings Per Share:

The earnings distribution for 2024 consists solely of cash dividends and will have no impact on the Company's earnings per share.

(5) Remuneration for Employees, Directors, and Supervisors

A. The percentage or scope of remuneration for employees, directors, and supervisors as stated in the Company's Articles of Incorporation

If the Company makes a profit, it shall set aside no less than 3% of the earnings as the employees' remuneration. The employees' remuneration shall be distributed by stock or cash determined by the Board of Directors, and the eligible personnel includes employees at subsidiaries that meet the requirement. The Company may set aside no more than 3% of the earnings as the directors' and supervisors' remuneration from the aforementioned profit. The distribution of employees, directors and supervisors' remuneration shall be submitted to the shareholders' meeting. The Company shall have reserved a sufficient amount in advance to offset its accumulated losses before calculating the remuneration of them according to the aforementioned ratios.

B. The basis for estimating the amount of employees', directors', and supervisors' remuneration, for calculating the number of shares to be distributed as dividend, and the accounting treatment of the difference, if any, between the actual distributed amount and the estimated amount, for the current period:

The estimated amounts of employees' and directors' remuneration for 2024 are based on the allocation principles set forth in the Company's Articles of Incorporation. The actual amounts of employees' and directors' remuneration approved by the Board of Directors for this year are consistent with the previously estimated amounts. If there is any difference between the actual distribution amount and the estimated amount as subsequently approved by the Board of Directors, such difference will be recognized in the profit or loss of the following year.

C. Remuneration Distribution Approved by the Board of Directors:

(A) Employees', directors', and supervisors' remuneration are distributed in cash or stock. If there is any difference between the actual distribution amounts and the estimated amounts recognized as expenses for the year, the difference, reasons, and the handling status shall be disclosed.

The Company distributed remuneration in cash of NT\$35,063,183 for the employees and NT\$8,765,796 for the directors, approved by the Board of Directors on March 4, 2025. There is no difference between the actual amounts distributed and the expenses recognized for 2024.

(B) Amount of employees' remuneration distributed in stock and its ratio to the total of net income after tax and total employees' remuneration in the parent company financial statements for the current period: No employees' remuneration was distributed in stock; therefore, this item is not applicable.

- D. Previous year's actual remuneration distributed for employees, directors, and supervisors (including number of shares, amount being distributed, and the stock price); if there is any difference between the actual distribution amounts and the originally recognized remuneration for employees, directors, and supervisors, the difference, reason(s), and status of treatment should be clearly stated:

The distribution of employees', directors', and supervisors' remuneration for 2023 was approved by the Board of Directors on March 4, 2024. Employees' remuneration was distributed in the amount of NT\$31,586,615, and directors' and supervisors' remuneration totaled NT\$7,896,654. There was no difference between the actual distribution amounts and the previously estimated amounts.

(6) Status of Treasury Stocks: There is no such situation.

2. Status of Corporate Bonds: There is no such situation.
3. Status of Preferred Shares: There is no such situation.
4. Status of Global Depositary Receipts (GDRs): There is no such situation.
5. Status of Employee Stock Options Certificates: There is no such situation.
6. Status of Restricted Stock Awards for Employees: There is no such situation.
7. Status of Issuance of New Shares for Mergers or Acquisitions of Other Companies' Shares: There is no such situation.
8. Implementation Status of Capital Allocation Plans:

The Company conducted a cash capital increase in May 2024. The following is an explanation of the previous cash capital increase, including the details of the plan, its implementation status, and the resulting benefits.

(1) The Content of the Cash Capital Increase Plan and the Expected Benefits

- A. The competent authority approved the Company's cash capital increase plan on April 10, 2024, with an approval letter of No. 1130002075 issued by the TPEX. In this capital increase, the Company issued 2,717,000 shares of common stock with a par value of NT\$10 per share, totaling NT\$27,170,000. The report was declared and effective on April 10, 2024.
- B. Total funding required for the project: NT\$696,612 thousand.
- C. Source of Funds: In the cash capital increase, the Company issued 2,717 thousand shares of common stock with a par value of NT\$10 per share and an issue price of NT\$216.80 per share. The expected total proceeds from the offering amount to NT\$696,612 thousand.
- D. Project Items and Estimated Fund Utilization Schedule

Unit: NT\$ thousand

Projects Items	Estimated Completion Date	Total Required Funds	Estimated Fund Utilization Schedule
			2024 Second Quarter
Strengthening Working Capital	2024 Second Quarter	696,612	696,612



#### E. Expected Potential Benefits

The amount of NT\$696,612 thousand raised in this funding plan will be used to strengthen working capital. This will help enhance the flexibility of fund allocation, strengthen the Company's financial structure, and reinforce its long-term competitiveness.

- F. Changes to the plan content, sources and uses of funds, reasons for the changes, benefits before and after the changes, the date the revised plan is submitted to the shareholders' meeting, and the date of disclosure on the information declaration website designated by Securities and Futures Bureau, Financial Supervisory Commission: None

#### (2) Implementation Status:

##### A. Project Implementation Progress

The funds raised through this cash capital increase are intended to strengthen working capital. The funds were successfully raised on May 9, 2024, and were fully utilized during the second quarter of 2024.

##### B. Project Implementation Benefits

This cash capital increase plan was aimed at strengthening working capital and enhancing the Company's financial structure, which in turn supports overall business development. As shown in the table below, the Company's financial structure has significantly improved following the capital increase conducted in May 2024.

Unit: NT\$ thousand; %

Item/Year		March 31, 2024 (Before fundraising)	June 30, 2024 (After fundraising)
Current Assets		1,685,540	2,142,535
Current liabilities		1,163,633	849,287
Total liabilities		1,192,152	875,493
Interest Expense		167	153
Net Revenue		331,369	361,751
Earnings (Loss) Per Share		1.87	1.86
Capital Structure Analysis	Long-Term Capital to Property, Plant, and Equipment Ratio	906.02	2,004.36
	Liabilities Ratio	64.30	37.89
Liquidity Analysis	Current Ratio	144.85	252.27
	Quick Ratio	100.77	203.74

Source: Consolidated Financial Reports for the First and Second Quarters of 2024 Reviewed by CPAs.

After the Company conducts a cash capital increase, it will not only improve the equity ratio and strengthen the financial structure, but also secure long-term and stable funding, which helps reduce operational risks. The debt ratio will decrease from 64.30% before the fundraising to 37.89%. The ratio of long-term capital to property, plant, and equipment will increase from 906.02% before the fundraising to 2,004.36%. The current ratio and quick ratio will rise from 144.85% and 100.77% before the fundraising to 252.27% and 203.74%, respectively. Therefore, this capital increase will have a positive impact on the Company's overall operational development, sound financial structure, and enhanced debt repayment capability, making the benefits of the capital increase reasonable.

## IV. Operations Overview

### 1. Business Content

#### (1) Businesses Scope

##### A. Main Business Activities

CQ01010	Mold and Die Manufacturing
C805050	Industrial Plastic Products Manufacturing
CC01080	Electronic Components Manufacturing
CC01110	Computer and Peripheral Equipment Manufacturing
CC01120	Data Storage Media Manufacturing and Duplicating
F106030	Wholesale of Molds
F119010	Wholesale of Electronic Materials
F206030	Retail Sale of Molds
F219010	Retail Sale of Electronic Materials
H701010	Housing and Building Development and Rental
H701020	Industrial Factory Development and Rental
E604010	Machinery Installation
E603050	Automatic Control Equipment Engineering
CB01010	Mechanical Equipment Manufacturing
CB01990	Other Machinery Manufacturing
E599010	Piping Engineering
F401010	International Trade
ZZ99999	All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

##### B. Percentage of Operating Revenue by Major Products

Unit: NT\$ thousand; %

Item \ Year	2023		2024	
	Amount	Percentage	Amount	Percentage
Machinery and Equipment	1,060,560	87.86	1,167,270	89.66
Others	146,585	12.14	134,655	10.34
Total	1,207,145	100.00	1,301,925	100.00

Source: The Company.

##### C. Current Products and Services

The Company provides design, manufacturing, sales, and maintenance services for semiconductor equipment and related components. The Company specializes in automation technology solutions specifically designed for EUV mask handling and advanced semiconductor processes. The Company's products include mask cleaning, exchange, inspection, micro-environment storage, and intelligent warehousing management systems.

#### D. New Products Planned to be Developed

- (A) EUV Process Solutions: The Company, in collaboration with its parent company, Gudeng Group, continues to integrate a professional technology service chain to help customers push the limits of semiconductor manufacturing. It is actively developing and refining solutions related to EUV processes.
- (B) Advanced Mask Solutions: The Company is committed to deepening its expertise in equipment related to advanced mask processes. It is also expanding into non-standard 6-inch masks, offering customized services to meet diverse customer needs.
- (C) PVD-related Equipment: Driven by increasing demand for 5G, energy-efficient products, and electric vehicles, the need for high-power electronic components continues to grow. The Company is investing in the development of PVD (Physical Vapor Deposition) equipment to expand into new business segments.

#### (2) Industry Overview

##### A. Current Status and Development

##### (A) Global Semiconductor Industry

The semiconductor industry involves the use of semiconductor materials (III–V group chemical elements) to manufacture electronic components primarily used for control, computation, processing, memory, and transmission. As the foundational component of electronic products, semiconductors are commonly applied in end-user devices such as computers, mobile phones, cameras, calculators, servers, displays, automobiles, aerospace, and military equipment. Currently, the semiconductor industry is highly globalized, technologically competitive, and capital-intensive, with high barriers to entry. Major global semiconductor companies include TSMC, UMC, GlobalWafers, ASE, Samsung, SK Hynix, Intel, Texas Instruments, NVIDIA, AMD, Applied Materials, Micron, Qualcomm, Broadcom, ASML, NXP, Infineon, STMicroelectronics, Tokyo Electron, Renesas, SMIC, and Yangtze Memory Technologies, among others. Driven by Moore’s Law, which observes that the number of transistors on an integrated circuit doubles approximately every two years, the semiconductor industry continues to evolve rapidly. This ongoing advancement fuels technological innovation, drives social transformation, enhances production efficiency, and expands product applications—making significant contributions to global economic growth. With continuous technological breakthroughs and growing market demand, the semiconductor industry remains full of potential and promise for the future.

