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Sinher Technology Inc.

2025 Annual Report

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   Chen-Jung Chen
   Manager, Finance Department
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   2. Branch: Not Applicable

3. Agent for Stock Affairs:
   Name: Mega Securities Co., Ltd. – Stock Transfer Department
   Address: 1F, No. 95, Sec. 2, Zhongxiao E. Rd., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.)
   Website: http://www.emega.com.tw
   Tel: 886-2-3393-0898

4. Auditors and Audit Agency:
   Certified auditors: Kuan-Ying Kuo、Hsing-Fu Yen
   Audit agency: KPMG Taiwan
   Address: 68F, No. 7, Section 5, Xinyi Rd., Taipei City 110, Taiwan (R.O.C.)
   Website: http://www.kpmg.com.tw
   Tel: 886-2-8101-6666

5. GDR and Related Information: Not Applicable
6. Company website: http://www.sinher.com.tw

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1.Letter to Shareholders

Sinher Technology Co., Ltd.
2025 Annual Report

First of all, on behalf of the Sinher Technology management team, I would like to thank all shareholders for their support of the company.

In 2025, the global economic environment gradually stabilized, and the consumer electronics and business application markets rebounded. Driven by the business replacement cycle, the introduction of AI PC products, and the demand for high-performance computing, the notebook computer industry showed a moderate growth trend.

According to industry research institutions, global notebook computer shipments in 2025 were approximately 180 million units, an increase of approximately 2.2% year-on-year. However, it is estimated that in 2026, the company will face pressure from continued rising memory prices, as well as challenges from a temporary CPU supply shortage and price increases.Future global notebook computer shipments are expected to remain conservative and may decline.

Furthermore, international tariff policies, geopolitical risks, and supply chain restructuring will continue to influence the strategic adjustments of brand owners and system manufacturers, profoundly impacting global industrial layout and cooperation models. Our company will continue to strengthen diversified production location allocation and flexible supply capabilities to respond to future market changes.

The following is a summary report of the company's operating results for 2025 and operating plan for 2026.

I. 2025 Operating Results

(I) Operating Results and Financial Performance

Consolidated revenue for 2025 was NT$1,953,351,000, a decrease of 0.19% compared to NT$1,957,025,000 in 2024. Due to competitive pressure, the consolidated gross profit margin for 2025 was 14%, a decrease of 3% compared to 17% in 2024. The net profit margin for the period was(6%). Net profit after tax was NT$(123,413,000), a decrease of 272.93% compared to NT$71,367,000 in 2024. Basic earnings per share after tax were NT$(1.68).

(II) Research and Development Report

The company continues to promote automation and smart manufacturing upgrades. Through process optimization and equipment integration, it has effectively improved product quality stability and production efficiency, while reducing reliance on fluctuations in human resources, laying a solid foundation for future flexible capacity allocation. In terms of global footprint, the Vietnam and Thailand plants have gradually realized their production capacity benefits, which not only helps to diversify production risks but also strengthens the company's ability to serve European and American brand customers, positively contributing to the medium- and long-term revenue structure and customer relationship development.

Regarding product lines, the company continues to promote diversified development. In addition to notebook computer hinge products, it is also actively expanding into application areas such as servers, automotive, and industrial computers, reducing the impact of fluctuations in a single market on operations and creating new growth momentum.

In terms of innovation and R&D, the company continues to refine its folding and multi-stage hinge technologies and integrates gears, slide rails, and other diverse structural designs to meet the demands for lightweight, thin, and highly durable products, further enhancing product added value and market competitiveness.

II. 2026 Year Business Plan Overview

(I) Business Strategy

1. Continuously optimize supply chain management, balancing cost, quality, and delivery stability.
2. Deepen automation and smart manufacturing deployment to improve production efficiency and yield.
3. Expand diversified product application markets and increase the proportion of non-laptop

revenue.

4. Strengthen strategic partnerships with key customers.

(II) Key Production and Sales Policies

1. Continuously invest in R&D resources to enhance product differentiation and innovation capabilities.
2. Actively promote the deepening and integration of overseas operations to mitigate geopolitical risks.
3. Strengthen market penetration in the Asia-Pacific region and focus on high-value-added product lines in the European and American markets.

(III) Impact of External Competitive Environment, Regulatory Environment, and Overall Operating Environment

1. Facing intensified market competition, enhance overall competitiveness through strategic alliances and supply chain integration.
2. Continuously monitor regulatory changes in various countries and improve intellectual property rights and compliance management systems.
3. Actively promote the concept of sustainable operation and continue to invest in environmentally friendly materials, energy-saving processes, and carbon emission management.

III. Company's Future Operating Outlook and Objectives

2025 was a crucial year for Sinher Technology's continued transformation and upgrading. The company focused on product structure adjustment, market layout, and manufacturing efficiency improvement. Looking ahead to 2026, with the continued development of AI PCs, high-performance computing, and multi-form devices, the company will continue to grasp industry trends, strengthen its core technological advantages, and steadily promote operational growth. Faced with a rapidly changing market and technological environment, the company will continue to ensure timely response to customer needs and create long-term stable value for shareholders through accurate market analysis and forward-looking R&D layout.

We would like to once again express our gratitude to all shareholders for their support and trust. Our management team will continue to strive to achieve even better operating performance in the coming years and realize the company's goal of sustainable development.

Board Chairman: Ting-Hung Su   Manager: Ting-Hung Su   Accountant: Chen-Jung Chen

2.Corporate Governance Repoert

2.1 Information of Board Members and Management Team - Board of Directors, Supervisors, President, Vice-President, Associate Directors, and Department and Branch Managers

1.1.1 Board of Directors:

A. 1. Name, experience and education, shareholding, and other information:

04/25/2026

Title (Note 1)	Nationality	Name	Gender	Date of appointment (office)	Tenure (year)	Date of initial appointment (Note 2)	Proportion of shareholding at the time of appointment		Proportion of shareholding at present		Proportion of shareholding by spouse and underage children		Proportion of shareholding under the title of a third party		Important experience (education) (Note 3)	Other positions of the company or other companies	Has a spouse or relative within two degrees of consanguinity serving as a manager, director, or supervisors at Sinher			Comment (Note 4)
							Quantity	%	Quantity	%	Quantity	%	Quantity	%			Title	Name	Relationship	
Board Chairman	R.O.C.	Ting-Hung Su	Male 66-70 Year old	2024/06/25	3	2001/12/31	6,028,359	8.10%	6,028,359	8.10%	1,521,000	2.04%	0	0	National Pei-Kang Agricultural & Industrial vocational High School Board Chairman, Daher Mold Co.	President, Sinher Technology Inc. Board Chairman, Daher Mold Co. Legal representative and executive director, Kunshan Wanhe Precision Electronics Co., Ltd. Legal representative and executive director, Sinher Technology (Vietnam) Co., Ltd. Legal representative and executive director, Sinher Technology (Thailand) Co., Ltd. Legal representative and executive director, Chongqing Shuanghe Technology Co., Ltd. Legal representative, Million On International Co., Ltd Legal representative, Profit Earn International Co., Ltd Legal representative, Great Info International Co., Ltd. Legal representative, Sinher (HK) Limited Legal representative	NA	NA	NA	Sinher's Board Chairman and President are of the same personnel mainly for the increase in operation efficiency and execution capacity. Yet to strengthen the independence of the board, Sinher has added the number of independent directors. With more than half of them are not employees or managers at Sinher, the board of director shall have enhanced professions and strong ability to monitor.

Title (Note 1)	Nationality	Name	Gender	Date of appointment (office)	Tenure (year)	Date of initial appointment (Note 2)	Proportion of shareholding at the time of appointment		Proportion of shareholding at present		Proportion of shareholding by spouse and underage children		Proportion of shareholding under the title of a third party		Important experience (education) (Note 3)	Other positions of the company or other companies	Has a spouse or relative within two degrees of consanguinity serving as a manager, director, or supervisors at Sinher			Comment (Note 4)
							Quantity	%	Quantity	%	Quantity	%	Quantity	%			Title	Name	Relationship	
Director	R.O.C.	King-Tung Huang	Male 66-70 Year old	2024/06/25	3	2009/06/30	3,232,029 (Note 5)	4.34%	3,040,029 (Note 5)	4.09%	1,382,884	1.86%	0	0	National Taipei University of Technology Hon Hai Precision Industry RD assistant manager	Vice-President, Sinher Technology Inc. Vice-President, Kunshan Wanhe Precision Electronics Co., Ltd. Legal representative, Kunshen QianQuan	NA	NA	NA	NA
Director	R.O.C.	Yung-Chang Chiang	Male 61-65 Year old	2024/06/25	3	2001/12/31	901,007	1.21%	901,007	1.21%	603,741	0.81%	0	0	National Formosa University Materials Engineering and Science Formosa Optical RD Manager	Vice-President, Sinher Technology Inc. Vice-President, Kunshan Wanhe Precision Electronics Co., Ltd. Vice-President, Chongqing Shuanghe Technology Co., Ltd.	NA	NA	NA	NA
Director	R.O.C.	San-Lu Su	Male 61-65 Year old	2024/06/25	3	2009/06/30	1,387,398	1.86%	1,387,398	1.86%	0	0	0	0	Lunghwa University of Science and Technology, Chemical Engineering Department	President, Daher Mold Co.	NA	NA	NA	NA
Director	R.O.C.	Han-Pin Cheng	Male 66-70 Year old	2024/06/25	3	2010/03/15	1,988,456	2.67%	1,988,456	2.67%	0	0	0	0	EMBA, National Taipei University of Technology President, PENDEC ENTERPRISE CO., LTD.	President and director, PENDEC ENTERPRISE CO., LTD. Board Chairman, legal representative, and president, PAL ACOUSTICS TECHNOLOGY	NA	NA	NA	NA
Independent Director	R.O.C.	Eliza Wang	Female 56-60 Year old	2024/06/25	3	2011/06/30	0	0	0	0	0	0	0	0	PhD, University of Leeds, U.K. Business School Finance Manager, Kuang-Hwa Investment Holding Co., Ltd. Assistant professor, Chien Hsin University of Science and Technology, Department of Finance.	Assistant professor, National Taipei University of Business, College of Business	NA	NA	NA	NA

Title (Note 1)	Nationality	Name	Gender	Date of appointment (office)	Tenure (year)	Date of initial appointment (Note 2)	Proportion of shareholding at the time of appointment		Proportion of shareholding at present		Proportion of shareholding by spouse and underage children		Proportion of shareholding under the title of a third party		Important experience (education) (Note 3)	Other positions of the company or other companies	Has a spouse or relative within two degrees of consanguinity serving as a manager, director, or supervisors at Sinher			Comment (Note 4)
							Quantity	%	Quantity	%	Quantity	%	Quantity	%			Title	Name	Relationship	
Independent Director	R.O.C.	Yong-Ren Lin	Male 66-70 Year old	2024/06/25	3	2021/08/24	0	0	0	0	0	0	0	0	MBA, National Yang Ming Chiao Tung University Vice-President of supply-chain, Wistron Corp. Vice-President of NB BG, Wistron Corp. President of Computer BG, Acer Inc.	None	NA	NA	NA	NA
Independent Director	R.O.C.	Zhi-Feng Lin	Male 56-60 Year old	2024/06/25	3	2021/08/24	0	0	0	0	0	0	0	0	Master of Marketing, University of Westminster Doctor of Business Administration, Macau University of Science and Technology Purchasing Department Associate Director, Siemens Taiwan President, Sintronic Technology Inc.	Chairman, Ko JA(Cayman)Co., LTD. Chairman, Jia Jing Investment Co., Ltd. Director, Luumii Co Ltd. Director, GODA VIETNAN Director, CODIA INTERNATIONAL (H.K) LIMITED Director, PanVisopn Technology Corp.	NA	NA	NA	NA
Independent Director	R.O.C.	Jing-Shun Ke	Male 66-70 Year old	2025/06/24	2	2025/06/24	0	0	0	0	50,000	0	0	0	Tamkang Univeresity Department Director and General Manager of Taigene Metal Industry.Co.,Ltd Director of Tianjin Sanhuan Lucky	General Manager of Taigene Metal Industry.Co.,Ltd	NA	NA	NA	NA

Note 1: Juridical persons shareholders should separately be listed with the title of juridical persons shareholders and legal representatives by definitions, while completing the table.

Note 2: Fill in the time of any first term as a director or supervisor of the Company, and note such case clearly if there is an interruption of terms.

Note 3: Experiences related to the current position, such as previous appointments with accounting firms or related enterprises during the previous revelation period, shall indicate and explain the title and the position of the responsibility.

Note 4:Where the Board Chairman and President or person of an equivalent position (the highest level manager) of a company is the same person, or is a spouse or relative within the first degree of kinship of each other, an explanation shall be given to clarify the reason, reasonableness, necessity thereof, and measures adopted in response thereto (e.g. increasing the number of independent directors provided that there shall be a majority of the members of the board of directors who are not employees or managers).

Note 5: Includes shares under Trust with Discretion Reserved

2. Major shareholders of the Institutional shareholders: Not Applicable.

3. Major shareholders of the company’s major institutional shareholders: Not Applicable.

4. Directors' Professional Qualifications and Independent Directors' Independence

(1) Directors' Professional Qualifications and Independent Directors' Independence

Criteria Name	Professional Qualification and Experience (Note1)	Independence Analysis (Note2)	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Ting-Hung Su	1. Currently the chairman of the company, with more than five years of work experience required for business and corporate business, committed to the NB hinge industry for more than 20 years, with professional leadership, marketing, operation management and strategic planning capabilities, and has an international market view, and can lead the company towards industrial leadership technology and towards sustainable operation. 2. Not been a person of any conditions defined in Article 30 of the “Company Act”.	Not Applicable	0
King-Tung Huang	1. He worked in large system factories such as Hon Hai and Acer, and has practical and professional skills in the R&D and production technology of the NB hinge industry. He is currently the vice president of Kunshan Wanhe Precision Electronics Co., Ltd., responsible for the company's operations and production management. 2. Not been a person of any conditions defined in Article 30 of the “Company Act”.	Not Applicable	0
Yung-Chang Chiang	1. Currently, he is the vice president of R&D of the company. He has been in the NB hinge industry for more than 20 years. He has led the company's R&D team to not only meet the quality requirements of customers, but also strive to find the application of new materials and construction methods, so that the company has a certain competitiveness. 2. Not been a person of any conditions defined in Article 30 of the “Company Act”.	Not Applicable	0
Han-Pin Cheng	1.Currently, he is the President and director of PENDEC ENTERPRISE CO., LTD., is familiar with the NB industry, has more than five years of working experience required by the company's business, and can provide professional advice to the board of directors. 2. Not been a person of any conditions defined in Article 30 of the “Company Act”.	Not Applicable	0
San-Lu Su	1. Currently, He is the president of Daher Mold Co, focusing on the model of the NB industry, and has more than five years of work experience required by the company's business, and can provide professional advice to the board of directors. 2. Not been a person of any conditions defined in Article 30 of the “Company Act”.	Not Applicable	0
Eliza Wang	1. Member of the audit committee, currently an assistant professor of the Department of Finance of the National Taipei University of Business, can assist the company with professional financial advice and diversified perspectives. 2. Not been a person of any conditions defined in Article 30 of the “Company Act”.	The independent directors of the company did not have any of the conditions specified in Article 3, paragraph 1, subparagraphs 1 to 8 of the "“Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies”" in the two years before and during their tenure.	0
Yong-Ren Lin	1. Member of the Audit Committee, former vice president of Wistron NB BU and president of Computer BG of Acer, has rich experience in the NB industry, is sensitive to the market artery trend, can provide the company's professional technical experience and the company's business strategy diversity View. 2. Not been a person of any conditions defined in Article 30 of the “Company Act”.		0
Zhi-Feng Lin	1. Member of the audit committee, currently serving as the chairman of Ko JA(Cayman)Co., LTD, and has more than five years of work experience required by the company's business, and can provide company management and strategic planning suggestions. 2. Not been a person of any conditions defined in Article 30 of the “Company Act”.		0
Jing-Shun Ke	1.Member of the audit committee, currently serving as the General Manager of Taigene Metal Industry.Co.,Ltd, He can provide company management and strategic planning suggestions. 2. Not been a person of any conditions defined in Article 30 of the “Company Act”.		0

(2).Board of Directors Diversity Policy and Independence

A. board of Directors Diversity Policy: The company has formulated corporate governance guidelines and director selection procedures, clearly defined the policy of diversification of board members, and has implemented it so that the composition of practical experts in various fields can meet the needs of operational development.

(A) Implementation of the Board Diversification Policy

Diversified core items Board members	Gender	Operating judgment	Accounting & finance	Operating management	Crisis management	Industry knowledge	Global market knowledge	Leadership	Decision making ability
Ting-Hung Su	Male	√		√	√	√	√	√	√
King-Tung Huang	Male	√		√	√	√	√	√	√
Yung-Chang Chiang	Male	√		√	√	√	√	√	√
Han-Pin Cheng	Male	√		√	√	√	√	√	√
San-Lu Su	Male	√		√	√	√	√	√	√
Eliza Wang	Female		√			√	√		
Yong-Ren Lin	Male	√		√	√	√	√	√	√
Zhi-Feng Lin	Male	√		√	√	√	√	√	√
Jing-Shun Ke	Male	√		√	√	√	√	√	√

(B) The proportion of directors with employee status is 33.33%; 5 directors are 66-70 years old, 2 directors are 61-65 years old, 2 directors are 56-60 years old. In addition, the company also pays attention to the diversity of the gender composition of directors, with female directors occupying one seat.

(C) If the number of directors of the same gender on the board of directors of a listed company is less than one-third, explain the reasons and plan measures to increase gender diversity of directors: seek multiple channels to recruit professional candidates, supplemented by recommendations from other professionals, to achieve gender diversity and inclusion, and implement the board diversity policy.

B. Independence

(A) The company's board of directors has four independent directors, accounting for 44.44%. Except for one independent director who has served for more than three terms, the other three independent directors have served for less than three terms.

(B) The board of directors of the company does not fall under the provisions of article 26-3 of the “Securities and Exchange Act”, and all are independent.

NOTE 1：Professional qualifications and experience: State the professional qualifications and experience of individual directors and supervisors. If they are members of the audit committee and have accounting or financial expertise, state their accounting or financial background and work experience, and also state whether they do not have any circumstances under Article 30 of the “Company Act”.

NOTE 2：Independent directors shall state their independence, including but not limited to whether they, their spouse, or relatives within the second degree are the directors, supervisors or employees of the company or its affiliated companies; The number and proportion of shares in the company held by the person, spouse, second degree relatives (or in the name of others); Whether to serve as a director, supervisor or employee of a company with a specific relationship with the company (refer to Article 3, paragraph 1, subparagraphs 5 to 8 of the “Regulations Governing Appointment of Independent Directors and Compliance Matter for Public Companies” to be followed). The amount of remuneration received for providing the company or its affiliated enterprises with business, legal, financial, accounting and other services in the last two years.

NOTE 3：For the disclosure method, please refer to the best practice reference example on the website of the Corporate Governance Center of TWSE.