According to the World Semiconductor Trade Statistics (WSTS) Fall 2024 market forecast, the global semiconductor market is expected to grow significantly by 19.0% compared to the previous year. The total

market value is projected to reach USD 627 billion in 2024, reflecting improved performance in the second and third quarters of the year.

WSTS indicates that this growth will be primarily driven by two major semiconductor segments: memory is forecast to grow by 81.0%, and logic by 16.9%. Meanwhile, other categories such as discrete devices, optoelectronic devices, sensors, and analog semiconductors are expected to remain in decline. Regionally, the Americas and Asia-Pacific are expected to lead the recovery, with projected growth rates of 38.9% and 17.5%, respectively. In contrast, Japan is expected to see a modest increase of 1.4%, while Europe may experience a decline of 6.7%.

Looking ahead to 2025, WSTS forecasts that the global semiconductor market will maintain the strong momentum observed in 2024, with an expected annual growth rate of 11.2%, reaching a market value of USD 697 billion. The growth will be primarily driven by the logic and memory sectors, which together are projected to exceed USD 400 billion in total value. Specifically, logic semiconductors are expected to grow by over 17%, while memory is forecasted to increase by 13%. Other categories—such as discrete devices, optoelectronic devices, sensors, and analog semiconductors—are expected to experience more modest, single-digit growth. Regionally, the Americas and the Asia-Pacific are projected to maintain double-digit growth, while other regions are expected to continue growing at a moderate pace. Overall, the semiconductor industry is expected to continue its trajectory of stable expansion.

### Global Semiconductor Industry Market Value Forecast by WSTS

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
<b>Total World - \$M</b>	<b>526,885</b>	<b>626,869</b>	<b>697,184</b>	<b>-8.2</b>	<b>19.0</b>	<b>11.2</b>
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
<b>Total Products - \$M</b>	<b>526,885</b>	<b>626,869</b>	<b>697,184</b>	<b>-8.2</b>	<b>19.0</b>	<b>11.2</b>

Source: WSTS (2024/12)

### (B) Taiwan Semiconductor Industry

Taiwan is one of the world's major semiconductor production hubs and holds a crucial position in the global semiconductor industry. Taiwan leads the global semiconductor market, and Taiwan's

semiconductor industry is also one of the major pillars of the country's economy. The industry has received strong support from the government, which has fostered its rapid development through initiatives such as the establishment of technology funds, development of key technologies, and policy subsidies.

Today, significant advantages of Taiwan's semiconductor industry, including a robust wafer manufacturing capacity that provides optimal production options for global semiconductor manufacturers and end-user brands, placing Taiwan at the forefront of the global semiconductor industry in terms of market value. Taiwan is also known for its leading research and development capabilities, constantly innovating and maintaining close collaboration with internationally renowned enterprises and research institutions to jointly develop and produce innovative products. Taiwan has designed and developed semiconductor products that are leaders in the global market. Additionally, Taiwan boasts a broad semiconductor supply chain covering key manufacturing nodes such as equipment manufacturing, IC design, material production, as well as packaging and testing. Taiwan's semiconductor industry has established a strong reputation and substantial brand influence, continuing to play a critical role in the global market and becoming an indispensable member of the global semiconductor industry.

According to data from the Industry, Science and Technology International Strategy Center (ISTI) of the Industrial Technology Research Institute (ITRI), Taiwan's overall IC industry output value—including IC design, manufacturing, packaging, and testing—reached NT\$1.4942 trillion in the fourth quarter of 2024, reflecting an 8.0% increase from the previous quarter (Q3 2024) and a 24.2% increase compared to the same period in 2023 (Q4 2023). The ISTI estimates that Taiwan's total IC industry output value for 2024 will reach NT\$5.3151 trillion, representing a 22.4% year-over-year growth from 2023.

Looking ahead to 2025, the ISTI forecasts that the output value of Taiwan's semiconductor industry will further reach NT\$6.1785 trillion, representing a 16.2% year-over-year increase. Among this, the IC manufacturing sector is expected to surpass NT\$4 trillion, reaching NT\$4.827 trillion, with a growth rate of 19.4%. Compared to the global semiconductor industry, Taiwan's semiconductor industry is projected to have a significantly higher growth rate in 2024, at 22.4%, far exceeding the global growth of 19.1%. For 2025, Taiwan's semiconductor industry is expected to maintain a growth rate of 16.2%, higher than the global semiconductor industry's forecasted 11.2% growth. Taiwan's semiconductor industry is expected to continue outperforming the global semiconductor industry in terms of growth.

### Taiwan's IC Industry Output Value from 2021 to 2025 (e)

NT\$ Billion	2021	2021 Growth Rate	2022	2022 Growth Rate	2023	2023 Growth Rate	2024	2024 Growth Rate	2025 (e)	2025 (e) Growth Rate
<b>IC Industry Output Value</b>	40,820	26.7%	48,370	18.5%	43,428	-10.2%	53,151	22.4%	61,785	16.2%
IC Design Industry	12,147	42.4%	12,320	1.4%	10,965	-11.0%	12,721	16.0%	14,155	11.3%
IC Manufacturing Industry	22,289	22.4%	29,203	31.0%	26,626	-8.8%	34,195	28.4%	40,827	19.4%
Wafer Foundry	19,410	19.1%	26,847	19.1%	24,925	-7.2%	32,438	30.1%	38,960	20.1%
Memory and Other Manufacturing	2,879	51.0%	2,356	-18.2%	1,701	-27.8%	1,757	3.3%	1,867	6.3%
IC Packaging Industry	4,354	15.3%	4,660	7.0%	3,931	-15.6%	4,233	7.7%	4,608	8.9%
IC Testing Industry	2,030	18.4%	2,187	7.7%	1,906	-12.8%	2,002	5.0%	2,195	9.6%
<b>IC Product Output Value</b>	15,026	44.0%	14,676	-2.3%	12,666	-13.7%	14,478	14.3%	16,022	10.7%
Global Semiconductor Market (USD Billion) and Growth Rate (%)	5,559	26.2%	5,741	3.3%	5,269	-8.2%	6,276	19.1%	6,979	11.2%

Source: TSIA; ISTI, ITRI (2025/02)

Note 1: (e) indicates estimated values.

Note 2: IC industry output value = IC design industry + IC manufacturing industry + IC packaging industry + IC testing industry.

Note 3: IC product output value = IC design industry + memory and other manufacturing.

Note 4: IC manufacturing industry output value = wafer foundry + memory and other manufacturing.

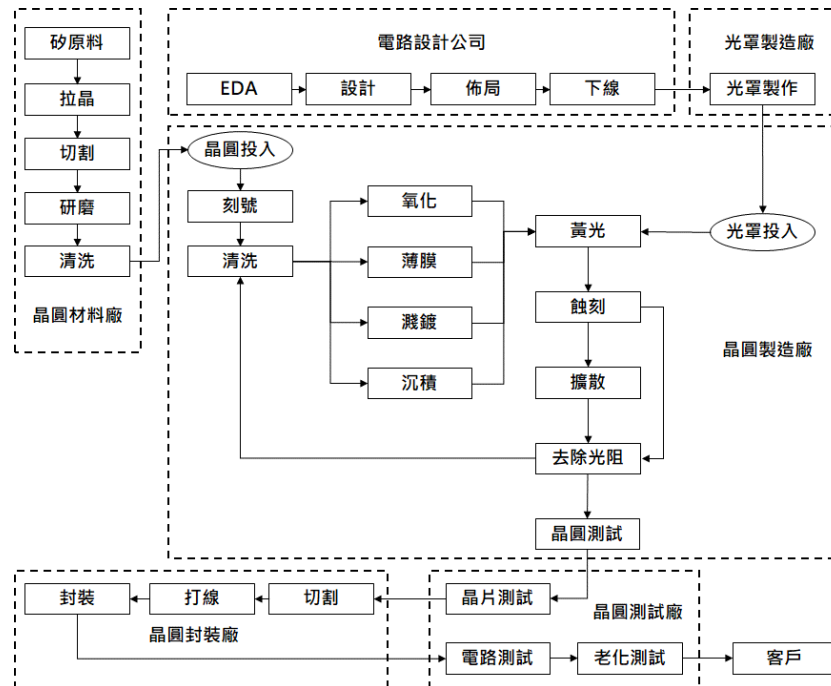
Note 5: The above output values are calculated based on companies headquartered in Taiwan.

### (C) Semiconductor Equipment Industry

Semiconductor equipment is the core of the semiconductor industry. The quality and performance of such equipment have a significant impact on the yield and performance of semiconductor components, making it an essential part of semiconductor manufacturing. Leading global semiconductor equipment suppliers include Applied Materials, ASML, Tokyo Electron, Lam Research, and KLA, among others. The semiconductor manufacturing process includes several stages, such as crystal pulling, wafer slicing, grinding, and cleaning before wafer production; mask production for photolithography; thin film deposition, sputtering, photolithography, etching, diffusion, and cleaning during wafer fabrication; and testing, dicing, wire bonding, and packaging after wafer processing is completed. Each stage of production requires the participation of semiconductor equipment manufacturers. Equipment such as crystal growing furnaces, wafer dicing machines, mask handling systems, EUV lithography machines, wafer cleaning machines, and inspection equipment are provided by equipment suppliers who deliver advanced equipment and technical support to ensure production stability and reliability. As a result, semiconductor equipment manufacturers are key partners in the entire semiconductor industry. With the rapid

development of the semiconductor industry, market demand for related equipment continues to grow, driven by capacity expansion and new production line installations. Equipment manufacturers grow in tandem with the industry.