2.1.2 President, Vice-President, Associate Director, and Department and Branch Managers:

04/25/2026

Title (Note 1)	Nationality	Name	Gender	Date of appointment (office)	Proportion of shareholding		Proportion of shareholding by spouse and underage children		Proportion of shareholding under the title of a third party		Major background information (Note 2)	Other positions of other companies	Manager who is the spouse or kin within the 2nd tier of the Civil Code			Comment (Note 3)
					shares	%	shares	%	shares	%			Title	Name	Relationship	
President	R.O.C.	Ting-Hung Su	Male	2002/01/18	6,028,35	8.10%	1,521,000	2.04%	0	0	National Pei-Kang Agricultural & Industrial vocational High School Board Chairman, Daher Mold Co.	President, Sinher Technology Inc. Board Chairman, Daher Mold Co. Legal representative and executive director, Kunshan Wanhe Precision Electronics Co., Ltd. Legal representative and executive director, Chongqing Shuanghe Technology Co., Ltd. Legal representative, Sinher Technology (Vietnam) Co., Ltd. Legal representative, Sinher Technology (Thailand) Co., Ltd. Legal representative and executive director, Million On International. Legal representative, Profit Earn International. Legal representative, Great Info International. Legal representative, Sinher (HK) Limited Legal representative, Cingher(HK) Limited Legal representative, Top Trading group LTD.	NA	NA	NA	Sinher's Board Chairman and President are of the same personnel mainly for the increase in operation efficiency and execution capacity. Yet to strengthen the independence of the board, Sinher has added the number of independent directors. With more than half of them are not employees or managers at Sinher, the board of director shall have enhanced professions and strong ability to monitor.
Vice-President	R.O.C.	King-Tung Huang	Male	2007/07/23	3,040,029 (Note 4)	4.09%	1,382,884	1.86%	0	0	National Taipei University of Technology Hon Hai Precision Industry RD assistant manager	Vice-President, Sinher Technology Inc. Vice-President, Kunshan Wanhe Precision Electronics Co., Ltd. Legal representative, Kunshen QianQuan	NA	NA	NA	NA

Title (Note 1)	Nationality	Name	Gender	Date of appointment (office)	Proportion of shareholding		Proportion of shareholding by spouse and underage children		Proportion of shareholding under the title of a third party		Major background information (Note 2)	Other positions of other companies	Manager who is the spouse or kin within the 2nd tier of the Civil Code			Comment (Note 3)
					shares	%	shares	%	shares	%			Title	Name	Relationship	
Vice-President	R.O.C.	Yung-Chang Chiang	Male	2002/01/18	901,007	1.21%	603,741	0.81%	0	0	National Formosa University Materials Engineering and Science Formosa Optical RD Manager	Vice-President, Sinher Technology Inc. Vice-President, Kunshan Wanhe Precision Electronics Co., Ltd. Vice-President, Chongqing Shuanghe Technology Co., Ltd.	NA	NA	NA	NA
Associate Director	R.O.C.	Chen-Chia Chang	Male	2021/5/21	355,009	0.48%	0	0	0	0	China Junior College of Technology, Mechanical Accounting Operation Associate Director, PENDEC ENTERPRISE CO., LTD.	NA	NA	NA	NA	NA
Associate Director	R.O.C.	Xiao- Jun CHEN	Male	2020/10/5	0	0	0	0	0	0	National Taiwan University of Arts. Manager of Lighting Equipment Design Department, V-Tech Lighting Corp. Director, Industrial Design Department, Giessdorf.	NA	NA	NA	NA	NA
Finance Department General Manager	R.O.C.	Chen-Jung Chen	Female	2007/07/01	80,161	0.11%	0	0	0	0	Tamkang University, Accounting Finance Department Manager, LINSHIUNG ENTERPRISE CO., LTD.	NA	NA	NA	NA	NA

Note 1: Disclosure should include President, Vice-President, Associate Director, Managers from all departments and branches as well as any positions that are equivalent to President, Vice-President, or Associate Director, regardless of the title of the position.

Note 2: Experiences related to the current position, such as a previous appointment with an accredited accounting firm or a related enterprise during the previous period, shall disclosed the title and the position of responsibility.

Note 3:When the President or equivalent (the highest Manager) is the same person as the chairman, is a spouse or a relative of each other, an explanation shall be given to clarify the reason, reasonableness, necessity thereof, and measures adopted in response thereto (e.g. increasing the number of independent directors provided that there shall be a majority of the members of the board of directors who are not employees or managers).

Note 4: Includes shares under Trust with discretion reserved

2.2 Remuneration Paid to Board Members and Management Team during the Most Recent Fiscal Year

2.2.1 Remuneration of Directors and Independent Directors:

Untint$ thousands

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note 10)		Relevant Remuneration received by directors who are also employees								Ratio of Total Compensation (A+B+C+D+ E+F+G) to Net Income (%)		Compensation paid to directors from an invested company other than the company's subsidiary or from the parent company (Note 11)
		Base Compensation (A)(Note 2)		Severance Pay (B)		Directors Compensation (C) (Note 3)		Allowances (D) (Note 4)				Salary, Bonuses, and Allowances (E) (Note 5)		Severance Pay (F)		Employee Compensation (G) (Note 6)						
		The company	From all consolidated entities (Note	The company	From all consolidated entities (Note 7)	The company	From all consolidated entities (Note 7)	The company	From all consolidated entities (Note 7)	The Cmpany	From all consolidated entities	The company	From all consolidated entities (Note 7)	The company	From all consolidated entities	The company		From all consolidated entities (Note 7)		The company	From all consolidated entities	
																Cash	Stock	Cash	Stock			
Director	Ting-Hung Su	0	0	0	0	0	0	0	0	0	0%	3,998	4,827	0	0	0	0	0	0	(3.24%)	(3.91%)	NA
	King-Tung Huang	0	0	0	0	0	0	0	0	0%	0%	1,928	3,204	99	99	0	0	0	0	(1.64%)	(2.68%)	NA
	Yung-Chang Chiang	0	0	0	0	0	0	0	0	0%	0%	2,357	2,357	145	145	0	0	0	0	(2.03%)	(2.03%)	NA
	Han-Pin Cheng	0	0	0	0	0	0	12	12	0%	0%	0	0	0	0	0	0	0	0	0%	0%	NA
	San-Lu Su	0	0	0	0	0	0	14	14	0%	0%	0	0	0	0	0	0	0	0	0%	0%	NA
Independent Director	Eliza Wang	480	480	0	0	0	0	12	12	(0.4%)	(0.4%)	0	0	0	0	0	0	0	0	(0.4%)	(0.4%)	NA
	Yong-Ren Lin	480	480	0	0	0	0	21	21	(0.41%)	(0.41%)	0	0	0	0	0	0	0	0	(0.41%)	(0.41%)	NA
	Zhi-Feng Lin	480	480	0	0	0	0	4	4	(0.39%)	(0.39%)	0	0	0	0	0	0	0	0	(0.39%)	(0.39%)	NA
	Shian-Cheng Liou(Note)	40	40	0	0	0	0	0	0	0%	0%	0	0	0	0	0	0	0	0	0%	0%	NA
	Jing-Shun Ke	235	235	0	0	0	0	8	8	(0.2%)	(0.2%)	0	0	0	0	0	0	0	0	(0.2%)	(0.2%)	NA

1. Please describe the policy, system, standard, and structure of independent director remuneration as well as the factors, including responsibilities. Please describe the policy, system, standard, and structure of independent director remuneration, and describe the factors, including responsibilities, risks, and time invested, and their links to amounts of remuneration.

   The remuneration of the company's independent directors shall be determined in accordance with Article 19 of the Articles of Association of the Company, and shall be determined by the independent directors' contribution values and level of engagement to the success of the company's operation as well as the industry agreed remuneration.

2. Remuneration paid to directors for their services to all consolidated entities except the above-mentioned figures: None.

Note: Director Shian-cheng Liou passed away in januarty 2025.

Range of Remuneration to directors

Range of Remuneration (NTD)	Name of Directors			
	Total of(A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company (Note 8)	From all consolidated entities (Note 9) H	The Company (Note 8)	From all consolidated entities and Invested Companies (Note 9) I
Lower than $1,000,000	Ting-Hung Su, King-Tung Huang Yung-Chang Chiang, Han-Pin Cheng , San-Lu Su, Eliza Wang, Yong-Ren Lin, Zhi-Feng Lin Jing-Shun Ke Shian-Cheng Liou	Ting-Hung Su, King-Tung Huang Yung-Chang Chiang, Han-Pin Cheng , San-Lu Su, Eliza Wang, Yong-Ren Lin, Zhi-Feng Lin Jing-Shun Ke Shian-Cheng Liou	Han-Pin Cheng , San-Lu Su, Eliza Wang, Yong-Ren Lin, Zhi-Feng Lin Jing-Shun Ke Shian-Cheng Liou	Han-Pin Cheng , San-Lu Su, Eliza Wang, Yong-Ren Lin, Zhi-Feng Lin Jing-Shun Ke Shian-Cheng Liou
$1,000,000 (included)～$2,000,000 (excluded)				
$2,000,000 (included)～3,500,000 (excluded)			Yung-Chang Chiang ,King-Tung Huang	Yung-Chang Chiang King-Tung Huang
$3,500,000 (included)～5,000,000 (excluded)			Ting-Hung Su	Ting-Hung Su
$5,000,000 (included)～10,000,000 (excluded)				
$10,000,000 (included)～15,000,000 (excluded)				
$15,000,000 (included)～30,000,000 (excluded)				
$30,000,000 (included)～50,000,000 (excluded)				
$50,000,000 (included)～100,000,000 (excluded)				
Equal to or Over $100,000,000				
Total	10	10	10	10

Note 1: The names of the directors shall be listed separately (the names and representatives of the juridical person shareholders shall be listed separately) and the general directors and independent directors shall be listed separately to disclose the total amounts paid. If the director is also a president or vice-president, please fill in this form and the form (3-1), or the form (3-2-1) and (3-2-2).

Note 2: Refers to the remuneration of directors in the most recent year (including director's salary, job bonus, severance payment, various bonuses, awards, etc.).

Note 3: Refers to the amount of assigned directors' remuneration approved by the Board of Directors during the most recent year.

Note 4: Refers to the relevant business execution expenses of directors in the most recent year (including transportation fees, special disbursement, various allowances, dormitories, company car, etc.). When providing housing, motor vehicles and other means of transport or exclusive personal expenses, disclosure would require the nature and cost of the assets provided, actual or fair market value of rent, oil and other payments. In the case of a driver service, please note that the company pays the driver the relevant remuneration, but does not include the fee.

Note 5: Refers to the directors of current fiscal year who are also employees (including president, vice-president, manager, and employees) and who received salary, job bonuses, severance payment, various bonuses, incentives, transportation fees, special disbursement, various allowances, dormitories, car and other in-kind provision, etc. When providing housing, motor vehicles and other means of transport or exclusive personal expenses, disclosure would require the nature and cost of the assets provided, actual or fair market value of rent, oil and other payments. In the case of a driver service, please note that the company pays the driver the relevant remuneration, but does not include the fee. Recognized salary expenses are also payable based on IFRS 2 "Share-based Payment" (including obtaining employees' right certificates, restricting employees' right to new shares, and participating in cash capital increases to subscribe for shares) shall also be included in the remuneration.

Note 6:If the directors of the current fiscal year who are also employees (including president, vice-president, manager, and employees) obtains employee remuneration (including stocks and cash), it shall be revealed that the amount of employee remuneration is approved by the Board of Directors in the most recent year. If it is not possible to estimate the proportion of the actual amount of the transfer made last year, the proposed amount of this year's transfer shall be calculated in proportion to the actual amount of the previous year, and shall be included in Annex 1.3.

Note 7: Should reveal the total amount of remuneration paid to directors of all companies listed in the consolidated report (including Sinher Technology Inc.).

Note 8: The Company pays each director the total amount of each assigned remuneration, with the names of the director disclosed in the range table.

Note 9: Should reveal the total amount of remuneration paid to directors of all companies listed in the consolidated report (including Sinher Technology Inc.), with the names of the director disclosed in the range table.

Note 10: Net benefit after tax means net benefit after tax for the most recent year's individual or stand-alone financial reports

Note 11: a. This column should clearly indicate the amount of remuneration received by the Directors of the Company from the transfer of investments outside the subsidiary or from the parent company (if not, please fill in "None").

b. If a director of a company receives a fee from a transfer investment business outside a subsidiary or from a parent company, he shall include the remuneration received by the director of the company for the transfer of investment business or the parent company outside the subsidiary (under column I in the Range table), and change the field name to "parent company and all transfer investment business".

c. A compensation shall mean remuneration and reward (including remuneration of employees, directors and supervisors) and business execution expenses received by a director of a company as a director, supervisor or manager of a transfer investment business or parent company outside a subsidiary.

2.2.2 Remuneration of Supervisors ：NA

2.2.3 Compensation paid to President and Vice-President

Unit: NTD$ thousand

Title	Name	Salary (A) (Note 2)		Severance Pay and Pensions (B)		Bonuses and Allowance (C) (Note 3)		Employees' Profit-Sharing Bonus(D) (Note 4)				Total Compensation (A+B+C+D) as a % of Net Income (Note 8)		Compensation Received from Non-consolidated Affiliates (Note 9)
		Stand-alone	Consolidated (note 5)	Stand-alone	Consolidated (note 5)	Stand-alone	Consolidated (note 5)	Stand-alone		Consolidated		Stand-alone	Consolidated	
								Cash	Stock	Cash	Stock			
President	Ting-Hung Su	3,128	3,957	0	0	870	870	0	0	0	0	(3.24%)	(3.91%)	NA
Vice-President	King-Tung Huang	1,607	2,670	99	99	321	534	0	0	0	0	(1.64%)	(2.68%)	NA
Vice-President	Yung-Chang Chiang	1,955	1,955	145	145	402	402	0	0	0	0	(2.03%)	(2.03%)	NA
Vice-President	Shi-Jie Hung (Note)	117	166	7	7	0	0	0	0	0	0	(0.10%)	(0.14%)	NA

Note: Vice-President Chien-Liang Lin resigned on 1/31/2025

Range of Compensation

Range of compensation to President and Vice-President	President and Vice-President President	
	Standalone (Note 6)	Consolidated (Note 7)
Lower than $1,000,000	Shi-Jie Hung	Shi-Jie Hung
$1,000,000 (included)～$2,000,000 (excluded)		
$2,000,000 (included)～$3,500,000 (excluded)	King-Tung Huang、Yung-Chang Chiang	King-Tung Huang、Yung-Chang Chiang
$3,500,000 (included)～$5,000,000 (excluded)	Ting-Hung Su	Ting-Hung Su
$5,000,000 (included)～$10,000,000 (excluded)		
$10,000,000 (included)～$15,000,000 (excluded)		
$15,000,000 (included)～$30,000,000 (excluded)		
$30,000,000 (included)～$50,000,000 (excluded)		
$50,000,000 (included)～$100,000,000 (excluded)		
Equal to and over $100,000,000		
Total	4	4

Note 1: The names of the Presidents and Vice-Presidents shall be listed separately to disclose the total amounts paid. If the director is also a president or vice-president, please fill in this form and the form (1-1), or the form (1-2-1) and (1-2-2).

Note 2: Refers to the remuneration of Presidents and Vice-Presidents in the most recent year (including director's salary, job bonus, severance payment, various bonuses, awards, etc.).

Note 3: Refers to the Presidents and Vice-Presidents of current fiscal year who received salary, job bonuses, severance payment, various bonuses, incentives, transportation fees, special disbursement, various allowances, dormitories, car and other in-kind provision, etc. When providing housing, motor vehicles and other means of transport or exclusive personal expenses, disclosure would require the nature and cost of the assets provided, actual or fair market value of rent, oil and other payments. In the case of a driver service, please note that the company pays the driver the relevant remuneration, but does not include the fee. Recognized salary expenses are also payable based on IFRS 2 "Share-based Payment" (including obtaining employees' right certificates, restricting employees' right to new shares, and participating in cash capital increases to subscribe for shares) shall also be included in the remuneration.

Note 4: Refers to the amount of assigned Presidents and Vice-Presidents' remuneration (include stock and cash) approved by the Board of Directors during the most recent year. If it is not possible to estimate the proportion of the actual amount of the transfer made last year, the proposed amount of this year's transfer shall be calculated in proportion to the actual amount of the previous year, and shall be included in Annex 1.3.

Note 5: Should reveal the total amount of remuneration paid to Presidents and Vice-Presidents of all companies listed in the consolidated report (including Sinher Technology Inc.).

Note 6: The Company pays each President and Vice-President the total amount of each assigned remuneration, with the names of the Presidents and Vice-Presidents disclosed in the range table.

Note 7: Should reveal the total amount of remuneration paid to Presidents and Vice-Presidents of all companies listed in the consolidated report (including Sinher Technology Inc.), with the names of the Presidents and Vice-Presidents disclosed in the range table.

Note 8: Net benefit after tax means net benefit after tax for the most recent year's individual or stand-alone financial reports

Note 9: a. This column should clearly indicate the amount of remuneration received by the Presidents and Vice-Presidents of the Company from the transfer of investments outside the subsidiary or from the parent company (if not, please fill in "None").

b. If a President and Vice-President of a company receives a fee from a transfer investment business outside a subsidiary or from a parent company, he shall include the remuneration received by the director of the company for the transfer of investment business or the parent company outside the subsidiary (under column E in the Range table), and change the field name to "parent company and all transfer investment business".

c. A compensation shall mean remuneration and reward (including remuneration of employees, directors and supervisors) and business execution expenses received by a President and Vice-President of a company as a director, supervisor or manager of a transfer investment business or parent company outside a subsidiary.

＊The definition of remuneration disclosed in this table is not identical to that of income under the Income Tax Act. Hence, this table is intended for disclosure purpose only, and should not be used for tax returns.

2.2.4 Remuneration of the top five executives with the highest remuneration (names and remuneration methods disclosed individually) (Note 1)

Title	Name	Salary (A) (Note 2)		Severance Pay and Pensions (B)		Bonuses and Allowance (C) (Note 3)		Employees' Profit-Sharing Bonus(D) (Note 4)				Total Compensation (A+B+C+D) as a % of Net Income (Note 8)		Compensation Received from Non-consolidated Affiliates (Note 9)
		Stand-alone	Consolidated (note 5)	Stand-alone	Consolidated (note 5)	Stand-alone	Consolidated (note 5)	Stand-alone		Consolidated		Stand-alone	Consolidated	
								Cash	Stock	Cash	Stock			
President	Ting-Hung Su	3,128	3,957	0	0	870	870	0	0	0	0	3,998	4,827	NA
Vice-President	King-Tung Huang	1,607	2,670	99	99	321	534	0	0	0	0	2,027	3,303	NA
Vice-President	Yung-Chang Chiang	1,955	1,955	145	145	402	402	0	0	0	0	2,501	2,501	NA
Associate Director	Chen-Chia Chang	1,956	1,956	98	98	345	345	0	0	0	0	2,399	2,399	NA
Manager	Chen-Jung Chen	1,640	1,640	98	98	321	321	0	0	0	0	2,059	2,059	NA

Note 1: The so-called "top five executives with the highest remuneration" refers to the company's managers. The identification standards for relevant managers are based on the Taiwan Financial Certificate issued by the former Ministry of Finance Securities and Futures Management Commission on March 27, 1992. Letter Order No. 0920001301 stipulates the applicable scope of "managers". As for the calculation and recognition principle of "the top five with the highest remuneration", it is based on the total amount of salary, retirement pension, bonus and special expenses received by the company managers from all companies in the consolidated financial report, as well as the amount of employee remuneration (i.e. A +B+C+D (the total of the four items), and then the top five with the highest remuneration will be selected. If a director concurrently serves as a former supervisor, he should fill in this form and the above form (1-1).

Note 2: This is the salary, job bonus, and severance pay of the top five executives with the highest remuneration in the most recent year.

Note 3: This series fills in the various bonuses, incentives, travel expenses, special expenses, various allowances, dormitories, cars and other in-kind provisions and other remuneration amounts for the top five executives with the highest remuneration in the most recent year. If houses, cars and other means of transportation or exclusive personal expenses are provided, the nature and cost of the assets provided, as well as actual or fair market value rent, gas and other payments should be disclosed. If there is a driver, please add a note explaining the relevant remuneration paid by the company to the driver, but it will not be included in the remuneration. In addition, salary expenses recognized in accordance with IFRS 2 "Share-based benefits", including obtaining employee stock option certificates, new shares with restricted employee rights, and participating in cash capital increases to subscribe for shares, etc., should also be included in remuneration.

Note 4: The amount of employee remuneration (including stocks and cash) of the top five top executives approved by the board of directors for distribution in the most recent year is filled in. If it cannot be estimated, the proposed distribution amount for this year will be calculated based on the proportion of the actual distribution amount last year, and additional Complete Schedule 1-3.

Note 5: The total amount of remuneration paid to the top five executives of the company by all companies (including the company) in the consolidated report should be disclosed.

Note 6: Net profit after tax refers to the net profit after tax of the most recent annual individual or individual financial report.

Note 7: a. This column should clearly indicate the amount of remuneration received by the company's top five top executives from reinvested enterprises outside the subsidiary or related to the parent company (if none, please fill in "none").

b. Remuneration refers to the remuneration, remuneration (including remuneration of employees, directors and supervisors) received by the company's top five executives for serving as directors, supervisors or managers of subsidiaries' external investment enterprises or parent companies, etc. Business execution fees and other related remuneration.

*The content of remuneration disclosed in this table is different from the concept of income under the Income Tax Law. Therefore, this table is for information disclosure purposes and is not used for tax purposes.