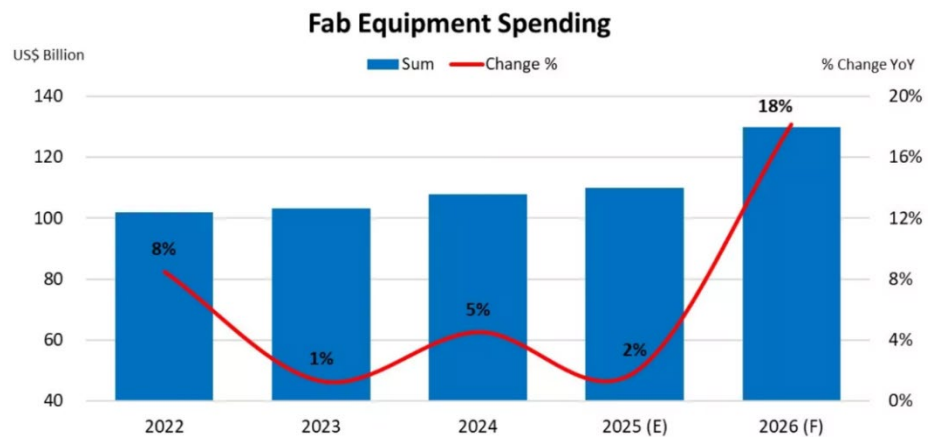
### Process Flow of Semiconductor Manufacturing Equipment



Source: <http://www.semiinsights.com>

The Semiconductor Equipment and Materials International (SEMI) predicts that global fab equipment spending for front-end facilities will continue to grow for six consecutive years since 2020, reaching USD 110 billion in 2025, a 2% year-over-year (YOY) increase. It is expected that fab equipment spending will further grow by 18% in 2026, reaching USD 130 billion. This growth is primarily driven by the demand for high-performance computing (HPC) and memory categories to support the expansion of data centers, further benefitting from the increasing integration of artificial intelligence (AI), which leads to the rising demand for silicon products required by edge devices.

## Fab Equipment Spending



Source: World Fab Forecast Report, 1Q25 Update, Published By SEMI

Source: World Fab Forecast Report, 1Q25 Update, Published By SEMI

SEMI forecasts that global semiconductor manufacturing equipment sales by original equipment manufacturers (OEMs) will reach USD 113 billion in 2024, marking a 6.5% year-over-year increase. This growth trend is expected to continue, with sales projected to reach USD 121 billion in 2025 and further rise to USD 139 billion in 2026.

SEMI indicates that wafer fab equipment (WFE)—including wafer processing, mask, and fab facility equipment—is expected to grow by 5.4% in 2024, reaching USD 101 billion. This growth is mainly driven by strong equipment investments related to dynamic random-access memory (DRAM) and high bandwidth memory (HBM) used in AI applications. WFE sales are expected to grow 6.8% in 2025 and 14% in 2026, reaching USD 123 billion.

SEMI also forecasts a strong recovery in the semiconductor backend equipment sector in 2024. Sales of semiconductor test equipment are expected to grow by 13.8% to reach USD 7.1 billion in 2024, with further growth of 14.7% and 18.6% in 2025 and 2026, respectively. Meanwhile, sales of assembly and packaging (A&P) equipment are expected to grow by 22.6% to USD 4.9 billion in 2024, with growth rates of 16% and 23.5% in 2025 and 2026, respectively. The growth in the backend sector is supported by the increasing complexity of HPC semiconductor equipment and the expected growth in demand from the mobile, automotive, and industrial end markets.



## Semiconductor Equipment Output Value Forecast



Source: SEMI Equipment Market Data Subscription (EMDS), December 2024

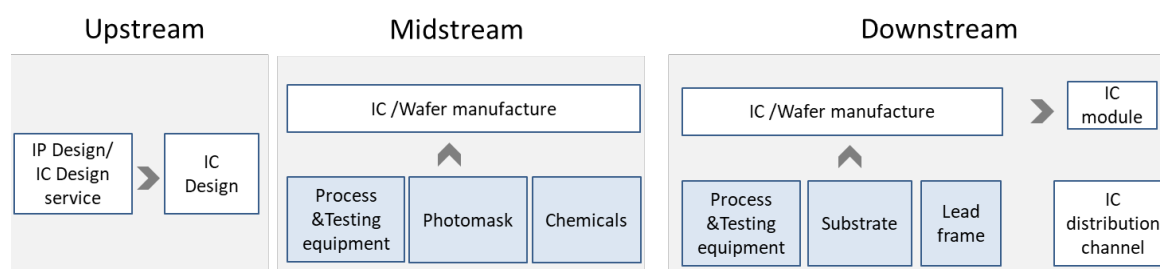
\*Total equipment includes new wafer fab, test, and assembly and packaging. Total equipment excludes wafer manufacturing equipment. Totals may not add due to rounding.

Source: SEMI Equipment Market Data Subscription (EMDS), December 2024

Overall, the semiconductor industry remains full of potential and long-term development trends, including:

- a. Smart Devices: With the widespread adoption of smart devices such as smartphones, smart home appliances, and smart healthcare, the demand for semiconductors is expected to expand;
- b. New Energy Vehicles: Policies promoting electric vehicles (EVs) are driving the growth of EV penetration in the automotive sector, along with support for autonomous driving and safety technologies, which will benefit various stages of semiconductor manufacturing processes;
- c. Internet of Things (IoT): The development of IoT technology will require a large number of semiconductor components to support communication between products, contributing to the growth of semiconductor industry applications;
- d. Cloud Devices: Cloud computing and big data will require substantial amounts of semiconductor components, thereby driving the growth of the semiconductor industry;
- e. Emerging Technologies: The development of emerging technologies, such as artificial intelligence (AI), machine learning, and quantum computing, will bring new business opportunities to the semiconductor industry. Therefore, the semiconductor industry continues to hold great potential and prospects. Through ongoing technological research and process advancements, it will address market demand and challenges, maintaining strong growth momentum and continuing to play a key role in global technological development.

## B. Relationship Among Upstream, Midstream, and Downstream Segments of the Industry



Source: Industry Value Chain Information Platform

## C. Various Development Trends of Products

The front-end process in semiconductors involves the fabrication of circuits on wafers. This process is highly complex and includes techniques such as photolithography, etching, deposition, doping, planarization, and intermediate cleaning. Among these, photolithography is a critical technology throughout the semiconductor process. It transfers circuit patterns onto the wafer using pre-patterned masks and photoresist. Due to the lengthy semiconductor production process and constraints such as fab space and varying process speeds, the process is segmented. This increases the demand for stricter mask protection and cleanliness, leading to greater needs for automated storage and exchange systems for masks. Such mask automation systems not only extend mask life but also improve production efficiency and yield.

Following Moore's Law, the semiconductor industry has moved toward smaller line widths and higher transistor density, entering the angstrom-level era, which pushes the limits of mask equipment. As a result, extreme ultraviolet (EUV) lithography with a wavelength of only 13.5 nanometers was developed. This extremely short wavelength addresses diffraction challenges and meets the photolithographic requirements of modern chip sizes. However, EUV light is easily absorbed by air and other media, so the equipment must operate in high vacuum environments. Semiconductor equipment manufacturers are continuously investing in developing the necessary supporting technologies. In recent years, leading international semiconductor companies have increased capital expenditures and actively expanded advanced process capacity, maintaining strong growth in the semiconductor equipment market. Through close collaboration with clients, the Company has been continuously developing various equipment applications and mask-related equipment for EUV and advanced mask processes.

## D. Competition Status of Products

The competition for mask storage equipment comes from both domestic and international competitors, such as Brooks Automation and Entegris, Inc. from the United States, and RORZE Technology from Japan. Domestically, competitors include companies like Brillian, Santa Phoenix Technology, and Kainova Technology. The Company leverages its geographical advantage, with Taiwan being a major semiconductor manufacturing hub, and its years

of industry experience. The Company has the advantage of being a frontrunner and actively collaborates with both domestic and international semiconductor giants to acquire firsthand product specifications. By pairing these with mask carriers from Gudeng Precision, the Company is able to offer customers mask-related equipment with superior cleanliness and protection. During the initial design phase, the Company thoroughly discusses customer needs and incorporates them into product design, which shortens development timelines and facilitates the early introduction of mass production. Through years of market testing, the Company has become an internationally recognized and trusted vendor for leading semiconductor companies.

Additionally, the semiconductor industry follows SEMI standards, which impose strict testing requirements on product quality. Manufacturing facilities must meet stringent cleanroom requirements (Class 1). As a result, the entry barriers to the industry are relatively high. The Company has obtained multiple patents related to mask equipment, including inventions that improve gas exchange efficiency and reduce costs, as well as dry cleaning methods that extend the life of masks by cleaning both their front and back surfaces. These patent developments are crucial in differentiating the Company from its competitors and are key to its success in the market.

### (3) Technology and R&D Overview

#### A. Technology Level and R&D

The Company was established in 2016 through an investment from Gudeng Precision Industry Co., Ltd. Its business and technology focus on providing technical solutions for EUV mask and high-end mask automation in semiconductor processes. The products include mask cleaning, exchange, and inspection, as well as micro-environment storage and intelligent warehousing management, making it a Taiwan-based semiconductor equipment manufacturer with proprietary technology brands.

In terms of technology and product development, the Company continues to deepen its expertise in mask cleaning, micro-environment management, and related applications, while also focusing on customer needs and collaborating with clients to develop advanced process application equipment. The Company leverages its professional technical expertise and project management capabilities to assist customers in achieving success. Additionally, in 2020, the Company acquired ShoWa Precision Co., Ltd., extending its business scope to PVD vacuum coating and PVD equipment technology, with the aim of integrating semiconductor and panel PVD vacuum technologies and expanding its core technological capabilities.

#### B. R&D Expenses for the Most Recent Year and Up to the Publication Date of the Annual Report

Unit: NT\$ thousand; %			
Item \ Year	2023	2024	From January 1, 2025 to March 31, 2025 (Note)
R&D Expenditure	150,604	124,141	29,021
Net Operating Revenue	1,207,145	1,301,925	246,783
Ratio to Net Operating Revenue	12	10	12

Note: The data has not been reviewed by the accountant.