2.2.5 The name and circumstances of the managers who are assigned with the employee's remuneration

Unit: NTD$ Thousand

	Title	name	Stock value	Cash Value	Total (Note)	Total as a percentage of after-tax net benefits (%)
Managers	President	Ting-Hung Su	0	0	0	0%
	Vice president	Yung-Chang Chiang				
	Vice president	King-Tung Huang				
	Associate Director	Chen-Chia Chang				
	Associate Director	Xiao- Jun Chen				
	Manager	Chen-Jung Chen				

Note: As approved by the Board of Directors on March 5h, 2026

2.2.6 Compare the analysis of the total after-tax net benefit of the total remuneration paid by the Company's directors, supervisors, presidents, and vice-presidents in the last two years of the Company as well as explain the policy, criteria and combination of payments, the procedures for setting fees, the correlation with operating performance and future risks.

1. The total amount of after-tax net profit ratio paid to the company's directors, supervisors, presidents, and vice-presidents in the last two years by the company and all companies listed in the consolidated report.

Year / Position	2024		2025 (Note)	
	Total remuneration as a percentage of net benefits after tax (%)		Total remuneration as a percentage of net benefits after tax (%)	
	Stand-alone	Consolidated	Stand-alone	Consolidated
Directors, President, and Vice-President	19%	24%	(8%)	(10%)

Note: Employee and supervisor's compensation were approved by the Board of Directors on March 5th, 2026.

2. The remuneration of the directors of the Company shall be handled within the proportion of the surplus as stipulated in the Articles of Association. The remuneration portion of directors is paid with surplus distribution of 2024, and The directors' remuneration for fiscal year 2025 was approved by the board of directors on March 5, 2026, with an amount of 0. As for the president and vice-presidents' remuneration, it includes salary and employee remuneration, wherein the salary is based on the content of the position held and reference to the benchmark industry, while the remuneration of employees is handled in accordance with the provisions of the policies of our company.

2.3 Implementation of Corporate Governance

2.3.1 The operation of the board of directors

The board of directors meet 7times in the most recent year, and the directors' attendance records were listed below:

Title	name	Attendance (in person)	Attendance (by proxy)	In person attendance rate (%)	Date of appointment
Board Chairman	Ting-Hung Su	7	7	100%	Renewal of office on Jun 25, 2024
Director	King-Tung Huang	7	7	100%	Renewal of office on Jun 25, 2024
Director	Yung-Chang Chiang	7	7	100%	Renewal of office on Jun 25, 2024
Director	Han-Pin Cheng	7	7	100%	Renewal of office on Jun 25, 2024
Director	San-Lu Su	7	7	100%	Renewal of office on Jun 25, 2024
Independent Director	Eliza Wang	7	7	100%	Renewal of office on Jun 25, 2024
Independent Director	Yong-Ren Lin	7	7	100%	Renewal of office on Jun 25, 2024
Independent Director	Zhi-Feng Lin	5	1	71%	Renewal of office on Jun 25, 2024
Independent Director	Jing-Shun Ke	4	4	100%	Dismissa on Jun 24 2025

Other documentation:

(1) According to Article 14-3 of the SEC Law, any decisions or opinions expressed by independent directors (objection or abstention) during the board meeting are recorded or written. Such documentation shall state the date, duration, content of the motion, the opinions of all independent directors, and the company's handling of the opinions of independent directors:

Board meeting date	Agenda and subsequent actions	Listed in SEC 14-3	Independent directors' objection or abstention
The 6th Meeting of the 8th Term Board of Directors January 16, 2025	1. Approved the year-end bonus payout for management. 2. Approved Chongqing Shuanghe's application for a bank credit line with China Construction Bank. 3. Approved Wanhe's application for a bank credit line with CTBC Bank.	V	None
	Opinions of the independent directors: None. The company's handling of the opinions: None.		
The 7th Meeting of the 8th Term Board of Directors March 6, 2025	1.Approved directors' compensation. 2.Approved employee compensation. 3.Approved auditor independence, AQI, and audit fees.	V	None
	Opinions of the independent directors: None. The company's handling of the opinions: None.		
The 8th Meeting of the 8th Term Board of Directors May 8, 2025	1. Approved Chongqing Shuanghe's application for a bank credit line with China Construction Bank.	V	None
	Opinions of the independent directors: None. The company's handling of the opinions: None.		

The 9th Meeting of the 8th Term Board of Directors August 7, 2025	1.Proposal for the Fixed Remuneration of Independent Director Jing-Shun Ke	V	None
	Opinions of the independent directors: None. The company's handling of the opinions: None.		
The 10th Meeting of the 8th TermBoard of Directors October 9, 2025	1.Approved revisions to internal controls for the payroll cycle. 2.Approved management and employee profit-sharing. 3.Approved the payout of directors’ compensation.	V	None
	Opinions of the independent directors: None. The company's handling of the opinions: None.		

(2) Implementation of directors' recusal from proposals involving conflicts of interest, which shall specify the names of the directors, the content of the proposals, the reasons for recusal, and the voting participation status:

A. The proposals for the managers' year-end bonus, managers' annual salary adjustment, managers' employee cash / stock remuneration, and the distribution of directors' and supervisors' remuneration involved the personal interests of Director Ting-Hung Su, Director Yung-Chang Chiang, and Director King-Tung Huang. Therefore, they recused themselves during the voting on these proposals.

B. The proposal for directors' remuneration involved the personal interests of Director Ting-Hung Su, Director Yung-Chang Chiang, Director King-Tung Huang, Director Han-Pin Cheng ,and Director San-Lu Su. Therefore, they recused themselves during the voting on this proposal

C. Director Jing-Shun Ke, an Independent Director, recused himself from the voting on the fixed remuneration for his roles as a director and a member of the Remuneration Committee. The matter was then voted on by the remaining directors.

(3) A TWSE/TPEx listed company should disclose information such as the evaluation cycle and period, evaluation scope, methodology, and content of the board's self (or peer) evaluation, and complete the implementation of the board’s evaluation

Evaluation cycles	Evaluation periods	Scope of evaluation	Method of evaluation	Content of evaluation
Once a year	2025.01.01-2025.12.31	Board of Directors, individual directors	Internal self-evaluation of Board of Directors and Self-evaluation of individual directors	Criteria for evaluating the performance of the Board of Directors, which should cover the following six aspects: 1.Participation in the operation of the Company; 2.Improvement of the quality of the Board of Directors' decision making; 3.Composition and structure of the Board of Directors; 4.Election 5.Continuing education of the Directors; and 6.Internal control. Criteria for evaluating the performance of individual directors, which should cover the following six aspects: 1.Alignment of the goals and missions of the Company; 2.Awareness of the duties of a Director; 3.Participation in the operation of the Company; 4.Management of internal relationship and communication; 5.The Director's professionalism and continuing education; and 6. Internal control.

(4) Objectives of strengthening the functions of the Board of Directors in the current and recent years (e.g. setting up audit committees, enhancing transparency of information, etc.) and performance assessment:

The Company has established “Ethical Behavior Regulations” for directors, supervisors and managers to enhance the functions of the Board of Directors and enhance the transparency of information.

2.3.2 The operation of the audit committee or the participation of the supervisors in the Board meetings

The Company established an audit committee at the shareholders' meeting on August 24, 2021. Information on the participation of supervisors (Audit Committee) in the operation of the board of directors:

The board of directors held 6 meetings in the recent year, and the attendance is as follows:

Name	Attendance (in person)	Attendance (by proxy)	In person attendance rate (%)	Date of appointment
Eliza Wang	6	0	100%	Re-elected on Jun 25, 2024
Yong-Ren Lin	6	0	100%	Re-elected on Jun 25, 2024
Zhi-Feng Lin	4	1	67%	Re-elected on Jun 25, 2024
Jing-Shun Ke	4	0	100%	Taking office on Jun 24, 2025

Other documentation:

1. Matters listed in Article 14-5 of the Securities and Exchange Act and other resolution matters that have not been approved by the audit committee but have been approved by two-thirds of all directors:

   (1) Items listed in Article 14-5 of the stock transaction Law:

Meeting time	Proposal content and subsequent processing	Independent Directors' Recommendations or Objections	How the Company Addressed the Audit Committee's Comments	Audit Committee Resolution
The 4th Meeting of the 3rd Term March 6, 2025	1. Approval of the 2024 Financial Statements 2. Approval of the 2024 Business Report 3. Approval of the 2024 Earnings Distribution Proposal 4. Approval of the CPA Independence, Audit Quality Indicators (AQI), and Audit Fees for 2025 5. Approval of the Statement of Internal Control System 6. Approval of the Lease of the Thailand Factory from a Related Party 7. Approval of the Appointment of the Chief Internal Auditor	None	None	After consultation by the chairman and all members present, the proposal was adopted without objection.
The 5th Meeting of the 3rd Term May 8, 2025	1. Approval of the Q1 2025 Financial Statements.	None	None	After consultation by the chairman and all members present, the proposal was adopted without objection.
The 6th Meeting of the 3rd Term August 7, 2025	1. Approval of the Q2 2025 Financial Statements.	None	None	After consultation by the chairman and all members present, the proposal was adopted without objection.
The 7th Meeting of the 3rd Term October 9, 2025	1.Approval of the Amendments to the "Payroll Cycle of the Internal Control System"	None	None	After consultation by the chairman and all members present, the proposal was adopted without objection.
The 8th Meeting of the 3rd Term November 6, 2025	1. Approval of the Q3 2025 Financial Statements. 2. Approval of the Appointment of the Chief Internal Auditor	None	None	After consultation by the chairman and all members present, the proposal was adopted without objection.
The 9th Meeting of the 3rd Term	1. Approval of the Amendments to the "Payroll Cycle of the Internal Control	None	None	After consultation by the chairman and all members present, the

December 18, 2025	System"			proposal was adopted without objection.

(2) Apart from the aforementioned items, other cases of resolution not passed by the Audit Committee but agreed to by two-thirds of the entire board of directors: None.

2. Implementation of independent directors' recusal from proposals involving conflicts of interest, which shall specify the names of the independent directors, the content of the proposals, the reasons for recusal, and the voting participation status:None.
3. Communication between independent directors, the chief internal auditor, and the CPAs (shall include the material matters, methods, and results of communication regarding the company's financial and business conditions):

(1) Communication between Independent Directors and Internal Audit Chief:

Date	Key points of communication	Suggestions and corrections from independent directors
2025/3/6	1. Review of the draft 'Statement of Internal Control System' scheduled to be submitted to the Board of Directors. 2. Appointment of the Chief Internal Auditor.	None
2025/10/9	1.Proposed revisions to the “Payroll Cycle” under the Internal Control System. 2.Status of audit activities and internal control operations for Months 1–8 of Year 2025.	None
2025/11/6	1. Appointment of the Chief Internal Auditor	None
2025/12/18	1. Proposed amendments to the "Payroll Cycle of the Internal Control System" 2. Submission of the 2026 Internal Audit Plan	None

(2) Communication between Independent Directors and CPAs:

Date	Key points of communication	Opinions of independent directors	Handling situation
2025/3/6	1. Ethics and Independence of the CPA Firm 2. Responsibilities of the Auditors for the Audit of the Financial Statements 3. Communication on the Quality Management System of the CPA Firm. 4. FY 2024 audit opinion type issued: Unqualified Opinion. 5. FY 2024 audit scope and audit findings. 6.Recent regulatory updates.	NA	Not applicable
2025/12/18	1. Ethics and independence (including FY 2024 Audit Quality Indicators (AQI)). 2. Quality Management System of the CPA Firm. 3. FY 2025 audit planning. 4.Recent regulatory updates.	NA	Not applicable

2.3.3 Corporate Governance Implementation, Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and Reasons for Such Deviations:

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	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"?	V		The Company has established a Corporate Governance Regulations in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and disclosed it on the Company's website as public information for investors to review.	In Compliance
2. Shareholding Structure & Shareholders' Rights (1) Does Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, has these procedures been implemented accordingly?	V		The Company assigned responsible personnel to accept shareholders' suggestions, doubts and disputes in order to properly maintain investor relations.	In Compliance
(2) Does Company possess a list of major shareholders and beneficial owners of these major shareholders?	V		The company assigned responsible personnel to deal with the stock affairs and the commission authorized by Mega Securities, for regularly manage the situation of the company's major shareholders, and publicly disclose monthly information required by government authorities on the website.	In Compliance
(3) Has the Company built and executed a risk management system and "firewall" between the Company and its affiliates?	V		The Company formulates "Measures for supervising the operation of the subsidiary company" and assigned responsible personnel to monitor the relevant measures of the related enterprises.	In Compliance
(4) Has the Company established internal rules prohibiting insider trading on undisclosed information?	V		The Company sets the "Code of Ethical Conduct for Directors, Supervisors, and Managers" and the "Integrity of Management Regulations." Both are published on the Company's website.	In Compliance
3. Composition and Responsibilities of the Board of Directors (1) Has the Company established a diversification policy for the composition of its Board of Directors and has it been implemented accordingly?	V		When appointing directors, the Company will consider the professional background of the directors themselves and strive to improve gender equality among the board members. The Company has one female director on the board; the professional backgrounds of the directors cover management, science and engineering, finance and other diverse backgrounds, and they can provide professional opinions from different perspectives. The implementation of the diversity of the directors of the Company is detailed in the evaluation project (Note 1).	In Compliance
(2) Does the company voluntarily establish other functional committees in addition to the		V	In addition to the Remuneration Committee and the Audit Committee, the Company has not set up any other functional committees.	In Compliance

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Summary	
Compensation Committee and the Audit Committee? (3) Has the Company established methodology for evaluating the performance of its Board of Directors, on an annual basis and submit the results of performance assessments to the board of directors and use them as reference in determining compensation for individual directors, their nomination and additional office term? (4) Does the Company regularly evaluate its external auditors' independence?	V V		"The Company has established the Rules for Performance Evaluation of the Board of Directors and conducts annual performance evaluations in accordance with regulations." The Company regularly evaluates the independence of accountants and AQI on an annual basis. In the most recent year as in 2025/3/6, the Board of Directors had assessed the independence of accountants. Assessment included 7 aspects in legality: the qualification of accountants and whether or not the accountants were restricted by the government authorities or disqualified from the financial assurance agency. Other 12 aspects about their interests were also assessed, including business justification, ethics, and whether or not the accountants hold relationship as spouses, direct blood relatives, or others with the Executives or managers of the Company.	In Compliance In Compliance
4. Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers and appoint a corporate governance supervisor to be responsible for corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with the laws, organizing board meetings and annual general meetings as required by law, and compiling minutes of board meetings and annual general meetings)?	V		The Company has appointed a Chief Corporate Governance Officer to oversee and handle corporate governance-related affairs. The responsibilities include preparing the agendas for Board meetings, providing comprehensive meeting materials, handling matters related to Shareholders' meetings, managing corporate registrations and amendments, and producing the minutes for both Board and Shareholders' meetings.	In Compliance
5. Has the Company established a means of communicating with its Stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a Stakeholders Section on its Company website?	V		The Company has set up designated webpage for stakeholders to provide interested parties to submit their appeals via email. The Company also has responsible personnel to provide stakeholders any point of contact for follow-up communication.	In Compliance

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Summary	
Does the Company respond to stakeholders' questions on corporate social responsibilities?				
6. Has the Company appointed a professional registrar for its Shareholders' Meetings?	V		The Company authorizes Mega Securities' Stock Agency Department to handle the regular meetings of shareholders and relevant related matters.	In Compliance
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business and corporate governance status? (2) Does the Company use other information disclosure channels (e.g. maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors' conference etc.)? (3) Does the company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating statements for each month before the specified deadline?	V V V		The Company sets a designated webpage for investors, providing financial business information as well as setting corporate governance webpages specifically for investors to search for relevant information. The Company assigned a person to be responsible for the collection of company information and the disclosure of relevant information to implement the company spokesperson system. The company's monthly operational reports, quarterly reports and annual financial reports are all announced within the deadlines stipulated by law.	In Compliance In Compliance In Compliance
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)?	V		Employee rights and interests: The Company formulates work policies and regulations to protect the rights and interests of both employers and employees, specifically the Company provides staff opinion boxes for employees to submit advice. Investor Relations: The Company treats all shareholders equally, and the Company's website has an investor's designated webpage for investors to inquire about the Company's financial business information. Interests of stakeholders: The Company's website has an interested party's special webpage section to provide a platform for stakeholders to complain or to safeguard the rights and interests of interested parties. The attendance situations of board of directors: The board of directors of the Company meet at least 6 times a year, with such attendance disclosed as public information on Market Observation Post System.	In Compliance

<table>
<tr><th rowspan="2">Assessment Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Non-implementation and Its Reason(s)</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>The insurance of board of directors: The company has purchased the relevant liability insurance for all the directors.
The situation of further education of the Board of directors: The Company arranges annual education programs for the Directors. Each further education is disclosed on Market Observation Post System (Note 2).</td><td></td></tr>
<tr><td colspan="5">9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures.
(1).Improvements Completed in 2025: It is expected that the entire uninterrupted audio and video recording will be uploaded after the 2025 shareholders' meeting.
(2).Priority Enhancements for 2026: Shareholder meeting souvenirs will be made using eGift.</td></tr>
</table>

Note 1: Diversity of Board Members:

Diversity indicators / Board members	Gender	Operational judgment	Accounting and financial analysis	Business Management	Crisis management	Industry knowledge	International Market Perspective	Leadership	Decision-making
Ting-Hung Su	Male	√		√	√	√	√	√	√
King-Tung Huang	Male	√		√	√	√	√	√	√
Yung-Chang Chiang	Male	√		√	√	√	√	√	√
Han-Pin Cheng	Male	√		√	√	√	√	√	√
San-Lu Su	Male	√		√	√	√	√	√	√
Eliza Wang	Female		√			√	√		
Yong-Ren Lin	Male	√		√	√	√	√	√	√
Zhi-Feng Lin	Male	√		√	√	√	√	√	√
Jing-Shun Ke	Male	√		√	√	√	√	√	√

Note 2: The directors and supervisors of the Company have participated further education courses conducted by various professional institutions:
See below for the further education list of 2025:

Name	Title	Duration of Education		Education Organizer	Course name	Education hours
		Start date	End date			
Ting-Hung Su	Board Chairman	2025/11/6	2025/11/6	Taiwan Board of Directors	Digital Technology and Cybersecurity Risk Management	3
King-Tung Huang	Director					
Yung-Chang Chiang	Director					
San-Lu Su	Director					
Han-Pin Cheng	Director					
Eliza Wang	independent Director					
Yong-Ren Lin	independent Director					
Zhi-Feng Lin	independent Director					
Jing-Shun Ke	independent Director					
Ting-Hung Su	Board Chairman	2025/12/18	2025/12/18	Taiwan Board of Directors	Compliance Responses to the Challenges of the Role and Management Power of Directors under Corporate Governance 4.0	3
King-Tung Huang	Director					
Yung-Chang Chiang	Director					
San-Lu Su	Director					
Han-Pin Cheng	Director					
Eliza Wang	independent Director					
Yong-Ren Lin	independent Director					
Zhi-Feng Lin	independent Director					
Jing-Shun Ke	independent Director					
Yung-Chang Chiang	Director	2025/3/20	2025/3/20	Taiwan Academy of	Corporate Governance Lecture	3

				Banking and Finance Foundation		
Jing-Shun Ke	independent Director	2025/7/25	2025/7/25	Securities and Futures Market Development Foundation	2025 Insider Trading Compliance Seminar	3
Jing-Shun Ke	independent Director	2025/9/18	2025/9/18	Securities and Futures Market Development Foundation	Trends and Risk Management of Digital Technology and Artificial Intelligence	3

2.3.4 Operation of Remuneration Committee

1. Profile of Remuneration Committee Members

Date: 05/31/2026

Criteria Title(Note 1)	Name	Professional Qualification and Work Experiences (Note 2)	Criteria for Independence (Note 3)	Number of Other Public Companies in which the Individual is Concurrently Serving as Remuneration Committee Member
Independent Director (Chairman)	Eliza Wang	Please see page 7 "Disclosure of Directors Professional Qualifications and Independence".	(1) Not an employee of the Company or any of its affiliates; (2) Not a director or supervisor of the Company or any of its affiliates; (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranks as one of its top ten shareholders; (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the managerial officers in the preceding 1 subparagraph, or of any of the above persons in the preceding subparagraphs 2 and 3; (5) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the Company, ranks as of its top five shareholders, or has representative director(s) serving on the Company's board based on Article 27 of the Company Act; (6) Not a director, supervisor, or employee of a company of which the majority of board seats or voting shares is controlled by a company that also controls the same of the Company; (7) Not a director, supervisor, or employee of a company of which the chairman or CEO (or equivalent) themselves or their spouse also serve as the Company's chairman or CEO (or equivalent); (8) Not a director, supervisor, managerial officers, or shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the Company; (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or	0
Independent Director	Yong-Ren Lin			0
Independent Director	Zhi-Feng Lin			0

Independent Director	Jing-Shun Ke		consultation to the Company or to any affiliate of the Company, or a spouse thereof, and the service provided is an "audit service" or a "non-audit service which total remuneration within the recent two years exceeds NT$500,000". (10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company; (11) Not been a person of any conditions defined in Article 30 of the “Company Act”.	0
Independent Director	(Note 5)			0

Note 1: Please specify in the form the relevant working years, professional qualifications, experience and independence of the members of each Remuneration Committee. If they are independent directors, please note that refer to page 8 "Disclosure of Directors Professional Qualifications and Independence". Please indicate whether this person is an independent director or others (if the person is chairman, please note).

Note 2: Professional Qualification and Work Experiences: State the professional qualifications and experience of individual Remuneration Committee members.

Note 3: Criteria for Independence: State that the members of the remuneration committee meet the conditions of independence, including but not limited to the self, spouse, relatives within the second degree serve as director or supervisor of the company or its affiliated companies; the number and proportion of company shares held by the self, spouse, relatives within the second degree (or in the name of others); serving as a director, supervisor or employee of a company that has a specific relationship with the company (refer to Article 6, Paragraph 1, Subparagraphs 5 to 8 of the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange”); the amount of remuneration for providing business, legal, financial, accounting and other services to the company or its related companies in the last two years.

Note 4: For the disclosure method, please refer to the best practice reference example on the website of the Corporate Governance Center of TWSE.

Note 5: Director Ke Jingshun was elected as a member of the Remuneration Committee on 2025/8/7.

2. Remuneration Committee Operation

(1) The Remuneration Committee is currently comprised of 4 members.

(2) Current Remuneration Committee Member Terms: June 25, 2024, through June 24, 2027; the committee convened 4 meetings (A) in 2025, of which attendance is as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B/A)	Remarks
Committee Member/Chairman	Eliza Wang	4	0	100%	Re-elected on Jun 25, 2024
Committee Member	Yong-Ren Lin	4	0	100%	Re-elected on Jun 25, 2024
Committee Member	Zhi-Feng Lin	2	1	50%	Re-elected on Jun 25, 2024
Committee Member	Jing-Shun Ke	1	0	100%	Taking office on Aug 7, 2025
Other documentation: 1. If the Board of Directors do not adopt or amend the recommendations of the Remuneration Committee, it shall state the date of the Board of Directors, the period, the contents of the motion, the results of the resolutions of the Board of Directors and the company's handling of the opinions of the Remuneration Committee (e.g. the recommendations adopted by the Board of Directors about remuneration are better than those of the Remuneration Committee, the circumstances and reasons for their differences shall be specified): None.					

2. If a member has objections or reservations and has a record or written statement, the date, part of the remuneration committee, the contents of the motion, the views of all members, and the handling of the views of the members shall be specified: None.

3. The composition and responsibilities of the Remuneration Committee:

(1) All the members of the Remuneration Committee are in conformity with the professional qualifications and work experience stipulated in Article 5 of the “Measures of Competence of the Remuneration Committee”, and compliant with Article 6 of the “Measures of Competence of the Remuneration Committee”.

(2)Responsibilities:

A. To establish and regularly review the policies, systems, standards, and structures of performance evaluation and remuneration of directors, supervisors and managers.

B. Regularly assess and determine the remuneration of directors, supervisors and managers.

C. Review the Company's procedures and make recommendations for amendments from time to time.

Note：(1) If any member of the Remuneration Committee resigns before the end of the year, the date of resignation shall be indicated in the remarks column. The actual attendance rate (%) shall be calculated based on the number of meetings of the Remuneration Committee and the actual number of attendance during the term of office.

(2) Before the end of the year, if there is a re-election of the Remuneration Committee, the new and old members of the Remuneration Committee shall be filled in, and the remarks column shall indicate whether the member is the old, new or renewal and the date of re-election. The actual attendance rate (%) shall be calculated based on the number of meetings of the Remuneration Committee and the actual number of attendance during the term of office.

(3) Remuneration Committee discussions and resolutions:

Meeting date	Agenda and subsequent actions	Results Communicated	Company reaction base on the opinion of Remuneration Committee
The 3rd Meeting of the 5th Term January 16, 2025	1. Approval of the Proposal for the Distribution of Managers' Year-End Bonuses.	Approved by all members in attendance	The board of directors supported and approved all the items proposed by Remuneration Committee
The 4th Meeting of the 5th Term March 6, 2025	1. Approval of the Allocation of the 2024 Directors' Remuneration in Accordance with the Articles of Incorporation.	Approved by all members in attendance	The board of directors supported and approved all the items proposed by Remuneration Committee
The 5th Meeting of the 5th Term August 7, 2025	1.Approval of the Fixed Remuneration of Independent Director Jing-Shun Ke	Approved by all members in attendance	The board of directors supported and approved all the items proposed by Remuneration Committee

The 6th Meeting of the 5th Term October 9, 2025	1. Approval of the Employee Cash and Stock Remuneration for Managers. 2. Approval of the Detailed Distribution Plan for Directors' Remuneration. 3. Approval of the Fixed Remuneration of Independent Director Ching-Shun Ko as a Member of the Remuneration Committee.	Approved by all members in attendance	The board of directors supported and approved all the items proposed by Remuneration Committee

2.3.5 Fulfillment of Sustainable Development and Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies"

Evaluation Criteria	Implementation Status (Note1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies " and Reasons
	Yes	No	Explanation (Note2)	
1. Has the Company established a Sustainable Development unit (full- or part-time), with a senior manager authorized by the Board of Directors to handle and report related activities to the Board of Directors?		V	The Company has established a sustainability organizational structure and reported the contents of the 2024 Sustainability Report to the Board of Directors on December 18, 2025.	None
2. Does the company follow principles of materiality in evaluating the risks of environmental, social, and corporate governance, and establish relevant policies or strategies?	V		1. Environment: (1) The company has listed environmental management, greenhouse gases, energy conservation and carbon reduction as the company's continuous improvement targets, and strives for continuous improvement through increasing resources and cutting costs, so as to ensure sustainable production and assume more social and environmental responsibilities. (2)The company also actively introduces and develops more environmentally friendly operating processes and products in the manufacturing process, products, services and concepts to meet various green requirements of customers and sales countries on energy resource management,	None

<table>
<tr><th rowspan="2">Evaluation Criteria</th><th colspan="3">Implementation Status (Note1)</th><th rowspan="2">Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies " and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation (Note2)</th></tr>
<tr><td></td><td></td><td></td><td>climate change, RoHS and toxic chemical substances, as a guideline for continuous improvement and sustainable operation, with the goal of achieving the ultimate green industry.
(3)The internal management is also committed to maintaining environmental control inside and outside the plant, reducing environmental impact, and continuously implementing 5S management campaign to optimize the plant environment and work efficiency.
2. Product safety:
A. Quality is the core responsibility and principle of every employee. By establishing a good corporate quality culture, the company continues to improve the quality management of innovative products and services with innovation and rigorous design and development capabilities.
B. In recent years, through the introduction of ISO9001 and other quality management systems, the company has constructed complete and rigorous key processes such as "design and development", "supplier management", "process control", "quality control" and "efficiency service". Analysis technology, continuous proposal and improvement, in order to ensure the quality of the company's products, maintain the company's competitive advantage and achieve the win-win goal of customer satisfaction.</td><td></td></tr>
</table>

Evaluation Criteria	Implementation Status (Note1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies " and Reasons
	Yes	No	Explanation (Note2)	
			3. Corporate Governance: Through the establishment of governance organization and the implementation of an internal control mechanism, to ensure that all personnel and operations of the company truly comply with relevant laws and regulations.	
3.Environment (1)Does the Company establish proper environmental management systems in line with its industry characteristics?	V		Our company has introduced an environmental management system (ISO 14001) and obtained third-party certification. Our management department is responsible for the management system maintenance and implementation, the promotion of environmental protection concepts and internal and external education and advocacy.	None
(2)Is the Company committed to improving the utilization efficiency of various resources and using recycled materials with a low environmental footprint?	V		In order to improve the utilization efficiency of raw materials and reduce the environmental impact, the company's treatment is as follows: 1. Waste Management and Resource Recycling: In order to achieve the maximum benefits of effective waste management and resource recovery and sustainable utilization, the company first focus on waste reduction, effectively and surely classify, recycle, reuse and properly dispose of, and continue to improve waste. Storage, Shipping and Handling and Environmental Impact. 2. In order to accurately grasp the flow of waste, in addition to carefully selecting qualified waste disposal and recycling	None

<table>
<tr><th rowspan="2">Evaluation Criteria</th><th colspan="3">Implementation Status (Note1)</th><th rowspan="2">Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies " and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation (Note2)</th></tr>
<tr><td></td><td></td><td></td><td>manufacturers, the management department regularly checks the legality of the waste disposal process, so as to take responsibility for the supervision of waste management.
3. The oil used for cutting machines in the factory is recycled as much as possible, and the waste gas collection and recovery system is adopted to reduce the exhaust gas discharged to the outside and reduce the impact on the environment.</td><td></td></tr>
<tr><td>(3)Does the Company evaluate the impact of climate change on the Company's current and future potential risks and opportunities, and adopt measures to respond to climate-related issues?</td><td>V</td><td></td><td>In response to the possible impact of climate change, the company actively identifies the risks brought by climate change (such as water shortage, power shortage, typhoon, earthquake, etc.), and continuously controls the operation impact and damage caused by extreme climate.
In response to various disaster risks that may affect operations, the company has formulated relevant continuous operation plans and has appropriate countermeasures to reduce the impact on operations after disasters occur, and to resume operations quickly.</td><td>None</td></tr>
<tr><td>(4)Does the company collect information on greenhouse emissions, water consumption, and total weight of waste in the past two years, and formulate policies on greenhouse gas reduction, water usage reduction, or other waste management policies?</td><td>V</td><td></td><td>The company's statistics of greenhouse emissions, water consumption, and total weight of waste in the past two years are as follows:
<table>
<tr><th>Item
Year</th><th>Direct GHG Emissions (Scope 1)</th><th>Indirect GHG Emissions (Scope 2)</th><th>Other Indirect GHG Emissions (Scope 3)</th><th>Water Consumption</th><th>Non-Hazardous Waste Total Weight</th><th>Hazardous Waste Total Weight</th></tr>
<tr><td>unit</td><td>(tons CO2e)</td><td>(tons CO2e)</td><td>(tons CO2e)</td><td>(metric tons)</td><td>(metric tons)</td><td>(Metric Tons)</td></tr>
</table></td><td>Included in the operation plan to meet the sustainable</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Criteria</th><th colspan="3">Implementation Status (Note1)</th><th rowspan="2">Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies " and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation (Note2)</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>2025</td><td>121.2824</td><td>4,981.7428</td><td>2,460.5672</td><td>32,557.5435</td><td>30.886</td><td>0</td></tr>
<tr><td>2024</td><td>150.9711</td><td>5,437.3084</td><td>2,438.4153</td><td>36,622.5853</td><td>31.726</td><td>0</td></tr>
<tr><td>Y to Y Increase (decrease)</td><td>(19.66%)</td><td>(8.4)%</td><td>0.9%</td><td>(11.10)%</td><td>(2.65)%</td><td>0</td></tr>
</table>
To formulate a greenhouse gas (GHG) reduction strategy, the Company has set 2023 as the base year. In accordance with the methodology of the Science Based Targets initiative (SBTi) 1.5°C warming trajectory, the Company commits to a 14% reduction in emissions for the parent company by 2030 compared to the base year, with an annual reduction of at least 2% starting from the base year.
To achieve this target, the Company’s concrete actions include:
1. Energy Efficiency Enhancement: Continuously promoting the replacement of legacy air compressors (with a target efficiency increase of 8-10%) and the full transition to LED lighting in factories. As of 2025, Scope 2 emissions have been reduced by 8.4%.
2. Low-Carbon Production Processes: Energy-saving improvements in the Metal Injection Molding (MIM) process (sintering furnace efficiency optimization); power-saving improvements in the CNC cutting fluid cooling circulation system.</td><td>development goals</td></tr>
<tr><td>4.Social Responsibilities
(1)Does the Company formulate appropriate management policies and procedures in accordance with relevant regulations and international human rights conventions?</td><td>V</td><td></td><td>The company does abide by the labor base law and relevant laws and regulations, as well as international human rights conventions, such as gender equality, the right to work and the prohibition of discrimination, and has set up an employee</td><td>None</td></tr>
</table>

Evaluation Criteria	Implementation Status (Note1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies " and Reasons
	Yes	No	Explanation (Note2)	
(2)Does the company formulate and implement reasonable employee benefits (including remuneration, vacation, and other benefits), and appropriately reflect operating performance or results in employee remuneration?	V		welfare committee to supervise and protect the welfare of employees. The company provides employee benefits including three holidays (Chinese New Year, Dragon Boat Festival and Mid-Autumn Festival) bonus, Labor Day bonus, patent bonus, year-end party and lottery activities, group insurance (accident insurance and occupational disaster) , business travel insurance, wedding and funeral subsidies, child care allowances for employees under the age of six to attend kindergartens and other related benefits. In additional, the employee welfare committee provides employees with domestic and foreign travel, birthday gifts, maternity subsidies, and employee discounts in various special stores. Employees' vacations are in accordance with the Labor Standards Act. The salary standard for new recruits is determined according to the educational experience conditions of the talents required by the position. After employment, employees will be evaluated, trained, and promoted according to their performance. Article 22 of the Company's Articles of incorporation stipulates that if company makes a profit in a year (defined as pre-tax benefits before deducting employee compensation and remuneration to directors and supervisors), it shall provide not less than 2% of employee compensation. In accordance with the Employee Bonus Distribution Policy, employee bonuses are evaluated based on the performance of departments, positions,	None

Evaluation Criteria	Implementation Status (Note1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies " and Reasons
	Yes	No	Explanation (Note2)	
			and individuals.	
(3)Does the Company provide a safe and healthy working environment, and provide training on safety and health for its employees on a regular basis?	V		The company is committed to providing a safe and healthy working environment for employees, promoting health promotion, providing sound physical and mental programs, and regularly implementing safety and health education for employees. The company has an occupational safety office to coordinate the handling of occupational safety and health related businesses. In the future, it plans to introduce ISO 45001 occupational safety management system certification. There was no major occupational disaster in this report year, and the health examination activities for employees were held regularly every year to ensure the physical and mental health and safety of employees.	None
(4).Does the Company establish effective career development programs for its employees?	V		The company provides professional education and training according to the work in charge, arranges internal or external training courses, and improves the functions of employees.	None
(5).With respect to customer health and safety of products and services, customer privacy, marketing, and labeling, does the Company comply with relevant regulations and international standards, and formulate related consumer protection policies and appeal	V		The company attaches importance to customers' opinions. In addition to daily visits, it also provides a product contact window and email on the company's website, and sets up a special area for interested parties to provide channels for complaints or suggestions. The company also adheres to the principle of good faith to properly handle and give feedback to protect customers'	None

Evaluation Criteria	Implementation Status (Note1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies " and Reasons
	Yes	No	Explanation (Note2)	
procedures? (6).Does the Company have a supplier management policy that requires suppliers to comply with and implement relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights?	V		rights. Tantalum, tin, tungsten and gold contained in the company's products do not use "conflict minerals" mined from African regions / countries. The supplier shall conduct a detailed review of the origin and regulation of these minerals and shall provide the client, upon request, with the specifications for its review.	None
4. Social Issues				
(1) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles?	V		The Company does comply with the Labor Standard Law and related regulations as well as international human rights conventions (e.g. gender equality, the right to work, and the prohibition of discrimination). The Company has a Staff Welfare Committee to monitor and safeguard the welfare of employees.	None
(2) Has the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation?	V		The Company provides gift certificates on the three special holidays, May first Labor Day gifts, patent bonuses, annual end-of-year party with lottery activities, group insurance (accident insurance, occupational disaster), subsidies for business travel, birthdays, maternity leaves, kindergarten babysitting, and all other kinds of special stores to enjoy employee discounts.	None
(3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	V		The Company regularly conducts employee health check-ups and special health check-ups (e.g. noise).	None
(4) Has the Company established effective career development training plans?	V		The Company provides professional education and training in accordance with the work of each person in charge, arranges internal or external training courses, and enhances the functions	None

Evaluation Criteria	Implementation Status (Note1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies " and Reasons
	Yes	No	Explanation (Note2)	
			of its employees.	
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	V		The Company values customer opinions. In addition to daily visits, the company's website provides contact information (email) under the designated stakeholder webpage. The Company set ups complaints or discussion channels. The Company also upholds the principle of integrity to properly handle the complaints and provide feedback to protect customer rights.	None
(6) Does the company formulate a supplier management policy that requires suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and the implementation?	V		The tantalum, tin, tungsten and gold contained in the Company's products do not use conflict minerals mined from African regions or countries. Suppliers should conduct detailed reviews of the sources and regulations of these minerals and should provide customers with the specifications for their reviews at their request.	None
5. Does the company prepare corporate social responsibility reports and other reports that disclose non-financial information by following international reporting standards or guidelines? Does the company obtain third party assurance or certification for the reports above?	V		The 2024 Sustainability Report is expected to be disclosed before August 31, 2026.	None
6. If the Company has established the corporate social responsibility principles based on “the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies”, please describe any discrepancy between the Principles and their implementation: No deviations - The Company has not yet established a corporate responsibility principles, but the Company’s implementation is consistent with the same ideal without significant differences in the good will to the society and the environment				

Evaluation Criteria	Implementation Status (Note1)			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies " and Reasons
	Yes	No	Explanation (Note2)	
7.Other important information to facilitate a better understanding of the company’s implementation of corporate social responsibility: (1) The Company's recruitment and appointment do not discriminate due to gender or race. The Company actively provides job opportunities to disadvantaged groups. For the rights and interests of employees, our Company is in accordance with the provisions of the regulations, while providing employees with a good working environment. (2) In terms of environmental protection, the company is in accordance with the relevant provisions of the Environmental Protection Act. In order to avoid environmental pollution caused by production, for the rights and interests of employees, the Company is in accordance with the provisions of the regulations, while providing employees with a good working environment. (3) The investors’ rights and interests: The Company always maintains the channels of communication, and upholds the principle of integrity to disclose information in real-time in order to safeguard the rights and interests of investors.				

Note 1: If checked "Yes", please indicate the important policies, strategies, measures and implementations adopted; Yet if checked "No", please explain the reasons and explain the plans for the future implementation of relevant policies, strategies and measures. Regarding Evaluation Criteria 1 and 2, TWSE/TPEx listed companies should describe the governance and supervision structure of sustainable development, including but not limited to management guidelines, strategy and goal formulation, review measures, etc. It also describes the company's risk management policies or strategies for environmental, social and corporate governance issues related to operations, and its assessment status.

Note 2: The principle of materiality refers to those who have a significant impact on corporate investors and other stakeholders on environmental, social and corporate governance issues.