C. Successfully Developed Technologies and Products in the Most Recent Year and Up to the Publication Date of the Annual Report

Year	R&D Results
2023	Next Gen. EUV Mask Inspection Equipment & PVD Prototype
2024	AOI Mask Inspection and Exchange Integrated Equipment AI-Based Mask Inspection and Analysis Equipment / Multi-Mask Exchange System

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

A. Short-Term Business Development Plans

- (A) Continue to deepen relationships with key clients and provide integrated technological solutions.
- (B) Expand the technical team and strengthen patent barriers to enhance technical capabilities.
- (C) Collaborate closely with suppliers to improve quality and establish mutually beneficial partnerships.
- (D) Continue the evolution of process management to build a highly efficient, stable, and high-quality manufacturing system.

B. Long-Term Business Development Plans

- (A) Focus on three main strategies: “deepening relationships with key clients,” “expanding new customers,” and “developing new markets” to maximize the benefits of innovative services and help clients succeed.
- (B) Develop smart factory automation technology, integrating precision machinery technology and automation control technology to create a new level of manufacturing.
- (C) Build a strong and complete supply chain, leveraging a vertical diversification strategy and a technological alliance supply system to co-create industry value.

2. Market and Sales Overview

(1) Market Analysis

A. Regions Where Major Products (Services) Are Sold (Provided)

Unit: NT\$ thousand; %

Item \ Year		2023		2024	
		Sales Amount	Percentage	Sales Amount	Percentage
Domestic Sales		879,304	72.84	868,258	66.69
Export Sales	Asia	117,131	9.70	227,157	17.45
	Europe	50,749	4.21	7,745	0.59
	Americas	159,961	13.25	198,765	15.27
	Subtotal	327,841	27.16	433,667	33.31
Total		1,207,145	100.00	1,301,925	100.00

Source: The Company.

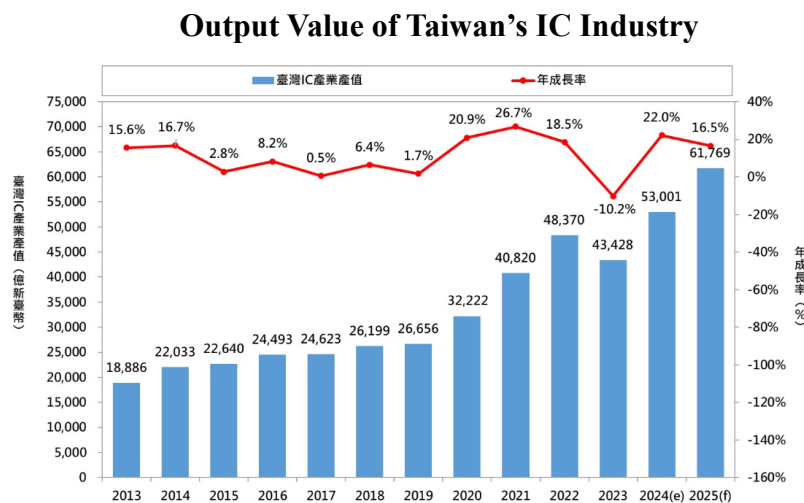
## B. Market Share

According to the “Year-End Total Semiconductor Equipment Forecast – OEM Perspective” released by SEMI at SEMICON Japan 2024, the sales amount of WFE (including wafer processing, mask, and fab facility equipment) are expected to grow by 5.4% in 2024, reaching \$101 billion.

The Company’s main clients are global semiconductor giants. In 2024, the Company achieved revenue of NT\$1,301,925 thousand, an 8% growth compared to the previous year. The Company’s market share in the global semiconductor front-end equipment market is approximately 0.04%. The business strategy focuses on deepening relationships with key clients while also expanding into new application areas and markets to gradually increase market share.

## C. Market Outlook on Supply, Demand, and Growth Trend

According to a forecast by the Industry, Science and Technology International Strategy Center (ISTI) of Industrial Technology Research Institute (ITRI), the output value of Taiwan’s semiconductor industry is expected to reach NT\$5.3 trillion in 2024, representing a 22.0% increase compared to 2023, outperforming the global market average. Driven by demand for AI and high-performance computing (HPC) applications, Taiwan’s semiconductor industry output value is projected to exceed NT\$6 trillion in 2025, with an estimated annual growth rate of 16.5%.



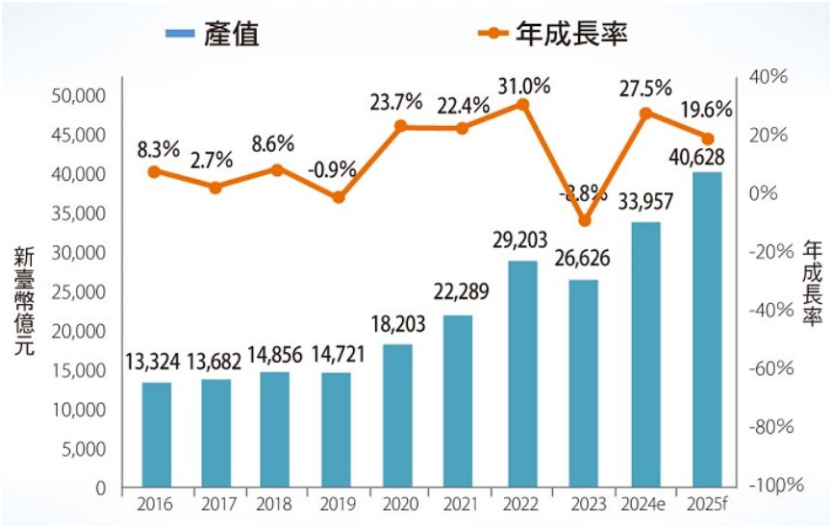
Source: ISTI, ITRI (2024/10)

In the field of IC manufacturing, with continuous advancements in semiconductor manufacturing technologies, 2024 will mark a significant turning point for the global and Taiwan IC manufacturing industries. The global IC manufacturing industry is facing several technological transformations, with major manufacturers accelerating the deployment of advanced process technologies.

Taiwan’s IC manufacturing industry continues to demonstrate its technological leadership on the global semiconductor landscape, largely benefiting from the rising demand for artificial intelligence (AI) and high-performance computing (HPC). The output of 3nm and 5nm chips is increasing, while 2nm chips will gradually start contributing in 2025.

Taiwan’s IC manufacturing output value is expected to reach a new high in 2024, reaching NT\$3.39 trillion, a 27.5% year-on-year growth. It is forecasted that in 2025, the output value will surpass NT\$4 trillion, with a 19.6% year-on-year growth.

Output Value of Taiwan’s IC Manufacturing Industry



Source: ISTI, ITRI (2024/10)

Semiconductor production equipment and components are the main growth engines of Taiwan’s semiconductor equipment industry. This industry includes both production and testing equipment and components, with semiconductor production equipment and components accounting for approximately 70% of the total. Benefiting from government initiatives to promote innovation and R&D programs, as well as encouraging both domestic and international semiconductor companies to invest in Taiwan and collaborate with each other, the localization and domestic production of equipment have been fostered, leading to rapid growth in the output value of semiconductor production equipment and components at double-digit rates since 2012.

With the mass production of the 5nm and 3nm process nodes by major international semiconductor manufacturers, and the gradual contribution of 2nm starting in 2025, the advancement of advanced processes will drive a significant increase in the number of EUV (Extreme Ultraviolet) lithography mask layers. As the patterns in lithography become finer, the risk of contamination on the reduced EUV masks, such as foreign dust and chemical residues, also increases. The reduced EUV masks are fine and susceptible to damage. Whether it’s a necessary part in the process, such as a robotic arm, or unexpected contaminants, such as human hair, any contact with the reduced EUV mask can potentially cause damage. As the demand for protecting these high-cost EUV masks grows, it has become a key focus in the development of semiconductor manufacturing processes, thereby driving the demand for the Company’s EUV mask-related peripheral equipment. As the semiconductor industry continues to globalize, this trend is expected to contribute to the Company’s robust business growth in the future.

D. Competitive Strengths, Favorable and Unfavorable Factors of Development Prospects, and Countermeasures

(A) Competitive Strengths

a. Product Certification by Customers

Semiconductor equipment has a high technical threshold and difficult certification processes. To become a qualified supplier for semiconductor manufacturers, it requires considerable time for communication, coordination, and technical validation to establish trust with customers. Once adopted, it is difficult for other suppliers to enter the market. With its superior technological capabilities, the Company has successfully entered the supply chain of leading global wafer manufacturers.

b. Partnership with Customers

The Company has established a mutually trusting partnership with major domestic and international semiconductor companies. At the initial stage of understanding customer needs, the Company works closely with customers to discuss and communicate product development specifications, providing the most comprehensive technical solutions to help customers succeed. This win-win partnership ensures stable business growth for the Company.

c. Synergy from Group Resources

As part of the Gudeng Group, the Company benefits from the group's business channels, technical support, professional talent, and shared management and operational experience. This synergy contributes to the Company's business expansion, technology integration, and the establishment of a strong professional team, further ensuring efficient operations.

(B) Favorable and Unfavorable Factors of Development Prospects and Countermeasures

a. Favorable Factors

(a) Rise of AI, 5G Communications, Cloud Computing, and Electric Vehicles

With the ongoing global trend of technological innovation, various industries are undergoing transformation and growth. Emerging technologies such as the Internet of Things (IoT), AI (Artificial Intelligence), 5G communications, cloud computing, and electric vehicles are benefitting the semiconductor industry, which plays a pivotal role at the core, resulting in a continued and significant growth in demand.

(b) High Technical Barriers in the Semiconductor Supply Chain

Semiconductor equipment has high technical barriers, and obtaining certification is not easy. As a result, entering the qualified supplier system for semiconductor manufacturers requires considerable time for communication, collaboration, and technical validation. Once adopted, competition with other suppliers will become less intense. The Company, with its excellent technical capabilities, extensive service, and manufacturing experience, has successfully entered the supply chains of several international semiconductor manufacturers, which is favorable for the future expansion of its products and services.

(c) Establishment of a Complete Manufacturing Supply Chain

With years of experience in the semiconductor field, both the Company and its parent group have solid business channels and technical expertise. In addition to the group's own production, sales, and R&D capabilities, the Company also supports the manufacturing capabilities of its partner suppliers. Through stable and long-term cooperative relationships, both sides can improve product quality and yield, thereby building a stable industrial supply chain.

b. Unfavorable Factors

The Company's products, which are used in mask-related semiconductor equipment and components for the photolithography process, are primarily sold to wafer foundries and memory manufacturers. Therefore, the Company's order intake is closely tied to the semiconductor industry's business cycle, and its operations are affected by the capital expenditure demand in the semiconductor industry. The semiconductor market is influenced by economic cycles, and product demand can change rapidly. Consequently, if wafer manufacturers face an economic downturn or overcapacity, they are likely to reduce capital expenditures, which would lead to a decrease in orders for the Company, thereby impacting revenue and profitability.

Countermeasures:

- (a) The Company has extensive experience in equipment development, design, and manufacturing, with a rich track record and multiple patents. In addition to strengthening production process management to improve product quality and efficiency while reducing production costs, the Company promotes effective management practices. Furthermore, the Company continues to invest in optimizing product design and development, enhancing product technology and addressing the technical needs of end customers. The Company also collaborates strategically with international equipment manufacturers to expand its new product development areas and meet the demands of new customers.
- (b) The Company's products have a wide range of applications. In addition to their use in wafer foundries and DRAM manufacturing plants, the Company is also expanding into semiconductor backend manufacturing and plant automation for smart manufacturing. Additionally, the Company enhances existing products by improving their specifications, actively develops new products, and adjusts its business strategies to expand into new markets. These efforts aim to ensure that the Company's operations continue to grow despite changes in the economic environment and industry.

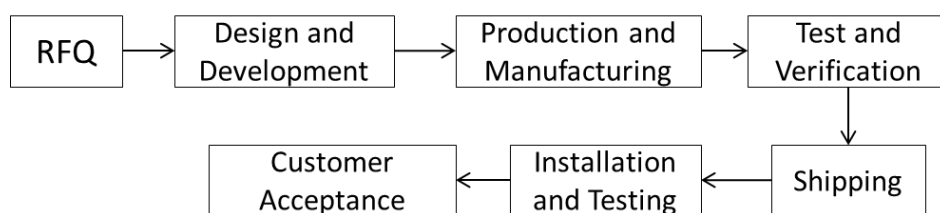
(2) Important Applications and Production Process of Major Products

A. Important Applications of Major Products

Major Products	Applications
Machinery and Equipment	Applied in EUV and advanced mask processes, including mask cleaning, exchange, and inspection, as well as automation in micro-environment storage and intelligent warehousing management.



## B. Production Process of Major Products



### (3) Supply Status of Major Raw Materials

Major Raw Materials	Primary Suppliers	Supply Status
Electrical Materials	Domestic Suppliers	Good
Metal Components	Domestic Suppliers	Good
Electrical Control and Piping Components	Domestic Suppliers	Good

### (4) List of Major Suppliers (Customers)

#### A. Suppliers Whose Purchase Volumes Accounted for More Than 10% of Annual Net Purchases in Any of the Most Recent Two Years, and an Explanation of the Reasons for the Changes

Unit: NT\$ thousand

Item	2023				2024			
	Name	Amount	Percentage of Total Net Purchases (%)	Relationship with the Issuer	Name	Amount	Percentage of Total Net Purchases (%)	Relationship with the Issuer
1	Supplier A	68,346	12.80%	None	Supplier A	59,142	12.15%	None
2	-	-	-	-	Supplier B	56,564	11.62%	Related Party
-	Others	465,427	87.20%	-	Others	370,984	76.23%	-
-	Total Net Purchases	533,773	100.00%	-	Total Net Purchases	486,690	100.00%	-

Reason for increase or decrease: The changes of purchase amount and percentage were mainly due to customer product demand change.

#### B. Customers Whose Order Volumes Accounted for More Than 10% of Annual Net Sales in Any of the Most Recent Two Years, and an Explanation of the Reasons for the Changes

Unit: NT\$ thousand

Item	2023				2024			
	Name	Amount	Percentage of Total Net Sales (%)	Relationship with the Issuer	Name	Amount	Percentage of Total Net Sales (%)	Relationship with the Issuer
1	Group B	393,741	32.62%	None	Group A	630,988	48.47%	None
2	Group A	277,381	22.98%	None	Group B	405,367	31.14%	None
3	Group G	260,897	21.61%	None	Group G	50,460	3.88%	None
-	Others	275,126	22.79%	-	Others	215,110	16.51%	-
-	Total Net Sales	1,207,145	100.00%	-	Total Net Sales	1,301,925	100.00%	-

Reason for increase or decrease: The changes of sales amount and percentage were mainly due to customer product demand change.

### 3. Information of Employees in the Most Recent Two Years and Up to the Publication Date of the Annual Report

Unit: Persons; Years; %

Item \ Year		2023	2024	2025 (as of March 31)
Number of Employees	General Staff	92	92	89
	R&D	36	34	35
	Total	128	126	124
Average Age		40	40	40
Average Years of Service		3.01	3.44	3.53
Educational Background Distribution (%)	Ph.D.	0.78	0.8	0.81
	Master's Degree	26.56	26.98	28.23
	Bachelor's / College Degree	71.88	70.63	69.35
	High School	0.78	1.59	1.61
	Below High School	-	-	-

### 4. Environmental Protection Expenditure Information

For the most recent year and up to the publication date of the annual report, the Company has not incurred any losses due to environmental pollution (including compensation or any penalties arising from violations of environmental protection regulations as a result of official inspections). Should such violations occur, the Company will disclose the date of disposition, document number, violated regulation, nature of the violation, and the content of the penalty. The Company will also disclose any currently known or potential future estimated amounts and corresponding response measures: None

### 5. Labor Relations

#### (1) Employee Welfare, Continuing Education, Training, Retirement System, Labor-Management Agreements, and Employee Rights Protection Measures

##### A. Employee Welfare Measures and Implementation Status

The Company is committed to creating a pleasant and competitive working environment. In addition to complying with statutory welfare requirements such as labor insurance, National Health Insurance, and leave entitlements under the Labor Standards Act, the Company has established an Employee Welfare Committee to coordinate and organize various welfare programs and recreational activities. Key measures include:

- (A) Group insurance for employees, including life insurance, accident insurance, health insurance, and cancer insurance, to provide risk protection and peace of mind.
- (B) Various subsidies and allowances such as maternity benefits, marriage benefits, condolence payments, holiday gifts, childcare subsidies, and emergency relief funds. The Company also implements an Employee Stock Ownership Trust (ESOT), with contributions from both employees and the Company, allowing for regular investments and long-term retirement fund accumulation.
- (C) Organization of diverse activities including annual year-end banquets or spring trips, interest clubs, massage therapy for stress relief, and departmental gatherings to foster a joyful and cohesive workplace.

(D) Additional friendly workplace measures such as regular health check-ups, wellness leave, on-site cafeteria, employee dormitories, parking spaces, and lactation rooms.

B. Continuing Education, Training and Development Programs, and Implementation Status

To enhance the quality of human resources, improve employee efficiency, and cultivate professional expertise, the Company provides a variety of learning channels tailored to different roles and career development needs. These include both internal training programs and external training opportunities, covering new employee onboarding, professional skills, general education, and regulatory certifications.

Training needs are identified through performance reviews and departmental meetings. Based on these evaluations, the Company develops corresponding training plans and succession programs, encouraging employees to actively participate in training to support personal career goals and enhance the organization's overall competitiveness.

In 2024, the Company conducted training for 518 participants, accumulating a total of 1,781 training hours, averaging 14 training hours per employee.

C. Retirement System and Implementation Status

In accordance with the Labor Pension Act (New Pension System), the Company contributes no less than 6% of each employee's monthly salary into their individual pension accounts managed by the Bureau of Labor Insurance. In addition, the implementation of the Employee Stock Ownership Trust (ESOT) further supports the accumulation of retirement savings.

There were no employee retirements during 2024.

D. Labor-Management Agreements and Employee Rights Protection Measures

The Company recognizes and adheres to international human rights conventions and local regulations, including the Universal Declaration of Human Rights, the UN Framework and Guiding Principles on Business and Human Right, the United Nations Global Compact, and the International Labour Organization Declaration on Fundamental Principles and Rights at Work. A formal "Human Rights Declaration" has been established to protect the fundamental rights of employees and stakeholders.

The Company has not established a labor union nor signed any collective bargaining agreements. Instead, it holds regular quarterly labor-management meetings to ensure transparent communication between both parties. Each year, through the materiality assessment process, the Company reviews its operations, value chain, and related activities to identify and assess potential human rights risks. Based on the findings, human rights management plans are formulated and continuously monitored, with ongoing improvements made to ensure effective implementation.