2.3.6 Implementation of Climate-Related Information

Item	Implementation status
1. Specify the oversight and governance of climate-related risks and opportunities by the Board of Directors and management.	The Board of Directors serves as the highest oversight body for climate-related risks and opportunities. The Chief Executive Officer of the ESG Sustainability Committee reports to the Board of Directors twice a year on climate-related progress, including Greenhouse Gas (GHG) inventory updates, energy management performance, Science Based Targets initiative (SBTi) target progress, and material climate risk assessments. 。
2. Specify how the identified climate-related risks and opportunities affect the enterprise's business, strategy, and financial planning	1. The Company defines the short term as within 3 years (up to 2028), the medium term as 3 to 5 years (2028–2030), and the long term as more than 5 years (post-2030 to 2050). Based on three scenarios from the IPCC AR6 (1.5°C / SSP1-1.9, 2°C / SSP1-2.6, and 4°C / SSP5-8.5), the Company evaluates the impacts of climate-related risks and opportunities on its business, strategy, and

(over the short, medium, and long term).

financial planning across each time horizon:

Risk / Opportunity Type	Key Risk Factors	Time Horizons	Potential Financial Impacts
Transition Risk (Policy and Legal)	Taiwan carbon fee, customer carbon disclosure requirements	Short-to-medium term	Increased carbon fee expenditures; failure to meet customer requirements may impact orders.
Transition Risk (Technology)	Capital costs for upgrading to low-carbon equipment	Medium-to-long term	Increased capital expenditures (CapEx) by approximately 5–10%.
Physical Risk (Acute)	Typhoons and floods affecting factory sites	Short term	Factory shutdown of 2–5 days per incident; potential loss of NT$600,000 in overtime compensation.
Physical Risk (Chronic)	Rising temperatures increasing cooling energy consumption	Long term	Annual electricity costs increase by 3–8%.
Climate Opportunity	Customer preference for low-carbon supply chains	Medium-to-long term	Strengthening low-carbon certifications helps maintain/secure major brand orders, leading to potential revenue enhancement.

2.Strategic Response Measures

(1) Short term: Complete third-party verification for ISO 14064, apply for voluntary reduction plans to secure Taiwan’s preferential carbon fee rates, and utilize climate disclosure as a core competitiveness to maintain orders from major customers (such as DELL, HP, Lenovo, etc.).

(2) Medium term: Promote the procurement of energy-saving equipment for overseas factory sites, and diversify the concentration risk of typhoons and floods at the Taiwan factory site.

(3) Long term: Drive low-carbon production process transformations in accordance with the SBTi 1.5°C trajectory, evaluate Power Purchase Agreements (PPAs) for renewable energy, and progressively achieve the 2050 net-zero emissions target.

3.Specify the financial impacts of extreme weather events and transition actions.	1.Financial Impacts of Extreme Weather Events: The primary factory sites of the Company in Taiwan are located in Xizhi, New Taipei City, and Qidu, Keelung City. Situated along the major path of typhoons impacting Taiwan, flooding and high winds represent the most immediate physical risks. Based on the scenario analysis results: (1) Flood Risk (Acute): Severe typhoons causing water ingress into factory sites are estimated to result in a factory shutdown of 2–5 days per incident. This directly impacts current shipment volumes and customer delivery schedules, leading to a potential revenue loss of approximately NT$600,000 in overtime compensation, as well as additional repair expenses for machinery and equipment. (2) High-Temperature Chronic Risk (Long-Term): Under the SSP5-8.5 scenario, Taiwan's average temperature is projected to rise by 2–4°C by 2050, which will increase factory cooling energy consumption. Annual electricity costs are estimated to increase by 3–8%. 2. Financial Impacts of Transition Actions (1) Carbon Fee Costs: In accordance with the Taiwan Ministry of Environment's carbon fee collection starting from 2026, calculated based on the current standard fee rate, the future expected carbon fee expenditures can be significantly reduced if preferential carbon fee rates are obtained through the application for voluntary reduction plans. (2) Increased Capital Expenditures: Energy-saving equipment (such as LED lighting replacements, air compressor efficiency improvements, etc.) will be introduced in phases. Related capital expenditures (CapEx) are projected to increase between 2025 and 2030.
4. Specify how the processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management system.	The Company has integrated climate-related risk management into its overall Enterprise Risk Management (ERM) framework, managing it systematically at the same tier as supply chain risks, information security risks, and market competition risks." 1. Identification ProcessThe Environmental (E) Sustainability Task Force conducts a climate risk identification once a year. Referencing the classification frameworks recommended by TCFD for transition risks (policy/legal, technology, market, reputation) and physical risks (acute, chronic), and combining data from the Taiwan Climate Change Projection Information Platform (TCCIP) and IPCC AR6 scenarios, the task force systematically inventories potential climate impacts across all

	operating sites. 2. Assessment ProcessRisk levels are evaluated based on a 'Likelihood × Financial Impact' matrix and classified into three tiers: high, medium, and low. The assessment results are integrated into the annual risk register. Following review by the ESG Sustainability Committee, the major risk items and their corresponding response strategies are submitted to the Board of Directors for final confirmation." 3. Management ProcessEach functional task force formulates annual action plans based on risk levels and establishes Key Performance Indicators (KPIs) to track the status of achievement.
5.If scenario analysis is used to assess resilience against climate change risks, explain the scenarios, parameters, assumptions, analytical factors, and primary financial impacts used.	**【Scenario Selection】** The Company adopts the Shared Socioeconomic Pathways (SSPs) from the IPCC Sixth Assessment Report (AR6) as the baseline for its scenario analysis, selecting three scenarios for evaluation: •SSP1-1.9 (1.5°C Scenario): Corresponds to a low-emission scenario with aggressive global carbon reduction, representing the highest transition risk and the lowest physical risk. •SSP1-2.6 (2°C Scenario): A low-to-medium emission scenario, where both transition and physical risks are moderate. •SSP5-8.5 (4°C Scenario): A high-emission, 'business-as-usual' scenario, representing the highest physical risk and relatively lower transition risk. **【Time Horizon of Analysis】** Short-Term: 2025–2028; Medium-Term: 2028–2030; Long-Term: 2030–2050. **【Key Parameters and Assumptions】** •Transition Risk Parameters: The Taiwan carbon fee rate is based on the announcements by the Ministry of Environment (with collection starting from 2026). Customer requirements for low-carbon supply chains are aligned with the publicly committed timelines of major brands (such as DELL and HP). •Physical Risk Parameters: Flood risks are evaluated based on the inundation potential maps for New Taipei City and Keelung City from the Taiwan Climate Change Projection Information and

Adaptation Knowledge Platform (TCCIP). Typhoon intensity trends reference historical data from the Central Weather Administration (CWA). Temperature rise amplitudes are based on the regional projections for Taiwan from the IPCC AR6.

- Analysis Boundary: The primary scope of analysis is constrained to the Company's two factory sites in Taiwan (the Xizhi Plant and the Liudu Plant).

【Primary Financial Impacts】

Scenario	Risk Type	Estimated Financial Impact
SSP1-1.9（1.5°C）	Carbon Fee Costs (Applicable for preferential rates)	Additional annual costs are relatively low and can be significantly reduced after applying for the voluntary reduction plans.
SSP1-2.6（2°C）	Carbon Fee + Moderate Extreme Weather Losses	Carbon fee costs are moderate; potential loss of approximately NT$600,000 per flood-related work stoppage.
SSP5-8.5（4°C）	High-Frequency Extreme Weather + High-Temperature Chronic Impacts	ork stoppage losses are at their highest; annual electricity costs increase by 8%; long-term plant site assessment becomes necessary.

6. If there is a transition plan in response to managing climate-related risks, explain the contents of the plan, as well as the metrics and targets used to identify and manage physical risks and transition risks.

【Contents of the Low-Carbon Transition Plan】

The company has formulated a three-stage low-carbon transition plan aligned with the SBTi 1.5°C carbon reduction trajectory:

- Stage 1 (2025–2027): Complete comprehensive greenhouse gas (GHG) Scope 1, 2, and 3 inventories across all factories and apply for ISO 14064 third-party verification; promote the replacement of energy-saving equipment at the Taiwan factory sites (including the replacement of legacy air compressors and the full upgrade to LED lighting).
- Stage 2 (2028–2030): Achieve the SBTi mid-term target of a 14% reduction in Scope 1+2 emissions compared to the 2023 base year.
- Stage 3 (2031–2050): Continuously invest in low-carbon production process technological innovations (such as energy-saving improvements in the Metal Injection Molding (MIM) process); progressively expand the procurement proportion of renewable energy to

	ultimately achieve the 2050 net-zero emissions vision. **【Metrics and Targets for Transition Risk Management】** •Metric: Annual Scope 1+2 emissions (Metric Tons of CO2e) and emissions intensity (Metric Tons of CO2e) NT$ millions in revenue) •2025 Target: Scope 1 (121.2823 metric tons) and Scope 2 (4,981.7428 metric tons), totaling 5,103.0251 metric tons, representing a decrease of approximately 8.4% compared to 2023 (achieving the SBTi annual progress milestone). •2030 Mid-Term Target: Achieve a 14% reduction in Scope 1+2 emissions compared to the 2023 base year (approximately 5,571.4855 metric tons). •2050 Long-Term Target: Achieve Net-Zero emissions across Scope 1+2+3. **【Metrics and Targets for Physical Risk Management】** •Metrics: Factory site BCP coverage rate (%); number of factory shutdown days per year due to extreme weather; completion rate of flood-control reinforcement for high-risk factory equipment. •Target: Maintain the resilience target of no more than 3 days of shutdown per typhoon or flood event by 2027.
7. If an internal carbon pricing is used as a planning tool, explain the basis for pricing formulation.	The Company has not yet formally implemented an internal carbon pricing mechanism. However, a carbon cost pre-assessment has been conducted based on the following baselines to serve as a reference for capital investment decisions: •External References: Based on the carbon fee collection rates announced by the Taiwan Ministry of Environment, while concurrently referencing the potential carbon cost impacts of the EU Carbon Border Adjustment Mechanism (CBAM) on export products, as well as the supply chain carbon pricing standards required by major customers.
8 greenhouse gas emission scopes, planned timeframes, and annual achievement progress shall be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant targets, the source and	**【Overview of Climate-Related Targets】** The Company has set the following climate-related targets aligned with the Science Based Targets initiative (SBTi) 1.5°C trajectory:

<table>
<tr>
<td>quantity of the offset carbon reduction credits or the quantity of renewable energy certificates (RECs) shall be explained.</td>
<td>
<table>
<tr><th>Target Category</th><th>Scopes Covered</th><th>Planned Timeframes</th><th>Target Values</th></tr>
<tr><td>SBTi Mid-Term Target</td><td>Scope 1+2</td><td>2024–2030</td><td>Achieve a 14% reduction compared to the 2023 base year (≤4,401 Metric Tons of CO_2e).</td></tr>
<tr><td>Long-Term Net-Zero Target</td><td>Scope 1+2+3</td><td>2024–2050</td><td>Achieve Net-Zero emissions by 2050.</td></tr>
</table>
【Annual Progress of Achievement】
<table>
<tr><th>Year</th><th>Scope 1 (MT)</th><th>Scope 2 (MT)</th><th>Total Scope 1+2 (MT)</th><th>SBTi Annual Progress</th></tr>
<tr><td>2023 (Base Year)</td><td>153.1627</td><td>5,418.3228</td><td>≈5,571.4855</td><td>Base Year</td></tr>
<tr><td>2025</td><td>121.2823
（↓20.8%）</td><td>4,981.7428
（↓8.1%）</td><td>5,103.0251
（↓8.4%）</td><td>✓ Target Achieved</td></tr>
<tr><td>2030 (Target)</td><td>—</td><td>—</td><td>≤4,791</td><td>(Target)</td></tr>
</table>
【Status of Carbon Offsets and Renewable Energy Certificates (RECs) Utilization】
In the 2025 fiscal year, the Company did not use carbon offset credits or renewable energy certificates (RECs) to achieve the aforementioned climate targets, and the target achievement relied entirely on its own emission reduction actions (such as energy-saving equipment replacement, process improvement, etc.).
</td>
</tr>
<tr>
<td>9 Status of greenhouse gas inventory and assurance and reduction objectives, strategies, and specific action plans (filled out in 1-1 and 1-2 separately).</td>
<td>Detailed in 1-1 and 1-2.</td>
</tr>
</table>

1-1Greenhouse Gas Inventory and Verification Status of the Company in the Most Recent Two Years

1-1-1 Greenhouse Gas Inventory Information

The greenhouse gas inventory data for the most recent two years is aggregated based on the operational control approach, which includes the greenhouse gas emissions of the Company, and is explained as follows:

	2024		2025	
	Emissions (MT of CO_2e)	Emissions Intensity (MT of CO_2e) / NT$ Millions in Revenue)	Emissions (MT of CO_2e)	Intensity (MT of of CO_2e / NT$ Millions in Revenue)
Scope 1 Direct Greenhouse Gas Emissions	150.9711	8.4356	121.2824	8.7155
Scope 2 Energy Indirect GHG Emissions	5,437.3084		4,981.7428	
Scope 3 Other Indirect Greenhouse Gas Emissions	2,432.4649		2,460.5672	

The subject of the aforementioned inventory is Sinher Company (the parent company)

Note 1: Scope 1 (Direct GHG Emissions) covers sources owned/controlled by the company; Scope 2 (Energy Indirect) covers purchased energy; Scope 3 (Other Indirect) covers other activities. Definitions based on GHG Protocol.

Note 2: Coverage for Scopes 1 & 2 follows the timeline in the decree under Article 10, Para 2; Scope 3 is voluntary.

Note 3: Inventory standards: GHG Protocol or ISO 14064-1.

Note 4: Intensity uses product/service or revenue, but must include data per NT$ million.

1-1-2 Greenhouse Gas Verification Information

The greenhouse gas inventory data of the parent company standalone entity for the most recent two years is aggregated based on the operational control approach, which includes the greenhouse gas emissions of the Company, and is explained as follows:

Scope of Verification		2024 Emissions (MT of CO2e)	2025 Emissions (MT of CO2e)
Sinher Technology (the parent company)	Scope 1Direct Greenhouse Gas Emissions	150.9711	121.2824
	Scope 2 Energy Indirect GHG Emissions	5,437.3084	4,981.7428
	Total	5,588.2795	5,103.0252
Verification Body		AFNOR Asia Ltd.	AFNOR Asia Ltd.
Verification Status		TWSAE 3410 ISO 1406-3:2018 Limited Assurance / Reasonable Assurance	TWSAE 3410 ISO 1406-3:2018 Limited Assurance / Reasonable Assurance
Verification Opinion / Conclusion		It is confirmed that the organization has issued its greenhouse gas statement in accordance with the requirements of the mutually agreed verification standards, and fairly presents the greenhouse gas data and related information, which is consistent with the mutually	It is confirmed that the organization has issued its greenhouse gas statement in accordance with the requirements of the mutually agreed verification standards, and fairly presents the greenhouse gas data and related information, which is consistent with the mutually

	agreed verification scope, objectives, and criteria. The level of assurance for the data in the statement is a reasonable assurance for Category 1 and Category 2, and a limited assurance for Category 3 through Category 6.	agreed verification scope, objectives, and criteria. The level of assurance for the data in the statement is a reasonable assurance for Category 1 and Category 2, and a limited assurance for Category 3 through Category 6.

1-2 Greenhouse Gas Reduction Targets, Strategies, and Concrete Action Plans

【Greenhouse Gas Reduction Base Year and Reduction Targets】

To formulate a greenhouse gas (GHG) reduction strategy, the Company completed its greenhouse gas inventory for 2023 using the standalone financial report as the boundary. Therefore, the base year is set as 2023. The emission volumes for Scope 1 (Direct Emissions) and Scope 2 (Energy Indirect Emissions) were 153.1627 metric tons of CO2e and 5,418.3228 metric tons of CO2e, respectively, totaling 5,571.4855 metric tons of CO2e. In accordance with the methodology of the Science Based Targets initiative (SBTi) 1.5°C warming trajectory, the Company commits to a 14% reduction in emissions by 2030 compared to the base year, with an annual reduction of at least 2% starting from the base year, thereby implementing our target commitment to reduce greenhouse gas emissions on a year-by-year basis.

【Reduction Strategies and Concrete Action Plans】

- Energy Efficiency Enhancement: Continuously promoting the replacement of legacy air compressors (with a target efficiency increase of 8-10%) and the full transition to LED lighting in factories; as of 2025, Scope 2 emissions have been reduced by 8.4% compared to 2023.
- Low-Carbon Production Processes: Energy-saving improvements in the Metal Injection Molding (MIM) process (sintering furnace efficiency optimization); power-saving improvements in the CNC cutting fluid cooling circulation system.

【Status of Carbon Reduction Target Achievement (Recent Trends)】

年度	Scope 1(MT of CO2e)	Scope 2 (MT of CO2e)	Total Scope 1+2 (MT of CO2e)	Reduction Compared to Base Year (%)
2023（Base Year）	153.1627	5,418.3228	5,571.4855	Base Year（0%）
2025	121.2823（↓20.8%）	4,981.7428	5,103.0251	↓8.4%（✓Achieved）

		（↓8.1%）		
2030（Target）	Target value to be determined	Target value to be determined	≤4,791（Target）	≥14%（SBTi Target）

Note：In 2025, Scope 1 emissions were 121.2823 metric tons of CO2e), representing a 20.8% decrease compared to 2023; Scope 2 emissions were 4,981.7428 metric tons of CO2e), representing an 8.1% decrease compared to 2023; the total emissions were 5,103.0251 metric tons of CO2e), which has achieved the SBTi annual progress requirements."

2.3.7 The State of the Company’s Performance in the Area of Ethical Corporate Management, Any Variance from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and the Reason for Any Such Variance:

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Summary	
1.Establishment of ethical corporate management policies and programs (1) Does the company have a clear ethical corporate management policy approved by its 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?	V		The Company has established “Integrity of Management Regulations” and publicized on the company’s website. The President’s Office is responsible for developing and implementing the ethical management policies and preventive measures.	In Compliance
(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best	V		The Company discloses the Integrity of Management Regulations on the company's website and annual report as well as carries out relevant education and training for employees.	In Compliance

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Summary	
Practice Principles for TWSE/GTSM Listed Companies? (3) Does the company clearly set out the operating procedures, behavior guidelines, punishment and appeal system for violations in the plan to prevent unethical conduct, implement it, and regularly review and revise the plan?	V		The Company makes various precautionary measures in “Integrity of Management Regulations,” such as prohibiting from providing, promising, demanding or receiving any form of improper benefit, directly or indirectly.	In Compliance
2.Ethic Management Practice (1) Does the company assess the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	V		When the Company signs contracts with others, we fully understand the other parties' state of business integrity. To implement the Company's integrity business policy, if we ever find that our business transactions or partners have dishonest behaviors, we will immediately stop such business dealings.	In Compliance
(2) Does the company set up a dedicated unit to promote ethical corporate management under the board of directors, and regularly (at least once a year) report to the board of directors on its ethical corporate management policy and plans to prevent unethical conduct and monitor implementation?	V		The Presidents’ Office is responsible for the integrity management. The Company has not set up regular report to the Board of Directors on its implementation of integrity management.	The regular reports to the directors have been under consideration for future integrity evaluation.
(3) Does the company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	V		The Company provides dedicated e-mail that is set up as a channel for reporting.	In Compliance
(4) Does the company have effective accounting	V		The Audit Office of the Company is responsible	In Compliance

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Summary	
and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct or hire outside accountants to perform the audits?			for providing regular and irregular audits of the Company's operating results. The Audit Office also inspects and evaluates organizational activities. The relevant audit reports are sent to independent directors and supervisors for review.	
(5)Does the company provide internal and external ethical corporate management training programs on a regular basis?	V		The Company arranges external integrity management related education courses for directors and supervisors to attend annually. We also disclose relevant regulations on the Company's website, while educating our internal staff about our ethical code of conducts from time to time.	In Compliance
3.Implementation of Complaint Procedures (1) Does the company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?	V		The Company provides employee opinion boxes and has a designated webpage on the company’s website for complaints submissions. The submitted complaints is accepted by responsible personnel. The reporting channels shall not be hindered by the location and time, so this reporting channels shall always be open.	In Compliance
(2) Does the company establish standard operation procedures for investigating the complaints received, follow-up measures taken after investigating and ensuring such	V		The Company assigns responsible personnel to process the submitted complaints to prevent whistleblowers’ identities from exposing, so the investigation always is carried out	In Compliance

<table>
<tr><th rowspan="2">Assessment Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Non-implementation and Its Reason(s)</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>complaints are handled in a confidential manner?</td><td></td><td></td><td>confidentially.</td><td></td></tr>
<tr><td>(3) Does the company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?</td><td>V</td><td></td><td>The Company provides employee the advice boxes and designated webpage for complaints submission. We protect the identities and privacy of the whistleblowers, and the non-prosecutors are not subject to any unfair treatment of the matter of reporting.</td><td>In Compliance</td></tr>
<tr><td>4.Strengthening Information Disclosure
Does the company disclose its ethical corporate management policies as well as the results of its implementation on its website and Market Observation Post System (“MOPS”)?</td><td>V</td><td></td><td>The Company has a website to publish company-related events, and has been disclosing relevant information on the Market Observation Post System in accordance with the provisions of the law.</td><td>In Compliance</td></tr>
<tr><td colspan="5">5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation:
The Company has established our Integrity of Management Regulations and disclosed this policy on the company website. Our current operation has no deviation to our policy.</td></tr>
<tr><td colspan="5">6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (e.g. review and amend its policies):
(1) The Company’s “Board of director meeting regulations” has set up a system to avoid the interests of directors. If the directors for board meeting matters, and their own or their representatives of the juridical persons have an interest in the risk of harming the interests of the company, the directors may state their views and answers. However, the directors may not join the discussion and voting. The directors also have to avoid the discussion and voting, and may not act on behalf of other directors to exercise their voting rights
(2) The Company has set up “Insider trading prevention management,” which states that directors, supervisors, managers and employees shall not disclose material information to others, nor inquire into and collect material information that is not relevant to the personal functions of the Company. They also shall not disclose material information internally to companies that are not related to their personal functions, nor may they disclose material information internally that is not disclosed by the Company as a result of the</td></tr>
</table>

Assessment Item	Implementation Status			Non-implementation and Its Reason(s)
	Yes	No	Summary	
execution of their business				

2.3.8 Other Important Information Regarding Corporate Governance: None.

2.3.9 Internal Control System Execution Status

1. Statement of Internal Control System: Please visit the Market Observation Post System website (https://mops.twse.com.tw/mops/#/web/t06sg20) to access the Internal Control Statement announcement page.
2. If CPA was engaged to conduct a special audit of internal control system, provide its audit report: None.