## Human Rights Policy and Implementation Measures

Human Rights Management Policy	Implementation Measures
Providing a Safe and Healthy Work Environment	<p>(A) Certified with ISO 14001 and ISO 45001 to ensure a safe working environment.</p> <p>(B) Conduct regular occupational safety and health training and awareness programs to help employees prevent injuries and health risks, enhancing safety awareness and personal protection capabilities.</p> <p>(C) Conduct regular employee health checkups and workplace environmental monitoring to ensure health is not affected by the work environment; professional health personnel are contracted to provide health management and occupational disease prevention to identify issues early and reduce absenteeism and risk of occupational disease.</p>
Eliminating Discrimination and Ensuring Equal Employment Opportunities	<p>(A) Established a DEI (Diversity, Equity, and Inclusion) Statement to express commitment to multiculturalism, respect each employee's uniqueness, and promote diversity.</p> <p>(B) Implement internal control procedures in accordance with local labor laws and regulations.</p> <p>(C) No discrimination in recruitment or evaluation based on race, class, language, ideology, religion, political affiliation, origin, birthplace, gender, sexual orientation, age, marital status, appearance, facial features, or disabilities.</p>
Prohibiting Forced Labor and Child Labor	<p>(A) Comply with local labor laws, respect employees' freedom to choose employment, and strictly prohibit forced labor or coercive practices.</p> <p>(B) All employment is voluntary, and employees retain the right to terminate the employment relationship at any time.</p> <p>(C) Strictly comply with labor laws to prohibit child labor; effective age verification is conducted during interviews before proceeding with hiring.</p>
Complying with Legal Standards for Wages and Working Hours	<p>(A) Overtime pay and statutory benefits are provided in accordance with regulations; pay slips clearly state salary structure, overtime pay, and deductions.</p> <p>(B) Working hours comply with Labor Standards Act and are outlined in the employee handbook. Overtime pay or compensatory leave is granted accordingly, and attendance is managed through an electronic system with automatic alerts for absences and abnormal working hours.</p>
Respecting Labor Rights and Promoting Inclusion	<p>(A) Open communication channels are provided. Labor-management representatives are appointed at each site in accordance with Regulations for Implementing Labor-Management Meeting, and employees may raise proposals at quarterly labor-management meetings.</p> <p>(B) Internal bulletin boards help employees quickly access key information, reducing communication errors and improving work efficiency.</p>
Zero Tolerance for Harassment and Retaliation	<p>(A) An employee ethics reporting mechanism is provided on the Company website. Reports can be made anonymously, and whistleblowers are protected from retaliation.</p> <p>(B) Measures for sexual harassment prevention, grievance, and disciplinary actions are in place. Annual training is provided to all employees.</p>

## E. Employee Remuneration

The Company has established relevant remuneration policies, including the “Remuneration Management Policy,” “Performance and Project Bonus Payment Policy,” and “Regulations Governing the Remuneration of Directors, Functional Committee Members, and Managerial Officers”. In accordance with Article 24 of the Company’s Articles of Incorporation, it is stipulated that: “If the Company makes a profit, it shall set aside no less than 3% of the balance as remuneration to the employees.”

Employee salary standards are determined based on local regulations, industry benchmarks, and the local cost of living, ensuring that no discrimination based on gender, race, language, religion, age, political affiliation, marital status, or other factors influences remuneration. In this equal and inclusive work environment, the starting salaries for both male and female employees are equal, though the final remuneration (base salary plus additional pay) may vary depending on seniority, experience, or job responsibilities.

Employee remuneration consists of base salary, meal allowances, various bonuses, and other benefits. An annual salary adjustment is made based on the Company’s operational performance, market salary surveys, and individual performance. Performance-based bonuses are awarded to employees based on their performance to motivate staff, encourage talent, and foster company growth, thereby maintaining overall salary competitiveness.

- (2) For the most recent year and up to the publication date of the annual report’s, the Company has not experienced any losses due to labor disputes (including violations of Labor Standards Act identified in labor inspections, specifying the date of the penalty, penalty reference number, violated legal provisions, violation details, and penalty content). Furthermore, any estimated amount of potential losses or response measures to address future labor disputes is not reasonably estimated: None.

## 6. Information Security Management

- (1) Description of the Information Security Risk Management Framework, Information Security Policies, Specific Management Plans, and Resources Invested in Information Security Management:

### A. Information Security Risk Management Framework

The Company uses an information security governance framework as a guiding and controlling system for the organization’s information security activities. The goal is to ensure that information security aligns with the organization’s operational objectives and strategies, and to ensure that information security is consistent with business objectives. The framework is structured to continuously provide feedback from top to bottom to reduce information security risks.

- Management Level: The Company has established an “Information Security Management Committee” to address the threats the organization faces, decide on response measures and their priorities, and coordinate the formulation, implementation, risk management, and compliance audits of information security policies.
- Operational Level: An “Information Security Promotion Team” has been set up to implement the Company’s information security-related policies, enforce incident reporting and response procedures according to the management’s directives, and assign roles and responsibilities to the team. The Management Information System (MIS) Department serves as

the execution unit, with the department's highest-ranking official designating subgroups and assigning tasks.

**B. Information Security Policies**

The Company has established information security management standards that comply with regulations, provides a trustworthy information security management environment to maintain the legitimate use of information systems and data, ensures that the Company's business operations continue smoothly, and achieves the Company's information security objectives.

**C. Specific Management Plans**

- (A) Business (Information) Confidentiality, Integrity, and Availability
- (B) Information Infrastructure, Information Systems, and Data Backup Management
- (C) Personnel Security Management and Information Security Education and Training
- (D) Handling Information Security Management Incidents
- (E) Account and Password Identity Authentication Management
- (F) Information System Inventory and Risk Assessment
- (G) Annual Social Engineering Drills for Email Security
- (H) Regularly Commissioning External Experts for Security Ratings and Vulnerability Scanning
- (I) Regularly Commissioning External Experts for Security Audits

**D. Resources Invested in Information Security Management**

- (A) Firewall Updates and Adoption of Multi-Factor Authentication Technology
  - (B) Procurement of New Servers to Strengthen Offsite Backup Mechanisms
  - (C) Use of Portable Antivirus Products to Enhance the Security of Equipment Before Shipment
  - (D) Subscription Renewal for Antivirus Software and System Updates for Personal Computers
  - (E) Second Review of System Access Permissions
  - (F) Conducting Two Rounds of Social Engineering Drills
  - (G) Providing Information Security Education and Training to Employees
  - (H) Commissioning External Experts for a Second Round of Security Audits
  - (I) Commissioning External Experts for a Security Rating and Vulnerability Scanning
  - (J) Information Security Personnel Attending External Professional Training for Five Days
- (2) Indicate the Losses, Potential Impact, and Response Measures from Major Information Security Incidents in the Most Recent Year and Up to the Publication Date of the Annual Report: None.

## 7. Material Contracts

Contract Type	Counterparty	Contract Period	Key Terms	Restrictive Clauses
Loan Agreement	Taipei Fubon Commercial Bank	2024/12/12 – 2027/12/12	Mid-term loan facility of NT\$100 million	None
Loan Agreement	Taiwan Cooperative Bank	2024/11/04 – 2026/11/04	Mid-term loan facility of NT\$100 million	None
Lease Agreement	Gudeng Precision Industrial Co., Ltd.	2023/01/01 – 2027/12/31	Tainan Plant Lease (I)	None
Lease Agreement	Gudeng Precision Industrial Co., Ltd.	2023/01/01 – 2027/12/31	Tainan Plant Lease (II)	None
Lease Agreement	Gudeng Precision Industrial Co., Ltd.	2024/01/01 – 2024/12/31	New Taipei Office Lease	None
Lease Agreement	Bao Zhong Ting Yi-Min Senior High School Consortium	2022/12/01 – 2028/12/31	Zhubei Office Lease (I)	None
Lease Agreement	Bao Zhong Ting Yi-Min Senior High School Consortium	2023/01/01 – 2028/12/31	Zhubei Office Lease (II)	None
Lease Agreement	Contrel Technology Co., Ltd.	2023/02/01 – 2024/01/31	Warehouse Lease	None
Lease Agreement	Avex-SG Technology Inc.	2023/07/01 – 2025/06/30	Warehouse Lease	None
Lease Agreement	Mr. Lin	2023/05/18 – 2025/05/17	Warehouse Lease	None
Lease Agreement	Southern Taiwan Science Park Bureau, NSTC	2024/07/01 – 2045/06/30	Land Lease for New Southern Taiwan Plant	None
Construction Contract	J.S. Lin Architects & Associates	2024/09/30 – until permit application	Design Commission for New Southern Taiwan Plant	None
Construction Contract	Liusen Architect Office	2024/12/06 – 2026/06/08	Project Management and Supervision Services for New Plant	None
Construction Contract	Verizon Construction Co., Ltd.	2024/12/06 – 2026/09/06	Construction of New Southern Taiwan Plant	None

## V. Review and Analysis of Financial Status and Financial Results and Risk Items

### 1. Analysis of Financial Position

Unit: NT\$ thousand

Item \ Year	2023	2024	Difference	
			Amount	%
Current Assets	1,708,726	2,370,597	661,871	38.73
Financial Assets at Amortized Cost - Non-Current	-	8,500	8,500	NA
Investments Accounted for Using the Equity Method	7,543	8,257	714	9.47
Property, Plant, and Equipment	76,461	72,951	(3,510)	(4.59)
Right-of-Use Assets	37,797	143,403	105,606	279.40
Intangible Assets	29,101	25,432	(3,669)	(12.61)
Other Assets	21,086	21,900	814	3.86
Total Assets	1,880,714	2,651,040	770,326	40.96
Current Liabilities	1,112,712	948,092	(164,620)	(14.79)
Non-Current Liabilities	34,695	132,678	97,983	282.41
Total Liabilities	1,147,407	1,080,770	(66,637)	(5.81)
Share Capital	272,976	300,146	27,170	9.95
Capital Surplus	93,495	785,742	692,247	740.41
Retained Earnings	367,221	484,250	117,029	31.87
Other Equity	(385)	132	517	134.29
Total Equity	733,307	1,570,270	836,963	114.14
<p>A. Explanation of significant change of item (The changed by more than 20%, and the amount more than 10 million.</p> <p>(A) Increase in current assets: The increase was mainly due to the cash capital raised for the TPEx listing.</p> <p>(B) Increase in right-of-use assets: The increase was mainly due to the new land leasing initiative at the Southern Science Park.</p> <p>(C) Increase in non-current liabilities: The increase was mainly due to the new land leasing initiative at the Southern Science Park.</p> <p>(D) Increase in capital surplus: The increase was mainly due to the cash capital raised for the TPEx listing.</p> <p>(E) Increase in retained earnings: The increase was mainly due to increase in net profit after tax.</p> <p>B. Its impact and future response plans:</p> <p>The above changes do not have a significant adverse impact on the Company; therefore, there is no need to formulate a response plan.</p>				



## 2. Financial Performance

Unit: NT\$ thousand

Item \ Year	2023	2024	Difference	
			Amount	%
Net Revenue	1,207,145	1,301,925	94,780	7.85
Operating Costs	621,607	728,196	106,589	17.15
Gross Profit	585,538	573,729	(11,809)	(2.02)
Operating Expenses	325,504	300,430	(25,074)	(7.70)
Operating Income	260,034	273,299	13,265	5.10
Non-Operating Income and Expenses	17,281	32,648	15,367	88.92
Income Before Income Tax	277,315	305,947	28,632	10.32
Income Tax Expenses	49,072	66,201	17,129	34.91
Net Income	228,243	239,746	11,503	5.04
A. Explanation of significant change of item (The changed by more than 20%, and the amount more than 10 million. (A) Increase in non-operating income and expenses: The increase was mainly due to the foreign exchange and higher interest income. (B) Increase in Income Tax Expenses: The increase was mainly due to the increase in profits. B. Sales volume forecast and related information for additional details: Please refer to "I. Letter to Shareholders".				

## 3. Cash Flow

Unit: NT\$ thousand

Cash Balance 12/31/2023 (1)	Net Cash Provided by Operating Activities in 2024 (2)	Net Cash Used in Investing Activities in 2024 (3)	Net Cash Generated by Financing Activities in 2024 (4)	Effect of Exchange Rate Changes on Cash and Cash Equivalents in 2024 (5)	Cash Balance 12/31/2024 (1)+(2)+(3)+ (4)+(5)	Remedy for Liquidity Shortfall	
						Investment Plan	Financing Plan
997,697	63,842	(316,502)	559,809	17,204	1,322,050	None	None

### (1) Analysis of Cash Flow

- A. NT\$63,842 thousand in net cash generated from operating activities, mainly attributable to net income.
- B. NT\$316,502 thousand in net cash used in investing activities, mainly attributable to an increase in time deposits with maturities of over three months.
- C. NT\$559,809 thousand in used in financing activities: Mainly attributable to a secondary public offering (SPO).

(2) Remedial Actions for Liquidity Shortfall: Not applicable.

(3) Cash Flow Projection for Next Year: Not applicable.

#### 4. Major Capital Expenditures and Impact on Financial and Business in the Most Recent Year

Since July 2024, the Company has leased land from the Southern Taiwan Science Park Bureau, NSTC to plan to construct a new plant. Currently, the project is in its initial investment phase and has not significantly impacted our financial structure or business operations.

#### 5. Recent Investment Policies, Major Reasons for Profit or Loss, Improvement Plans, and Investment Plans for the Coming Year

##### (1) Investment Policy

The Company's investment policy is based on considerations of sustainable operations and business growth. Investments are directed toward businesses that are beneficial to the development of the Company's core operations or the expansion of its business scope. The Company has established an "Investment Cycle" and the "Procedures for Acquisition or Disposal of Assets" to serve as the basis for investment activities, enabling effective oversight of relevant financial and operational conditions.

##### (2) Major Reasons for Profit or Loss of Investee Companies in the Most Recent Year and Improvement Plans

Unit: NT\$ thousand

Investee Company	Main Business Activities	Investment Gain/Loss Recognized in 2024	Major Reasons for Profit or Loss	Improvement Plans
ShoWa Precision Co., Ltd.	Manufacturing and sales of physical vapor deposition (PVD) equipment and related components for semiconductor processes.	(4,547)	Market demand fluctuations	Continue expanding customer base and applications
Gudeng Inc.	Engaged in the business of various electronic components	197	Stable operations	None

##### (3) Investment Plans for the Coming Year: None.

#### 6. Risk Management

##### (1) For the Most Recent Year Up to the Publication Date of the Annual Report, the Impact of Fluctuation in Interest Rates, Foreign Exchange Rates, and Inflation on Net Income of the Company and Future Response Measures

##### A. Impact of Interest Rate Fluctuations and Response Measures

For 2023 and 2024, the net interest income and expense as a percentage of annual net revenue were 0.81% and 1.31%, respectively. This proportion is relatively small; thus, interest rate fluctuations have not had a significant impact on the Company's profit and loss. The Company regularly evaluates market interest rates and financial information in order to take appropriate measures in a timely manner. Based on the cost of funds and the potential rewards and risks, the Company selects the most favorable financing methods to reduce the risks caused by interest rate fluctuations.

## B. Impact of Foreign Exchange Rate Fluctuations and Response Measures

For 2023 and 2024, the net foreign exchange gain or loss as a percentage of annual net revenue was 0.48% and 1.37%, respectively. As the Company primarily conducts transactions in New Taiwan Dollars, fluctuations in exchange rates have had limited impact on the Company's profit and loss.

To manage the risk of exchange rate fluctuations, the Finance Department regularly collects exchange rate information and maintains close communication with banks to stay well-informed on exchange rate trends. The Company adjusts its foreign exchange holdings as needed based on changes in exchange rates, aiming to mitigate the impact of such fluctuations.

## C. Impact of Inflation and Response Measures

The Company's products are not basic consumer goods, so inflation does not have a significant impact on the Company's profit and loss. The Company will continue to closely monitor changes in the price index, depending on the impact of inflation on the Company, will adjust production and sales strategies as needed to minimize the effects of inflation.

### (2) For the Most Recent Year up to the Publication Date of the Annual Report, Policies, Main Causes of Gain or Loss, and Future Response Measures with Respect to High-Risk, Highly-Leveraged Investments, Lending of Funds to Others, Endorsements and Guarantees, and Derivatives Transactions

#### A. Policies, Main Causes of Gain or Loss, and Future Response Measures with Respect to High-Risk, Highly-Leveraged Investments

The Company is focused on its core business operations and has not engaged in any high-risk or highly-leveraged investments in the most recent year and up to the publication date of the annual report. Furthermore, the Company has established the "Procedures for Acquisition or Disposal of Assets", which provide a framework for risk management across various types of investments. As a result, such activities have not had any adverse impact on the Company.

#### B. Policies, Main Causes of Gain or Loss, and Future Response Measures with Respect to Lending of Funds to Others

The Company did not engage in any lending of funds to others in the most recent year and up to the publication date of the annual report. Should the Company engage in such activities in the future, it will comply with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and the Company's internal "Procedures for Lending Funds to Others."

#### C. Policies, Main Causes of Gain or Loss, and Future Response Measures with Respect to Endorsements and Guarantees

The Company did not provide any endorsements or guarantees in the most recent year and up to the publication date of the annual report. In the event that such activities are undertaken in the future, the Company will comply with the "Regulations Governing Loaning of Funds and Making of

Endorsements/Guarantees by Public Companies” and the Company’s internal “Procedures for Making Endorsements and Guarantees.”

D. Policies, Main Causes of Gain or Loss, and Future Response Measures with Respect to Derivative Transactions

The Company has focused on its core business operations and did not engage in any derivative transactions in the most recent year and up to the publication date of the annual report. The Company has established the “Procedures for Acquisition or Disposal of Assets,” which set out a risk management framework for derivative financial instruments. Moving forward, the Company will continue to prudently evaluate the necessity and associated risks of engaging in derivative transactions. These activities have not had any adverse impact on the Company.

(3) Future R&D Plans and Estimated R&D Expenditures

The Company’s R&D initiatives are focused on developing technical solutions for Extreme Ultraviolet (EUV) lithography masks and advanced automation systems for mask handling, as well as equipment development related to Physical Vapor Deposition (PVD) processes in the semiconductor industry. All R&D projects and their progress are being carried out in accordance with the Company’s internal project management plans. Going forward, the Company will continue to allocate R&D resources in line with advancements in semiconductor technologies and market demands, aiming to secure a leading position in R&D capabilities by leveraging key factors such as talent, capital, and technology. The Company expects to maintain R&D expenditures at a consistently significant level and will gradually increase investments based on operational performance.

(4) Impact of Significant Domestic and International Policy or Legal Changes on the Company’s Finance and Operations, and Response Measures

The Company closely monitors any significant domestic and international policy or legal changes that may affect its financial and business operations. Relevant information is collected and provided to the management team as a reference for decision-making. In the most recent year and up to the publication date of this annual report, no major adverse impact on the Company’s finance or operations has been identified resulting from such changes.

(5) Impact of Technological Changes (Including Cybersecurity Risks) and Industry Developments on the Company’s Finance and Operations, and Response Measures

The Company remains attentive to technological changes and developments in its industry to swiftly respond to industry dynamics. Efforts continue to be made to enhance in-house R&D capabilities and expand potential market applications. The Management Information System (MIS) Department has been established to ensure the confidentiality, integrity, and availability of the Company’s information assets in accordance with applicable regulations. The Company also enforces strict information security management practices to address technological changes, including cybersecurity risks, and industry developments. In the most recent year and up to the publication date of the annual report, no significant impact on the Company’s finance or operations has resulted from such changes.

(6) Impact of Changes in Corporate Image on Crisis Management and Response Measures

Since its establishment, the Company has upheld its commitment to integrity, technological innovation, quality improvement, and customer satisfaction. It places great importance on maintaining a positive corporate image, complies with all applicable laws and regulations, and continuously enhances operational management quality and performance. Up to the publication date of the annual report, there have been no incidents in which changes in corporate image have posed a crisis management challenge to the Company.

(7) Expected Benefits, Potential Risks, and Countermeasures Related to Mergers and Acquisitions

The Company did not have any merger or acquisition plans in the most recent year and up to the publication date of the annual report.

(8) Expected Benefits, Potential Risks, and Countermeasures Related to Plant Expansion

In response to operational needs and future business development, the Company's Board of Directors approved a plant construction budget of NT\$1,093,120 thousand on May 2, 2024, and plans to lease land from the Southern Taiwan Science Park Bureau, NSTC starting July 2024 for the construction of a new plant. The expected increase in production capacity from the new plant is anticipated to enhance the Company's overall business development and competitiveness. All plant expansion plans by the Company and its subsidiaries undergo comprehensive and prudent evaluations conducted by designated responsible units, taking into full consideration investment returns and potential risk mitigation strategies.