2.3.10 Major Resolutions of Shareholders' Meeting and Board Meetings in the most recent year and as of the date of publication of the annual report

Date of major resolutions	Major Resolutions
The 6th Meeting of the 8th Board of Directors January 16, 2025	(1) Approval of the year-end bonus distribution for managers. (2) Approval of Company Chongqing Chongqing SNR credit line extension with China Construction Bank. (3) Approval of Company Kunshan Kunshan Wanhe credit line application with CTBC Bank.
The 7th Meeting of the 8th Board of Directors March 6, 2025	(1) Approval of the 2024 directors' remuneration. (2) Approval of the 2024 employees' compensation. (3) Approval of the 2024 financial statements. (4) Approval of the 2024 business report. (5) Approval of the 2024 earnings distribution. (6) Approval of the CPA independence, Audit Quality Indicators (AQI), and CPA audit fees for 2025. (7) Approval of the 2024 Internal Control System Statement. (8) Approval of amendments to the Articles of Incorporation. (9) Approval of the by-election for one independent director. (10) Approval of the procedures for accepting shareholder proposals and director nominations. (11) Approval of the date, time, venue, and convening purpose for the 2025 Annual General Meeting. (12) Approval of the lease of the Thailand plant from a related party. (13) Approval of the appointment of the Chief Internal Auditor.
The 8th Meeting of the 8th Board of Directors May 8, 2025	(1) Approval of the 2025 first-quarter financial statements. (2) Approval of the nomination and review of director candidates. (3) Approval of Chongqing Shuanghe's credit line extension with China Construction Bank.
2025 Annual General Meeting of Shareholders June 24, 2025	(1) Ratification of the 2024 business report and financial statements. (2) Approval of amendments to the Articles of Incorporation. (3) By-election of one independent director.
The 9th Meeting of the 8th Board of Directors August 7, 2025	(1) Approval of the 2025 second-quarter financial statements. (2) Approval of the appointment of Independent Director Jing-Shun Ke to the Remuneration Committee. (3) Approval of the fixed remuneration for Independent Director Jing-Shun Ke. (4) Approval of the adoption of the Sustainable Development Best Practice Principles.

The 10th Meeting of the 8th Board of Directors October 9, 2025	(1) Approval of the definition and scope of non-managerial employees. (2) Approval of amendments to the payroll cycle of the internal control system. (3) Approval of the employee bonus distribution for managers. (4) Approval of the distribution of directors' remuneration. (5) Approval of the fixed remuneration for Independent Director Jing-Shun Ke as a member of the Remuneration Committee.
The 11th Meeting of the 8th Board of Directors November 6, 2025	(1) Approval of the 2025 third-quarter financial statements. (2) Approval of the appointment of the Chief Internal Auditor.
The 12th Meeting of the 8th Board of Directors December 18, 2025	(1) Approval of the 2026 budget. (2) Approval of the 2026 annual audit plan. (3) Approval of the amendment to the definition and scope of non-managerial employees, as required by the Securities and Futures Bureau. (4) Approval of amendments to the payroll cycle of the internal control system.
The 13th Meeting of the 8th Board of Directors February 5, 2026	(1) Approval of the year-end bonus distribution for managers.
The 14th Meeting of the 8th Board of Directors March 5, 2026	(1) Approval of the 2025 directors' remuneration. (2) Approval of the 2025 employees' compensation. (3) Approval of the 2025 financial statements. (4) Approval of the 2025 business report. (5) Approval of the 2025 earnings distribution. (6) Approval of the CPA independence, Audit Quality Indicators (AQI), and CPA audit fees for 2026. (7) Approval of the addition of general principles to the non-assurance services policy of KPMG. (8) Approval of the 2025 Internal Control System Statement. (9) Approval of the procedures for accepting shareholder proposals. (10) Approval of the date, time, venue, and convening purpose for the 2026 Annual General Meeting .
The 15th Meeting of the 8th Board of Directors May 7, 2026	(1) Approval of the 2025 first-quarter financial statements. (2) Approval of expanding the lease area of the Thailand plant from a related party. (3) Approval of the 2026 audit fees for KPMG.

2.3.11 Major Issues of Record or Written Statement Made by Any Director Dissenting to Important Resolutions Passed by the Board of Directors in the Recent Years and as of the Date of Publication of the Annual Report: None.

2.4 CPA Professional Fees

2.4.1 If non-audit fees paid to the certified public accountant, to the accounting firm of the certified public accountant, and to any affiliated enterprise of such accounting firm are over one quarter or more of the audit fees paid, the fee and service details should be disclosed.

Audit fee information

Unit: NTD$ thousand

Name of accounting firm	**Names of CPAs**	**Period covered by the CPA audit**	**Audit fees**	**Non-audit fees** (Note1)	**Total**	**Remarks**
KPMG Taiwan	Szu-Chuan Chien Yiu-Kwan Au Chih Chang	2025/01/01 ~ 2025/12/31	3,350	1,557	4,907	

Note1 : Fees for tax audit report NT$440, Transfer Pricing & Special Audit Fees NT$1,010, Company Registration NT$18， Education and training expensesNT$13， Other Reimbursable Expenses NT$76。

2.4.2 When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.

2.4.3 When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reasons therefor shall be disclosed: None.

2.5 Replacement of CPA : None.

2.6 Audit Independence – The Board Chairman, President, Mangers responsible of finance or accounting at Sinher have served in the accounting firm or its affiliated companies in the last year: None.

2.7 Changes in Shareholding of Directors, Supervisors, and Managers whose Share Ratio Exceeds 10% during the most recent year until the publication of this annual report

2.7.1 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders:

Title	Name	2025		As of April 25, 2026	
		Holding Increase (Decrease)	Pledged Holding Increase(Decrease)	Holding Increase (Decrease)	Pledged Holding Increase(Decrease)
Chairman	Ting-Hung Su	0	0	0	0
Director	King-Tung Huang	0	0	0	0
Director	Yung-Chang Chiang	0	0	0	0
Director	Han-Pin Cheng	0	0	0	0

Director	San-Lu Su	0	0	0	0
Independent Director	Eliza Wang	0	0	0	0
Independent Director	Tung-Shan Lin	0	0	0	0
Independent Director	Zhi-Feng Lin	0	0	0	0
Independent Director	Jing-Shun Ke (Assumed office on 2025/6/24)	0	0	0	0
Independent Director	Shian-Cheng Liou (Dismissed on 2025/1/09)	0	0	0	0
Vice-President	Shi-Jie Hung (Dismissed on 2025/1/31)	0	0	0	0
Associate Director	Chen-Chia Chang	0	0	0	0
Associate Director	Xiao- Jun Chen	0	0	0	0
Manager	Chen-Jung Chen	0	0	0	0

2.7.2 Shares Trading with Related Parties: None.

2.7.3 Shares Pledge with Related Parties: None.

2.8 Relationship among the Top Ten Shareholders

As of 4/25/2026

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top 10 Shareholders, or Spouses or Relatives Within Two Degrees		Note
	Shares	%	Shares	%	Shares	%	Title (or name)	Relationship	
Ting-Hung Su	6,028,359	8.10%	1,521,000	2.04%	0	0	Chin-Hao Chen	Spouse	
King-Tung Huang	2,440,029	3.28%	1,382,884	1.86%	0	0	YAN-ZHI WENG Yi-Chi Huang Yi-Han Huang	Spouse father-daughter father-daughter	
Han-Pin Cheng	1,988,456	2.67%	0	0	0	0	None	None	
Hefeng United Co., Ltd.	1,900,000	2.55%	0	0	0	0	None	None	

Chin-Hao Chen	1,521,000	2.04%	6,028,359	8.10%	0	0	Ting-Hung Su	Spouse	
San-Lu Su	1,387,398	1.86%	0	0	0	0	None	None	
Yi-Chi Huang	1,387,381	1.86%	0	0	0	0	King-Tung Huang YAN-ZHI WENG Yi-Han Huang	Father-daughter daughter-mother sisters	
Yan-Zhi Weng	1,382,884	1.86%	2,440,029	3.28%	0	0	King-Tung Huang Yi-Han Huang Yi-Chi Huang	Spouse mother-daughter mother-daughter	
Yi-Han Huang	1,203,281	1.62%	0	0	0	0	King-Tung Huang YAN-ZHI WENG Yi-Chi Huang	daughter -father daughter-mother sisters	
Jian-liang Lin	1,071,229	1.44%	0	0	0	0	None	None	

2.9 Ownership of Shares in Affiliated Enterprises

As of the publication date of the annual report, the Company's reinvestment activities are defined as the direct investment. There is no case of comprehensive shareholding between the Company's directors, managers and the businesses that are directly or indirectly controlled by the Companies.

3.Capital Overview

3.1 Capital and Shares

3.1.1 Source of Capital

Unit: Shares; NTD$ Thousands; As of 5/31/2026

Month/Year	Issued Price (NTD$)	Authorized Capital		Paid-in Capital		Remark		
		Shares (K)	Amount (NTD$ thousand)	Shares (K)	Amount (NTD$ thousand)	Sources of Capital	Capital Increased by Assets Other than Cash	Others
01/2002	10	1,000,000	10,000,000	1,000,000	10,000,000	Established with NTD$10,000,000	-	Note 1
08/2007	10	30,000,000	300,000,000	2,300,000	23,000,000	Cash increased NTD$13,000,000	-	Note 2
09/2007	10	30,000,000	300,000,000	10,000,000	100,000,000	Cash increased NTD$77,000,000	-	Note 3
10/2007	18.5	30,000,000	300,000,000	20,000,000	200,000,000	Cash increased NTD$100,000,000	-	Note 4
12/2008	10	30,000,000	300,000,000	21,068,000	210,680,000	Capital increased NTD$10,000,000 by surplus transformation and NTD$680,000 by employee dividend	-	Note 5
12/2009	10 22.75	30,000,000	300,000,000	23,378,800	233,788,000	Capital increased NTD$210,680,000 by surplus transformation, NTD$1,040,000 by employee dividend, and NTD$1,000,000 by employee stock options	-	Note 6
04/2010	10 35.61	50,000,000	500,000,000	28,402,560	284,025,600	Capital increased NTD$46,757,600 by surplus transformation and NTD$3,480,000 by employee dividend	-	Note 7
08/2010	50	50,000,000	500,000,000	29,002,560	290,025,600	Capital increased NTD$6,000,000 by employee stock options	-	Note 8
11/2010	55	50,000,000	500,000,000	30,602,560	306,025,600	Cash increased NTD$16,000,000	-	Note 9

09/2011	10 37.71	50,000,000	500,000,000	36,950,072	369,500,720	Capital increased NTD$61,205,120 by surplus transformation and NTD$2,270,000 by employee dividend	-	Note 10
09/2012	10 35.7	100,000,000	1,000,000,000	61,151,618	611,516,180	Capital increased NTD$203,225,390 and NTD$36,950,070 by surplus transformation, while increasing NTD$1,840,000 by employee dividend	-	Note 11
05/2013	63.8	100,000,000	1,000,000,000	67,652,000	676,520,000	Cash increased NTD$65,003,820	-	Note 12
09/2013	10	100,000,000	1,000,000,000	74,417,200	744,172,000	Capital increased NTD$67,652,000 by surplus transformation	-	Note 13

Note 1: No. 10501224160 issued by the Ministry of Economic Affairs, R.O.C.

Note 2: No. 09632570690 issued by the Ministry of Economic Affairs, R.O.C

Note 3: No. 09632819490 issued by the Ministry of Economic Affairs, R.O.C

Note 4: No. 09632955600 issued by the Ministry of Economic Affairs, R.O.C

Note 5: No. 09733481091 issued by the Ministry of Economic Affairs, R.O.C

Note 6: No. 09835039670 issued by the Ministry of Economic Affairs, R.O.C

Note 7: No. 0993077530 issued by the executive authority of the Taipei government

Note 8: No. 0993144845 issued by the executive authority of the Taipei government

Note 9: No. 0993169111 issued by the executive authority of the Taipei government

Note 10: No. 1005058473 issued by the executive authority of the Taipei government

Note 11: No. 1010031981 issued by the Securities and Futures Bureau, FSC, R.O.C

Note 12: No. 1020010393 issued by the Securities and Futures Bureau, FSC, R.O.C

Note 13: No. 1020027480 issued by the Securities and Futures Bureau, FSC, R.O.C

As of 4/25/2026; Unit: Shares

Type of Stock	Authorized Share Capital			Remarks
	Issued Shares	Un-issued Shares	Total	
Common Stock	74,417,200	25,582,800	100,000,000	Listed Stock

3.1.2 List of Major Shareholders

As of 4/25/2026

Shareholding Shareholders’ name	Shares	Percentage
Ting-Hung Su	6,028,359	8.10%
King-Tung Huang	2,440,029	3.28%
Han-Pin Cheng	1,988,456	2.67%
Hefeng United Co., Ltd.	1,900,000	2.55%
Chin-Hao Chen	1,521,000	2.04%
San-Lu Su	1,387,398	1.86%
YAN-ZHI WENG	1,387,381	1.86%
Yi-Chi Huang	1,382,884	1.86%
Yi-Han Huang	1,203,281	1.62%
Jian-liang Lin	1,071,229	1.44%

3.1.3 Dividend Policy and Implementation Status

1. Dividend Policy:

The Company's annual final accounts, if including net profit after tax for the current period, are arranged in the following order:

1-1. To make up for losses that have been made in previous years；

1-2. To list and settle 10% of the legal surplus reserve until the accumulated amount has reached the total capital of the Company；

1-3. To include or reverse the special surplus reserve in accordance with the operational needs of the company and the provisions of the law；

1-4. To distribute the dividends to shareholders. The distribution shall be based on the net profit after tax of the current period of the annual final accounts, deducting the balance of the first and third payments. The dividends shall be distributed at a surplus at least 10% after the annual surplus is deducted from the above items. The dividends shall be distributed by the board of directors in accordance with the development of the company together with the undistributed surplus in previous years. Lastly, the dividends shall be submitted as a motion by the directors to the committee of shareholders for resolved distribution.

The Company will take into account the company's environment and growth. In response to future capital needs, financial structure, surplus situation or balanced and stable dividend policy, the Company will consider the capital needs and the dilution of earnings per share to adopt a suitable method for share dividend or cash dividend, of which the cash dividend is at least 10% of the total dividend issued.

2. Proposed Distribution of Dividend of year 2025:

The motion for surplus distribution was approved by the Board of Directors on 2026/3/5. The remaining distributable surplus shall be distributed according to the table below after the Company's 10% legal surplus reserve and the special surplus reserve as mentioned in the impairment of equity in 2025.

Assigned items	Amount (NTD$)
Shareholders' dividend (earnings distribution cash at $0.25 per share)	18,404,300
The total number of allocated items	18,404,300

3.1.4 Effect Upon Business Performance and EPS Resulting of Stock Dividend Distribution Proposed at the Shareholders' Meeting: The Company has not disclosed its financial forecasting, so it is not applicable.

3.1.5 Compensation of Directors and Employees

The Company's provisions on employee remuneration and remuneration of the board are as follows:

1. Percentages or ranges of remuneration of employees and directors under the Articles of Incorporation:

If the company has profits in each year (i.e. pre-tax benefits that have not yet been deducted from the remuneration of the assigned employees and the remuneration of the directors), the remuneration (at least 2%) of the employees and the remuneration of the directors with at least 1% shall be made. However, if the company has accumulated losses, including adjustments to unassigned earnings, the amount of compensation should be retained in advance.

The remuneration of the former employee may be offered in stock or cash, while the payment shall include a subordinate company employee subject to certain conditions, which shall be determined by the Board of Directors.

The first two items shall be decided by the Board of Directors and reported to the shareholders' meeting.

2. The Basis for estimating the amount of remuneration of employees and directors, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current period.

(1) If, within the period after the financial reporting period, there is a material change between the amount issued by the board of directors and the amount originally estimated, where such amount meets the criteria for revised financial report as stipulated in Article 6 of the Regulations on the Implementation of the Securities Exchange Law, the Company shall redo the financial report.

(2) If there is a difference between the amount of remuneration paid by employees and directors and the amount estimated at the balance sheet of the annual financial report, the amount of the difference shall be treated in accordance with the change in the accounting estimate and shall be classified as the profit or loss for the following year, without affecting the financial report that has been recognized.

3. Remuneration approved by the board of directors:

(1) The amount of remuneration paid in cash or stock to a director and employees:

2025

Unit: NTD$ thousand

	Resolution of Board meeting Director	The amount recognized by the financial report	Difference
Employee remuneration	$0	$0	$0
Directors’ remuneration	0	0	0
	$0	$0	$0

(2) The amount of employee's remuneration paid in stock and the ratio of the total amount of net benefit after tax and total employee remuneration for the current period: To be paid in cash during 2025, so it is not applicable.

4. The actual division of remuneration of employees and directors in the previous year (including the number of shares, amount, and share price). The difference between each aforementioned item and the remuneration of recognized employees and directors, with description of the amount, reasons, and handlings of such differences:

(1)Actual distribution of 2024 employee remuneration and remuneration of Directors and Supervisors:

2024

Unit: NTD$ thousand

	Resolution of Board meeting Director	The amount recognized by the financial report	Difference
Employee Remuneration	$5,197	$5,197	$0
Directors remuneration	850	850	0
	$6,047	$6,047	$0

(2) There is no difference between the actual distribution of employee remuneration as well as the remuneration of the directors for the year 2024 and the amount recognized in the financial report.

3.1.6 Repurchase of Common Stock from the most recent year until the publication of this report: None.

3.2 Company Bonds: None.

3.3 Preferred Shares: None.

3.4 Global Depository Receipts: None.

3.5 Employee Stock Options: None.

3.7 Restricted Employee Shares: None

3.7 New Shares Issuance in Connection with Mergers and Acquisitions: None.

3.8 Financing Plans and Implementation: None.

4.Operation Highlights

4.1 Business Activities

4.1.1 Business Scope:

1. Business Activities and Revenue Breakdown:

The company's main business is the research and development, manufacturing, and sales of the hinge components and metal products. The Company’s main products and the revenue breakdown of year 2025:

Unit: NTD$ thousand

Year / Product Name	2025	
	Sales amount	Percentage
Hinge Components	1,945,318	100%
Others	8,033	0
Total	1,953,351	100%

2. The company's current merchandise items:

The company's main products are hinge components and other metal-structured products. Products are used in notebook computers, endpoint sales systems (POS machines), AIO, physical projectors, and other hinge/structural products. Among them, laptop hinge is the main sales products. The internal and external mold components are for the internal components of the laptops, the frame structure of the laptops or tablets, and the structure and hinge of the plug-in tablets.