(9) Risks and Countermeasures Related to Purchase or Sales Concentration

A. Purchase Concentration

In the most recent year and up to the publication date of the annual report, no single supplier accounted for more than 13% of the Company's total purchases; therefore, there was no significant purchase concentration. The Company continues to maintain strong relationships with existing suppliers while actively developing new ones, aiming to diversify its supplier base and reduce the risk of material shortages.

B. Sales Concentration

In 2023 and 2024, the Company's largest customer accounted for 33% and 48%, respectively, of total net sales. Although sales were concentrated, the customer is a major international automation equipment manufacturer. The increase in sales is attributable to recognition of the Company's products and technologies by this customer, and the corresponding accounts receivable have been collected as scheduled. To mitigate the risk of sales concentration, the Company is actively developing new customers and expanding the range of products offered to existing clients.

(10) Impact, Risks, and Countermeasures of Significant Share Transfers or Changes Involving Directors, Supervisors, or Major Shareholders Holding Over 10% of Shares: None.

(11) Impact, Risks, and Countermeasures of Changes in Control of the Company: None.

(12) Lawsuits or Non-litigation and Administrative Disputes

A. Lawsuits, Non-litigation, or Administrative Disputes that are Final Judgments or Currently Pending, Which May Have a Significant Impact on Shareholders' Interests or Stock Prices: None.

B. Lawsuits, Non-litigation, or Administrative Disputes Involving Directors, Supervisors, General Managers, Substantial Responsible Persons, Major Shareholders Holding More than 10% of Shares, or Subsidiaries, Which May Have a Significant Impact on Shareholders' Interests or Stock Prices:

Except for Gudeng Precision Industrial Co., Ltd. (hereinafter referred to as "Gudeng"), a corporate director and major shareholder holding more than 10% of the Company's shares, who is currently involved in the following lawsuit, there are no other ongoing lawsuits, non-litigation, or administrative disputes involving other personnel. The related evaluation and analysis are as follows:

(A) Gudeng v. Entegris, Inc.: Gudeng claims that its patent (Republic of China Invention No. I238804) has been infringed by Entegris, Inc., who have used the patent without authorization to manufacture, sell, or offer for sale products, such as wafer transport boxes and extreme ultraviolet (EUV) mask boxes. On November 30, 2021, Gudeng filed a lawsuit with the Intellectual Property and Commercial Court, seeking damages of NT\$100 million from the defendants for infringing on Gudeng's patent rights. Additionally, Gudeng requested that the defendants cease manufacturing, selling, or offering the infringing products and that such products be destroyed. The first-instance court ruled against Gudeng, and after appealing, the second-instance court dismissed the appeal on August 30, 2024, citing no grounds for the appeal. Gudeng filed an appeal to the Supreme Court on September 30, 2024, and the case is currently under review. Since Gudeng is the plaintiff in this case, the financial and business impact on the Company is not expected to be significant.

(B) Entegris, Inc. v. Gudeng: Entegris filed a lawsuit with the Intellectual Property and Commercial Court, seeking damages of NT\$30 million from the defendants for infringing on Entegris, Inc.'s patent rights (Republic of China Invention No. I830642). Gudeng received the lawsuit notice on May 15, 2024, and the first-instance proceedings are underway in the Intellectual Property Court. This case is still pending, but after evaluation, no significant impact on the Company's operations or finances is anticipated.

(C) Gudeng v. Former Employee (Labor Dispute): A former employee of Gudeng named Mr. Luo claims that he was involved in a car accident during work and suffered a workplace injury. He has filed a lawsuit requesting compensation for the wage differences and unpaid labor

retirement pension contributions totaling NT\$463 thousand for the period from September 2020 to September 2022. However, the Labor Affairs Department has determined that the period of workplace injury is only seven months, not two years as claimed by Mr. Luo. Therefore, Gudeng filed a counterclaim in July 2024 based on unjust enrichment under Article 179 of the Civil Code, seeking compensation for overpaid wages of NT\$902 thousand for the extra year and five months. The case is still under court review and has not yet been concluded.

In summary, these lawsuits are civil disputes arising from business operations involving the corporate director and major shareholder. After evaluation, they are not expected to affect the Company's financial operations, shareholders' interests, or stock price significantly.

(13) Other Significant Risks and Response Measures: None.

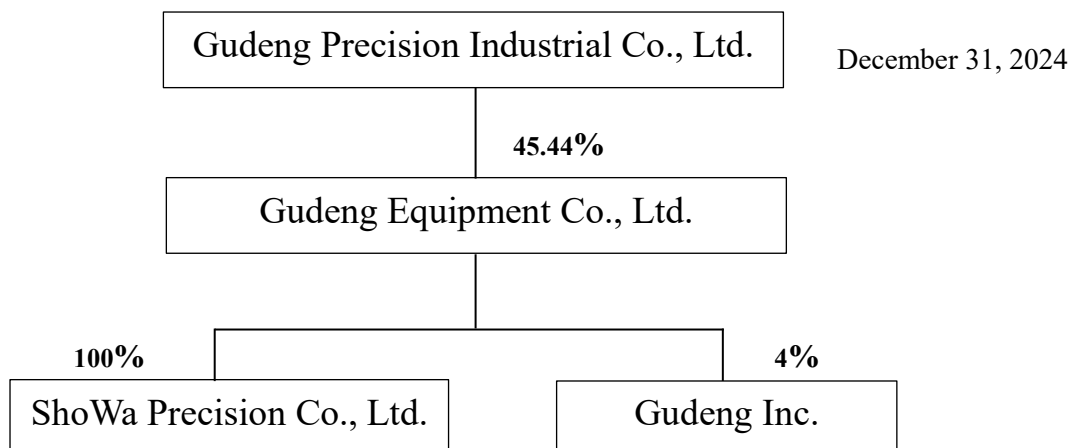
7. Other Important Matters: None.

## VI. Special Disclosure

### 1. Summary of Affiliates

#### (1) Consolidated Business Reports with Affiliates

##### A. Organizational Chart of Affiliates



##### B. Basic Information of Affiliates

December 31, 2024 Unit: NT\$ thousand, unless stated otherwise

Company Name	Date of Incorporation	Address	Paid-up Capital	Main Business Activities or Products
Gudeng Precision Industrial Co., Ltd.	87.03	9F.-5, No. 2, Sec. 4, Zhongyang Rd., Tucheng Dist., New Taipei City, Taiwan	958,505	Mask and Wafer Solution Products
ShoWa Precision Co., Ltd.	103.2	No. 106, Sec. 2, Fuxing 3rd Rd., Zhubei City, Hsinchu County, Taiwan	37,732	Manufacturing and sales of physical vapor deposition equipment and related components for semiconductor processes.
Gudeng Inc.	108.12	1798 Technology DR, #298 San Jose, CA, 95110	USD 5,200	Engaging in various electronic component businesses.

##### C. Information Regarding the Same Shareholders of Those Who Are Presumed to Have Controlling and Subordinate Relationships: None.

##### D. Industries Covered by the Business Operation of Affiliates

Company Name	Businesses Scope	Division of Work
Gudeng Precision Industrial Co., Ltd.	The design, manufacturing, and sales of semiconductor masks and wafer-related carrier products.	Mask and Wafer Solution Products
ShoWa Precision Co., Ltd.	PVD vacuum technology for semiconductors and panels, design and transformation of related machines	Manufacturing and sales of physical vapor deposition equipment and related components for semiconductor processes.
Gudeng Inc.	Engaging in various electronic component businesses.	U.S. Investee Company



## E. Information on Directors, Supervisors, and General Managers of Affiliates

December 31, 2024; Unit: thousand shares

Name of Affiliates	Title	Name or Representative	Shareholding	
			Number of Shares	%
Gudeng Precision Industrial Co., Ltd.	Chairperson & CEO	Ming-Chien Chiu	-	-
	Vice Chairperson & General Manager	Tien-Jui Lin		
	Director	Chung-Peng Huang		
	Director	Chih-Fang Wei		
	Director	Hui-Sen Hu		
	Independent Director	Jung-Chin Shen		
	Independent Director	Shu-Fang Ou		
	Independent Director	Wen-Hao Lo		
	Independent Director	Chia-Hung Chin		
ShoWa Precision Co., Ltd.	Chairperson	Gudeng Equipment Co., Ltd. Representative: Yin-Feng Chan	3,773	100%
Gudeng Inc.	Representative	Ming-Chien Chiu	208	4%

## F. Operating Status of Affiliates

December 31, 2024 Unit: NT\$ thousand, except earnings per share, unless stated otherwise

Name of Affiliates	Capital	Total Assets	Total Liabilities	Net Worth	Net Revenue	Operating Income (Loss)	Net Income (Loss) (After Tax)	Earnings (Loss) Per Share (After Tax)
Gudeng Precision Industrial Co., Ltd.	958,505	17,298,775	7,283,978	10,014,797	4,445,156	790,261	1,167,778	12.18
ShoWa Precision Co., Ltd.	37,732	46,686	8,365	38,321	25,885	(4,829)	(3,704)	(0.98)
Gudeng Inc.	USD5,200	USD8,400	USD2,104	USD6,296	USD2,248	USD(338)	USD154	USD 0.03

(2) Consolidated Financial Statements of Affiliates: Please refer to the disclosures available on the Market Observation Post System (MOPS) for further information.

(3) Relationship Report: Please refer to the disclosures available on the Market Observation Post System (MOPS) for further information.

2. Private Placement of Securities in the Most Recent Year and Up to the Publication Date of the Annual Report: None.

3. Other Necessary Supplements: None.

**VII. If There Are Any Events That Have a Significant Impact on Shareholders' Equity or Securities Prices as Stipulated in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act in the Most Recent Year and Up to the Publication Date of the Annual Report: None**

Gudeng Equipment Co., Ltd.

Chairperson: Ming-Chien Chiu