3. New products and services under development:

Besides the continuous refinement of the notebook computer hinge, the Company collaborates with customers to develop a variety of different hinges based on clients’ request. For now, we not only have the original ultra-thin / multi-axis folding / track types but also invest in the development of foldable screens and dual-screen shafts.

In addition, with the development of thinness and touch function of the laptop, we have invested in the development of thin hinge based on MIM process parts in response to the market. At present, we have 9 sintering furnaces and 29 ejaculation machines, and have imported robotic arm equipment to increase production capacity and process capability.

4.1.2 Industry Overview:

1. Macroeconomic conditions:

Hinge components are used in electronics, computers, IC (information and communications), and other products as the linked axes. The hinge is commonly seen in notebook computers, AIO all-in-one machine, 2-in-1 tablets/laptops, LCD monitor, physical projector, and other products. Since the development of the hinge structure and that of 3C industry, there are more functions and novel appearances besides the basic functional requirements. More convenient usages are available for users, so the application of the hinge became more extensive.

Since over 90% of the Company's revenue from hinge component products is derived from notebook PC applications, our business is highly correlated with the notebook PC industry. The current status and future development of the notebook PC industry are analyzed and described below:

Driven by the Windows 11 upgrade cycle and potential U.S. tariffs, global laptop shipments are projected to increase in 2025 over the previous year, with TrendForce data projecting 180 million units shipped, a 2.2% YoY increase.

Microsoft Windows 10 officially terminated services in October 2025, making enterprises and business customers enter a hardware replacement cycle. The U.S. Federal Reserve (Fed) released capital liquidity after cutting interest rates since the end of 2024, which further stimulated corporate procurement budgets, making commercial notebook computers the core growth momentum in 2025.

The tariff uncertainty after the U.S. government election, before the quantity of notebook computers manufactured in Southeast Asia has increased, prompted brand manufacturers to pull forward demand in the first quarter of 2025 to avoid potential trade barriers.

But starting from the middle of 2025, the supply of mainstream PC memory (Memory) and storage (Storage) was tight, and the cost soared by 40% to 70%. This made brand manufacturers face enormous cost pressure at the end of the fourth quarter of 2025, and they sequentially shifted their focus to high value-added and high gross profit models (including AI PCs), which also made market demand slow down slightly at the end of the year due to the blunting of price promotions.

According to TrendForce's survey, under the background of limited strength in overall economic recovery and consumer behavior tending to be conservative, the rapidly rising memory prices are quickly eroding the profits and pricing flexibility of notebook brands. Therefore, TrendForce estimates that global notebook shipments in 2026 will decrease by 5.4% year-on-year, dropping to nearly 173 million units.

The reason causing the prices of memory and storage devices (DRAM / SSD) to continuously rise is because the massive construction of AI data centers has largely absorbed a huge amount of upstream production capacity (such as high-end wafers, packaging and testing), leading to a crowding-out effect and supply shortage for consumer DRAM and NAND Flash.

In 2026, it is not only that DRAM and SSD prices skyrocket, but the CPU supply side also shows a gap and faces staged price increases. In order to maintain gross profit margins, brand manufacturers are forced to abandon low-gross-profit entry-level models, and go all out to shift resources to high value-added business models, gaming models, or high-end AI PCs. It is expected that the shipment quantity of low-priced education models and entry-level consumer notebooks will present a decline situation.

The hardware specification requirements of AI PCs for memory and high-computing-power NPUs, also because of this wave of component price rises, have led to increased selling prices, affecting the AI PC penetration rate.

As brand manufacturers pass component costs on to selling prices, the average notebook terminal retail price is expected to rise. Facing the new machines with increased prices, consumers and enterprises have adopted a wait-and-see attitude one after another, making the notebook replacement cycle elongated.

To sum up, in 2026, mainly because the prices of memory (DRAM and SSD) have increased substantially, brand profits and demand are compressed. Meanwhile, the unstable CPU supply affects the shipment quantity of entry-level models. The uncertain global economic recovery causes consumer demand for high-priced notebooks to decline. If the price increase of memory does not reasonably converge, and brands are unable to smoothly pass on costs, it is feared that the demand for low-end and consumer notebooks will further weaken.

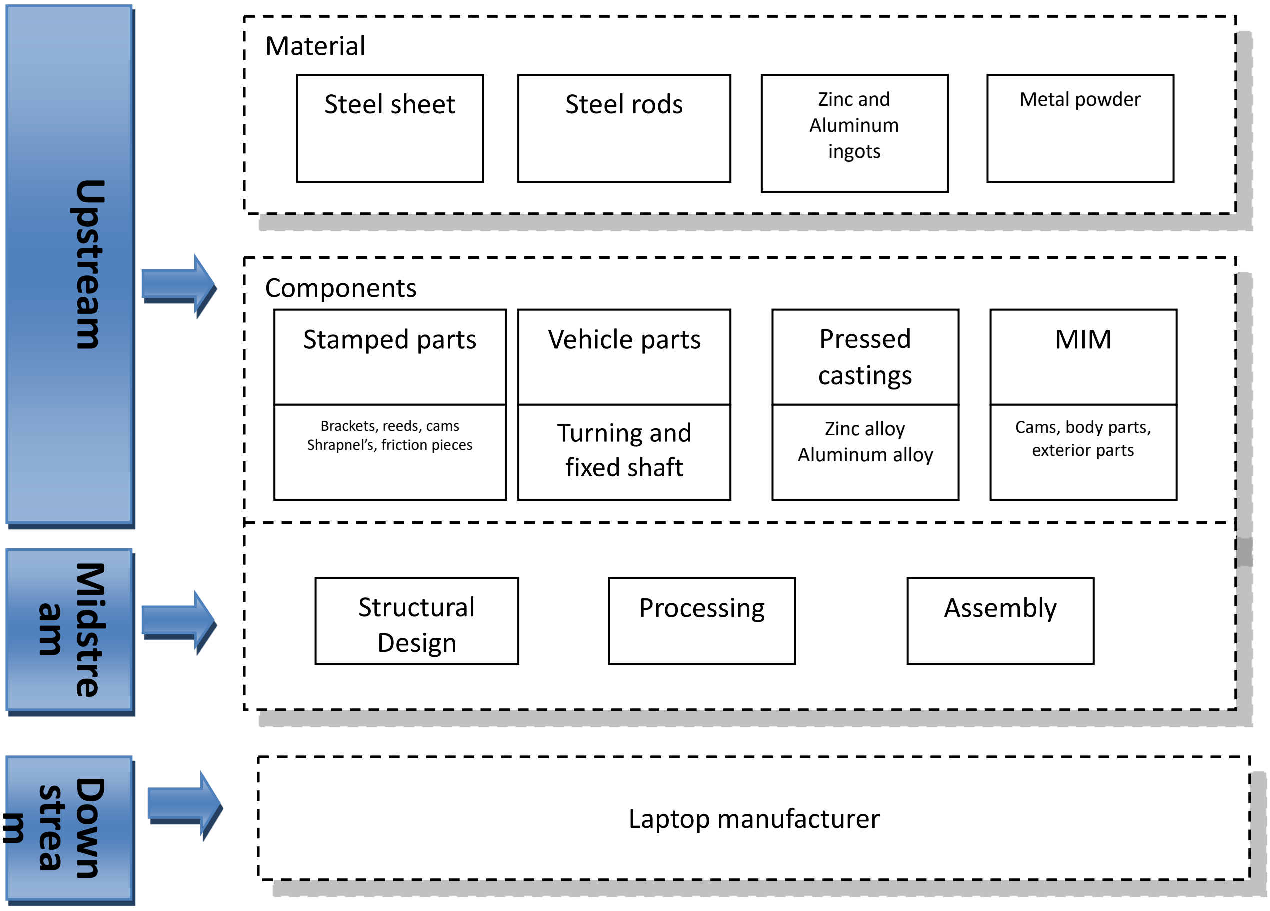
2. The connection of industry’s up-, mid-, and downstream

The Company's main products are NB hinge components and their parts. As a supplier of key components for notebook industry in the supply chain, the Company works as the upstream of the notebook industry. Our midstream includes manufacturers for design, manufacture, and assembly of the notebook computers (e.g. Quanta, Compal, Wistron, Inventec, and Pegatron). Lastly, our downstream are NB brands such as HP, Dell, Acer, Asus, Lenovo, Xiaomi, and Fujitsu.

For the analysis of NB hinge industry’s supply chain, the NB hinge parts are composed of stamped parts, lathe parts, pressed castings, and MMIM parts. The stamped parts are used for stamp molding, such as brackets, reeds, shrapnel and friction plates, while the lathe parts are manufactured and processed via lathe and turnery into turning and fixed shafts. Pressed castings are the components of zinc and aluminum alloy. MIM (Metal Powder Injection Molding) is the metal-powder-mixed plastic injection molding with a sintering furnace, which can make complex shapes or high precision parts. As a result, manufacturers of stamped parts, lathe parts, pressed castings, and MIMs are the upstream suppliers of the NB hinge industry. Manufacturers of hinge parts purchase steel sheets, steel wire rods, zinc or aluminum ingots, or metal powders from raw material suppliers to process and manufacture the aforementioned hinge parts. Therefore, steel materials, zinc or aluminum ingots, or metal powders are the upstream materials for the NB hinge industry. Midstream of NB hinge industry is responsible for working with downstream customers to develop NB structure design. With mechanical structure design, a number of institutional components could assemble into a hinge product that meet customers’ criteria of tolerance, torque and product lifespan via testing. The midstream of the industry is responsible of finalizing the hinge product, while the downstream companies are the developers of the NB systems.

The company was founded with a focus on the design and development of NB hinge product as the midstream company in the NB industry. With the changes in the global NB industry supply chain, the Company began to accelerate our vertical and horizontal integration to expand our scale, so the Company is moving towards

NB hinge parts manufacturing. Now we have been involved with the manufacturing of NB hinge products main components such as stamped parts, lathe parts, pressed casting parts, and MIM parts. Thus, the Company's industrial positioning expanded from the NB hinge industry midstream to upstream. Below picture illustrates the up-, mid-, and down-streams of the NB hinge industry:



3. Product development trends and competition

(1)Product trends:

In the notebook computer market, external look and computer functionality as well as quality are important factors for the consumers besides price. Light weight and thin exterior design are the trend of notebook computers. When facing high competition in the market, brands continue to introduce a variety of new features, such as dual-screen, 5G communication, and other functions. The hinge components are still indispensable laptop components, regardless of the change in shape or the design of the new features.

The future development of notebook computers, due to the improvement of AI computing power, the popularization of ARM architecture processors, and dual-screen and folding innovative designs, will make notebook functions evolve from pure mobile terminals into intelligent mobile assistants with powerful edge computing capabilities and high personalization.

AI PCs, along with the improvement of NPU (Neural Processing Unit) computing power, make AI tasks such as image generation, voice recognition, and real-time translation run completely on the "local end," balancing extreme speed and privacy. And they deeply integrate with operating systems (OS) and large language models (LLM), making AI actively predict and assist users in completing complex workflows.

AI notebooks have already become the market mainstream, and the penetration rate is expected to continuously expand, possessing more powerful local language model processing and personal assistant functions.

ARM architecture processors, because of the maturity of hardware and software technologies, have accelerated the development of high-performance and low-power-consumption chips based on the ARM architecture, bringing more power-saving-efficient batteries and wireless networking advantages to thin and light notebooks. Meanwhile, with the development of edge computing (Edge Computing), notebooks are gradually transforming from pure mobile document/entertainment tools into personal intelligent computing platforms that combine cloud AI applications.

Folding and dual-screen designs break through traditional clamshell limitations; borderless, rollable screens and full-surface all-touch folding notebooks will gradually commercialize, satisfying the dual usage needs of tablets and notebooks.

(2)Competition:

The Company's hub components and parts are mainly used in notebook computers. The current market competitors include Shin Zu Shing Co., Ltd., Jarllytec Co. Ltd., Lian Hong Art Co., Ltd., Fositekand Co. and other companies. We all have a certain market share in the industry.

As the notebook computer industry facing competitive pressure of price cost down, in order to master the stability of parts supply and to effective control quality and cost, the Company has invested in the process and production of parts to maintain the company's performance and profits.

4.1.3 Research and Development Overview

1. Research and development expenses from the most recent year until the publication of the report:

Unit: NTD$ Thousand

Year / Item	2025	2026 Q1
Research and development expenses	75,789	19,804
Net operating revenue	1,953,351	389,987
As a % of total revenue	3.88%	5.08%

2. R&D Accomplishments in the most recent year and as of the publication of the annual report:

Dual-axis hinge, thin NB hinge, hidden hinge, multi-segment torque hinge, transformative hinge, one-piece frame mold components, internal and external structural mold components.

4.1.4 Long- and short-term business development plan

1. Short term plan
   - ① Develop innovative types of products to increase added value and maintain the market share of NB hinges.
   - ② To support customer deployment plans, we are expanding our footprint in Southeast Asia to mitigate regional concentration risks.
   - ③ Implement the automated production process to reduce the demand for manpower.
   - ④ Maintain manufacturing capacity of hinge parts to control costs.
2. Long term plan
   - ① Continuously invest in technology research and development to enhance the Company's competitiveness.
   - ② Arrange the obtainment of patent rights and intellectual property rights.
   - ③ Strength the planning and collaboration between production process and R&D design to enhance product quality and value.
   - ④ Expand MIM product line to meet customers' demand.

4.2 MARKET AND SALES OVERVIEW

4.2.1 Market Analysis

1. Main product (service) distribution regions:

Unit: NTD$ Thousand

Year / Region	2024		2025	
	Sales	Percentage	Sales	Percentage
Domestic	102,607	5.24%	134,387	6.88%
Asia-Pacific	1,804,759	92.22%	1,694,493	86.75%
others	49,659	2.54%	124,471	6.37%
Total	1,957,025	100.00%	1,953,351	100.00%

2. Market Shares:

The Company's main products are hinge products for notebook computers. In the year 2025, the Company's shipment quantity of NB hinges was approximately 30,570 thousand sets. According to the investigation of industry research institutions, the global notebook shipment quantity in 2025 was 180 million units. The Company has a certain market market share in hinge products for notebook computers.

3. Future market supply and demand and growth potential

The global notebook computer market in 2026, although the first quarter maintained a slight annual growth of 2.6% to 3.2% under the residual warmth of Windows 10's end of support and the advanced stocking tide of expected price increases, along with the costs of key components such as memory significantly padding up, plus terminal demand recovery not being as expected, major research institutions (such as TrendForce, Omdia, IDC, Gartner) all estimate that global notebook shipment numbers this year will present a decline situation.

In terms of the demand side, due to the poor macroeconomic environment, plus brand manufacturers passing costs on to terminal selling prices in order to maintain profits, notebook terminal prices in 2026 generally rose. Consumers and enterprises have leaned toward postponing machine replacements or extending equipment life cycles one after another, and the overall consumer market momentum is relatively conservative.

In terms of the supply side, key components (such as DRAM, NAND Flash, and CPU), due to original factory capacity crowding out and advanced process cost increases, have led to tight supply and rising prices. The problem of long and short materials brings higher uncertainty to the material preparation and production of brand manufacturers.

According to the estimations of major research institutions (such as TrendForce, Omdia, IDC, Gartner), global notebook shipment numbers will decrease by 5% to 14%. Although the overall market faces decline, the introduction of AI functions and software upgrade demand provide substantial supporting force for the replacement of commercial and high-end equipment.

4. Competitive benefits

① The research and development team has deep professional and practical experience and strong innovation ability

② Master a number of key technology patents

③Completed vertical integration of manufacturing to maintain the self-manufacturing rate of parts

④ Rich and different mold design and development capabilities

5. Favorable and unfavorable factors to long-term development and countermeasures

①.Favorable factors

A. Master the hinge parts to control product quality and supply stability

With the price of notebook computer products becoming more affordable, in order to maintain the gross margin and to ensure product quality and supply stability, the Company expanded its operation to upstream parts manufacturing to vertically integrate and strengthen the mastery of key components.

B. provide professional development and design capabilities and technology in response to the variability of products

Hinge components used for the computer are the bearings for opening and closing the laptops, so the hinge’s precision and lifespan are the keys to the brands for its company image. As the product cycle is shortened for laptops with continuously new laptops developed, the Company must be able to quickly develop high-quality products to grasp the timing. Therefore, the key factors for industry’s achievements are professional R&D capabilities and technology.

②.Unfavorable factors and countermeasures

A. Wages in Mainland China increase year by year, causing production costs to relatively increase.

The assembly production lines of the Company that require relatively more labor are set up in Mainland China, and in recent years wages in Mainland China have grown year by year, causing costs to relatively increase.

Countermeasures:

a. Improve production processes to enhance operational efficiency and reduce pressure from rising labor costs.

b. Introduce automated production systems to lower dependency on manual labor.

B. The global notebook computer industry is becoming increasingly competitive, compressing the gross profit of the industry

Due to the fast-advancing technology, the speed of information technology product development is enhanced, so the industry becomes increasingly competitive. Consumer electronics, such as laptops, are becoming more affordable, which results in the reduction of the laptop components’ price.

Countermeasure:

a. By strengthening vertical integration and controlling operating expenses, the self-control ratio of parts can be maintained and the Company's cost control capabilities can be enhanced.
b. Develop niche products to maintain the Company's competitiveness.
c. Develop a market for non-NB products.

C. Assembly capacity is concentrated in mainland China, creating tariff risks amid U.S.-China trade tensions

Countermeasure:

To mitigate the impact of U.S.-China trade tensions and enhance global supply chain flexibility, the company is working with upstream customers to establish assembly capacity in Southeast Asian countries, thereby reducing tariff exposure.

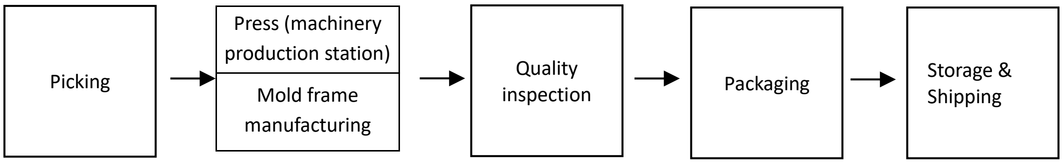
4.2.2 The important use and production process of the main products

1. Important Applications of main products

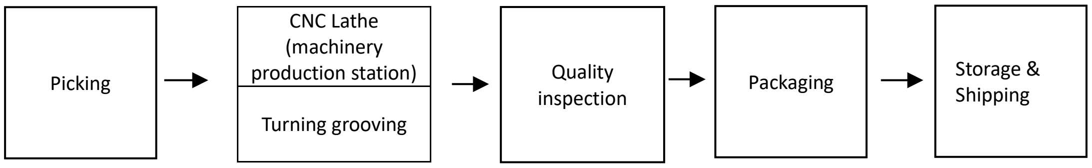
The company's main products are notebook computers’ hinge components and their parts. The main purpose of hinge components is for the laptop screen and hinge junction shaft to linked bases.

2. Production process for main products:

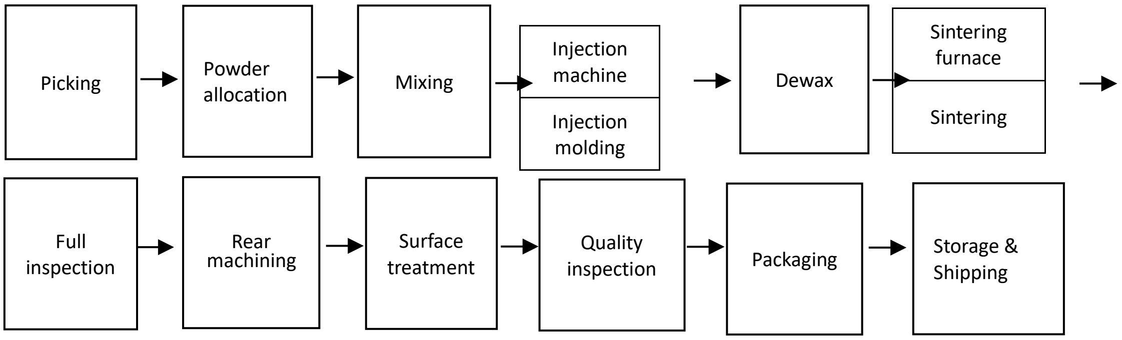
A. Manufacturing process for hinge parts (stamped parts)



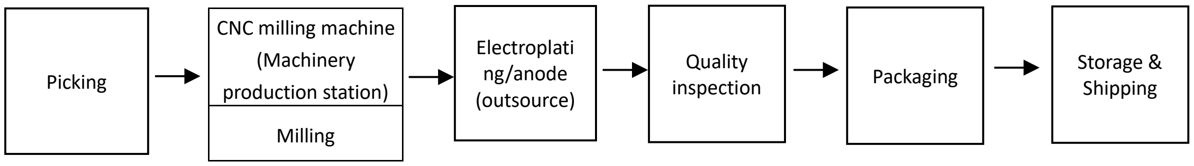
B. Manufacturing process for hinge parts (lathe parts)



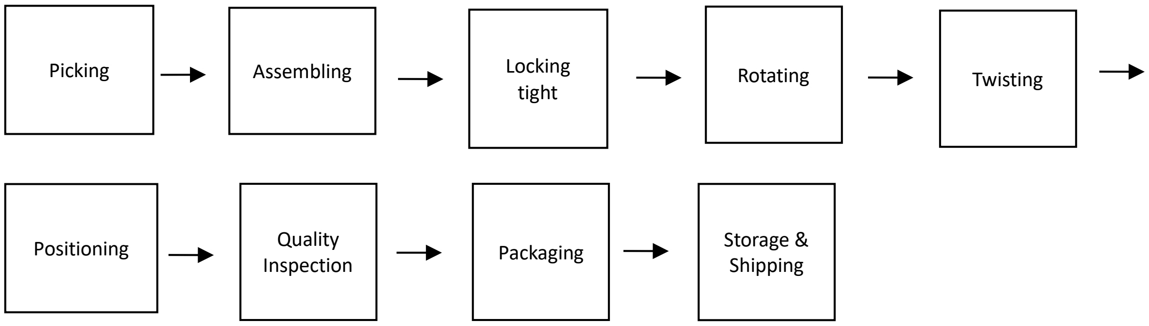
C. Manufacturing process for MIM



D. Manufacturing process for hinge parts (milling parts)



E. Manufacturing process for hinge components



4.2.3 Supply Status of Main Materials:

Main Materials	Main suppliers	Supply Status
Plate	Gaowanchang Armor Plate Limited Company、Gint materials Company	Good
Turning parts	Kunshan Ximneter Precision Electronic Co., Ltd、Chongqing Bishan Yachang Precision Hardware Co., Ltd.	Good
Metal Injection parts	Suzhou Minfa precision electronic technology CO., LTD、MPT	Good

4.2.4 Major Suppliers and Customers:

1. The name of the supplier which accounted for more than 10% of the total purchase amount in any of the most recent two years with the amount and proportion of its purchase and the explanation for the increase or decrease:

Unit: NTD$ thousand

Item	2024				2025				2026 Q1			
	Name	Amount	Ratio of net purchase for the full year (%)	Relationship with the issuer	Name	Amount	Ratio of net purchase for the full year (%)	Relationship with the issuer	Name	Amount	Ratio of net purchase for the full year (%)	Relationship with the issuer
1	Company A	83,019	13	NA	Company A	80,169	11	NA	Company A	27,818	16	NA
2	Company B	55,069	9	NA	Company B	71,956	10	NA	Company B	16,758	10	NA
	Other	506,074	78	-	Other	587,417	79	Other	Other	124,200	74	-
	Net Purchase	644,162	100	-	Net Purchase	739,542	100	-	Net Purchase	168,776	100	-

The difference in suppliers between 2025 and 2024 is not significant.

2. The name of the customer who sold more than 10 percent of the total sales in the last two years (with the amount and proportion of their sales):

Unit: NTD$ thousand

Item	2024				2025				2026 Q1			
	Name	mount	Net sales ratio for the full year (%)	Relationship with the issuer	Name	Amount	Net sales ratio for the full year (%)	Relationship with the issuer	Name	Amount	Net sales ratio for the full year (%)	Relationship with the issuer
1	16600	659,936	34	NA	16600	663,162	34	NA	16600	157,611	40	NA
2	00107	423,088	22	NA	00107	324,753	17	NA	00107	44,926	12	NA
	Other	874,001	44	-	Other	965,436	49	-	Other	187,450	48	-
	Net sales	1,957,025	100	-	Net sales	1,953,351	100	-	Net sales	389,987	100	-

The change in the customer sales proportion between 2025 and 2024 is not significant.

4.3 HUMAN RESOURCES INFORMATION OF THE MOST RECENT TWO YEARS UNTIL THE PUBLICATION OF THIS ANNUAL REPORT

Year		2024	2025	2026 (as of April 30)
Number of employees	Direct Labor	1,167	1,139	1,087
	Indirect Labor	433	433	429
	Total	1,600	1,572	1,516
Average Age		37.90	37.55	38.45
Average Years of Service		5.00	4.91	5.08
Education	Ph.D.	0	0	0
	Masters	0.81	0.83	0.79
	Bachelor's	15.63	17.11	17.88
	Senior High School	26.94	26.65	28.23
	Below Senior High School	56.63	55.41	53.10

Note: The number of employees is the total of the entire corporation.

4.4 ENVIRONMENTAL PROTECTION EXPENDITURE

4.4.1 According to the decree, a person who are responsible for applying for a permit for the establishment of a pollution facility or a pollution emission permit or paying the cost of pollution prevention and control or setting up a special unit for environmental protection shall apply for, pay or set up a description of the circumstances:

The Company does not produce waste water or air pollution during the production process, so it is not required to obtain a pollution facility installation permit or pollution discharge permit, nor the Company should pay for pollution prevention and control costs or set up environmental protection unit personnel.

4.4.2 List the company's investment in the main equipment to prevent and control environmental pollution as well as their use and possible benefits: None.

4.4.3 Explain that in the last two years and as of the publication date of the public instruction manual, the company has improved the history of environmental pollution. With those who have a pollution dispute, the Company should explain the handlings of the past cases: None.

4.4.4 In the last two years and as of the publication date of the public statement, explain the losses suffered by the Company as a result of pollution to the environment (including compensation and environmental protection inspection results of environmental regulations' violations). The explanation shall set out the date of punishment, the assigned number of the punishment, the violation of the provisions of the regulations, the contents of the violation of the regulations, and the contents of the disciplinary action. The Company shall disclose the estimated amount and response measures that may occur in the present and future. If it is not reasonable to estimate, the Company shall state that it cannot reasonably estimate the facts: None.

4.4.5 Description of the current pollution situation and its impact on the Company's surplus, competitive position, and capital expenditure. The description shall also include the Company’s projected significant environmental capital expenditure for the next two years: None.

4.5 LABOR RELATIONS

4.5.1 List the company's various employee welfare measures, further education, training, retirement systems and their implementation status, as well as labor-management agreements and various employee rights protection measures:

1. Employee Welfare Measures: The Company sets up an employee welfare committee and provides employee benefits such as travel, birthday gifts, wedding and funeral benefits and child care allowance.
2. Retirement System and Its Implementation Status: The Company is in accordance with the provisions of the Labor Standards Law and regularly allocates labor retirement reserves and saved them in Taiwan bank. With the new retirement system officially launched on July 1 of 2005, under the Labor Pensions Ordinance, the Company shall not withdraw less than 6% of the monthly wage of the workers to the labor pension account if they choose the new system.
3. The situation of the agreement between employers and employees and the measures for the protection of the rights and interests of employees: The provisions of the Company are in accordance with the Labor Standards Law as a guideline. So far, such relationships work well.
4. Employee training and their training status: The Company is in accordance with the needs of various functions to arrange professional on-job training courses for employees to develop diverse professional ability and capable talents. In 2025, the total number of hours of education and training for employees was 1,627 hours, of which the cost of external training was NTD$302 thousand. The education and training courses included the upgrading of professional ability, quality standards, labor health and safety as well as related laws and regulations of various departments.

4.5.2 In the last two years and as of the publication date of the public statement, the Company's losses suffered as a result of labor disputes (including labor inspection results in violation of the Labor Standards Law) shall include the date of disposition, the assigned number of the disposition, the violation of the provisions of the regulations, the contents of the violation of the regulations, and the contents of the disciplinary action. The Company shall disclose the estimated amount and response measures that may occur in the present and future if it is not possible to reasonably estimate the facts: None.

4.6. CYBERSECURITY MANAGEMENT

4.6.1. Describe the cybersecurity risk management framework, cybersecurity policies, comprehensive management plan and investments in resources for cybersecurity management

1. Cybersecurity risk management framework

At present, the information section of the management department is the authority and responsibility unit of the company's cybersecurity, with one information supervisor and two professional information engineers responsible for formulating policies, planning measures, and implementing relevant operations.

The internal audit department of the company is the audit unit of the cybersecurity system, and regularly audits the security every year; if any deficiencies are found, the audited unit will be required to propose relevant improvement plans, and the improvement results will be regularly tracked to reduce internal cybersecurity risks.

2. Cybersecurity policies

The information security authority and responsible unit of the company shall implement relevant information management matters in accordance with operating requirements and relevant laws and regulations, maintain the normal operation of the organization and processes, and ensure the confidentiality, integrity, availability and legality of the process. Besides the main machine room, the management scope is extended to all employees in the organization, the maintenance operation system and external maintenance management personnel, so as to master the information operation and management process and meet various safety requirements and expectations, so as to avoid improper use, leakage, alteration, destruction and other events of data caused by human negligence, deliberate or natural disasters, which will bring various possible risks and hazards to the company. In addition, it also regularly inspects whether there are risks in the asset security process every year, and makes adjustments and improvements according to the company's environmental conditions, so as to achieve the balance and maximize the benefits of management and control.

3. Comprehensive management plan

In order to protect the security of the company's cyber environment, the company has built various cybersecurity equipment and systems to take measures to reduce cybersecurity threats and risks. The company’s cybersecurity measures and management methods are divided into six major items, which are described as follows:

(1)Asset and equipment safety management

The cybersecurity unit makes a list of the company's software and hardware assets, and regularly checks the assets, maintains the correctness of the content, and safely eliminates inapplicable assets and equipment.

(2)Network security management

The company has a firewall to prevent hackers from illegal intrusion and QoS attacks to ensure the security of data transmission. For access to the Internet and Internet services, it will identify the security mechanisms, service levels and management requirements of all Internet services based on needs, and formulate Internet service policies. Mobile devices and remote work management require encrypted data transmission through VPN to avoid illegal capture.

(3)Virus protection and management

Regularly detect and update the vulnerability of the internal server system every week, and regularly filter the spam mechanism to prevent viruses or spam, and build anti-virus software to prevent viruses, hackers, garbage and malicious programs.

(4)System access control

The company has incorporated the user application for registration and cancellation removal operation specifications. The cybersecurity unit assigns access authority configuration and change control, and reviews them every six months. The above events are recorded, kept and regularly reviewed the event log of the user or manager's login and logout activities, exceptions, errors and information security events in the system.

(5)The continuous operation of internal systems

The company is equipped with uninterruptible power supply and voltage stabilization equipment to avoid unexpected power outages to maintain the normal operation of the system; regular restoration drills once a year, in order to provide services immediately after the system service is stopped, so as to increase the resilience of the company's continuous operation of the system. And formulate an information backup policy, perform daily backup copies of information and system images, and perform multi-point backups to enhance backup security and daily inspection operations.

(6)Information security publicity and education training

The cybersecurity unit authority distributes cybersecurity e-mails from time to time to improve the cybersecurity awareness of colleagues, and holds cybersecurity education and training courses for internal and external relevant personnel to enhance the professionalism of colleagues.

4. Investments in resources for cybersecurity management

(1)Network and hardware equipment: information security firewall, network management switch, mail anti-virus monitoring, spam filtering, online behavior analysis, backup host, etc.

(2)Software system: AD domain system, endpoint antivirus monitoring system, backup and restore management software, VPN authentication, multi-point backup operations, etc.

(3)Telecom services: multiple ISP lines, Chunghwa Telecom intrusion attack protection services, etc.

(4)Manpower input: daily system status inspection, daily regular backup and multi-point backup media storage, irregular information safety publicity, annual system and data recovery drill, etc.

(5)Information security certification: the company introduce the information security management system, and obtain ISO27001 related certification

4.6.2 List the losses, possible impacts and response measures suffered due to major information security incidents in the most recent year and up to the date of publication of the annual report. If it is impossible to estimate reasonably, the fact that it cannot be reasonably estimated shall be stated.

The company has rigorously implemented information security management related measures and has not suffered any loss due to major information security incidents as of today.

4.7 IMPORTANT CONTRACTS

Nature of contract	Contracting parties	Contract commencement and expiration dates	Main content	Limitation clauses
Short-term borrowings	China Construction Bank	2025/7/30-2026/7/29	Short-term borrowings	Buildings and construction mortgages
Short term borrowings	China CITIC Bank	2025/1-2026/4/30	Short-term borrowings	Unsecured loan

5.Review and Analysis of Financial Conditions, Financial Performance, and Risk Management

5.1 Financial conditions

Unit: NTD$ thousand

Year Item	2024	2025	Difference	
			Amount	%
Current assets	2,598,171	2,452,313	(145,858)	(5.61%)
Non-current assets	1,470,887	1,384,456	(86,431)	(5.88%)
Total assets	4,069,058	3,836,769	(232,289)	(5.71%)
Current liabilities	489,332	508,515	19,183	3.9%
Non-current liabilities	165,169	122,998	(42,171)	(25.53%)
Total liabilities	654,501	631,513	(22,988)	(3.51%)
Share capital	744,172	744,172	0	0
Capital surplus	440,035	440,035	0	0
Retained earnings	2,279,934	2,082,924	(197,010)	(8.64%)
Exchange differences on translation of foreign financial statements	(18,484)	(30,775)	(12,291)	(66.5%)
Treasury shares s	(31,100)	(311,100)	0	0
Stockholders' equity	3,414,557	3,205,256	(209,301)	(6.13%)

The main reasons, relevant impacts, and future response plans for the major changes in the Company's assets, liabilities, and equity in the last two years (those with changes of more than 20% in the previous and last periods as well as the degree of such change amounting to NTD$10,000,000):

1. The decrease in non-current liabilities is mainly caused by the decrease in long-term borrowings and deferred income tax liabilities.
2. The exchange differences on translation of financial statements of foreign operations are mainly affected by fluctuations in international exchange rates.

5.2 Financial performance

Unit: NTD$ thousand

Year Item	2024	2025	Difference	
			Amount	%
operating revenue	1,957,025	1,953,351	(3,674)	(0.19%)
operating cost	1,617,959	1,682,334	64,375	3.98%
gross profit	339,066	271,017	(68,049)	(20.07%)
operating expenses	351,245	341,860	(9,385)	(2.67%)
Net operating income (loss)	(12,179)	(70,843)	(58,664)	(481.68%)
non-operating income and expenses	101,126	(52,564)	(153,690)	(151.98%)
profit before income tax	88,947	(123,407)	(212,354)	(238.74)
income tax expense	17,580	6	(17,574)	(99.97%)
net profit	71,367	(123,413)	(194,780)	(272.93%)

The main reasons, relevant impacts, and future response plans for the major changes in the Company's operating revenue, net operating income (loss), and profit before income tax in the last two years (those with changes of more than 20% in the previous and last periods as well as the degree of such change amounting to NTD$10,000,000)：

Explanation of the increased or decreased ratio:

1. The decrease in gross profit was primarily due to a lower proportion of high-margin products and price reductions for customers.
2. The increase in net operating loss was primarily due to the decrease in gross profit.
3. The increase in non-operating income and expenses was primarily due to exchange losses arising from market exchange rate fluctuations.
4. The decrease in income tax expense was primarily due to the pre-tax loss incurred in the current period.
5. The decreases in both pre-tax and net income were attributable to operating loss and foreign exchange loss.

Expected Sales Quantity and Its Basis, Potential Impact on the Company’s Future Financial and Business Status, and Response Plans

In 2026, because the prices of key components including memory and CPU have increased substantially, and the supply volume is unstable, the shipment quantity of education and entry-level consumer notebooks will present a decline. Meanwhile, AI PCs will also experience a significant decrease in their penetration rate due to the price increases of memory and NPUs. According to the estimations of major research institutions (such as TrendForce, Omdia, IDC, Gartner), global notebook shipment numbers will decrease by 5% to 14%. After comprehensive consideration, the Company estimates that the sales quantity for the year 2026 will decrease by 2% to 8% year-on-year compared to the year 2025.

5.3 Cash Flow

5.3.1. Cash flow analysis:

Unit: NTD$ thousand

Item	Cash inflow (outflow)		Change	
	2024	2025	Amount	%
operation activities	117,948	(81,111)	(199,059)	(168.77%)
investment activities	(241,725)	(1,059,151)	(817,426)	(338.16%)
financing activities	(127,174)	(73,514)	53,660	42.19%

Explanation of the increased or decreased ratio:

(1) The decrease in net cash inflow from operating activities compared to the previous period was primarily due to the operating loss incurred in the current year.

(2) The increase in net cash outflows from investing activities in the current period was primarily due to the acquisition of financial assets at amortised cost.

(3) The decrease in net cash outflows from financing activities in the current period was primarily due to a larger amount of repayments of borrowings in the prior period.

5.3.2. Improvement Plan for insufficient liquidity: The Company did not encounter any cash liquidity issues during the period.

5.3.3. Cash flow analysis for the coming year:

Unit: NTD$ thousand

Estimated Cash balance of 01/01/2023	Net cash inflow from the operation activities (whole year)	Net cash flow	Cash surplus (deficit)	Leverage of cash surplus (deficit)	
				Investment plan	Finance management plan
287,705	76,933	(20,171)	322,346	–	–

Analysis of cash flow changes in the coming year:
(1) Operating activities: Mainly driven by expected net cash inflows generated from operating activities over the coming year.
(2) Investing activities: Primarily due to the anticipated acquisition of additional equipment.
(3) Financing activities: Primarily due to the expected distribution of cash dividends over the coming year.
Analysis of projected cash shortfalls and corresponding remedial measures: Not applicable.

5.4 Major Capital Items and their Impacts: None.

5.5 Investment Policy, Main Reasons of Investment Profit or Loss, and Improvement Plan of the most recent year with Investment Strategy of the coming year

5.5.1. Company’s Reinvestment Policy: based on the principle of taking into account the development needs of the industry and the company's future growth factors. Also, the policy would in line with the customers’ global supply chain layout in order to expand the scale of the Company’s operation.

5.5.2. The main reason for the profit or loss: The Company’s investment income recognized by the equity method in 2025 is NTD $9,655 thousand, which is mainly due to the operating profit of the overseas investment companies.

5.5.3. Investment plan for the coming year: None.

5.6 Risk Analysis and Assessment

5.6.1 Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures:

(1) Impact of interest rate changes on the company's profit and response measures:
Annual interest expense was NTD$4,327 thousand. The changes in interest rates only had little impact on the company's revenue and profitability.

(2) Impact of exchange rate changes on the company's profit and response measures:
The Company's products are mainly priced in US dollars, so currency exchange rate changes have certain impacts on revenue and profit. The Company is currently taking natural risk aversion measures. The exchange loss in 2025 was NTD$70,976 thousand representing net operating income and net loss after tax ratios of 3% and 58% respectively. Specifically, our response measures are:

A. Through close contact with the bank, consult and pay attention to expert opinion at any time. Also, collect all kinds of financial information, including obtaining the bank's views on exchange rate trends and related information in order to fully understand the exchange rate dynamics in real time.

B. After the Company estimates or receives the foreign exchange payment, the financial personnel shall consider the demand situation of the Company's funds, estimate the direction of future changes in the foreign exchange market, and consider whether to hedge through the pre-sale of forward foreign exchange with a safe-haven nature.

(3) Impact of inflation on the company's profit and response measures:

The Company is always aware of inflation in order to adjust the prices of products and raw material inventory. So far, inflation has not affected the Company's operations.

5.6.2 Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Governing Loaning of Funds, Making of Endorsement / Guarantees, and Derivatives Transactions:

The Company did not engage in any high-risk or high-leveraged investments. Regarding to Policies of “Governing Loaning of Funds and Making of Endorsements/Guarantees of Subsidiaries,” the relevant capital loans and other persons, endorsement guarantees and derivative commodity transactions are handled in accordance with the policies and response measures set out in the Company's "Access or Disposition Asset Handling Procedures", "Funds Loans and Other People's Operating Procedures" and "Endorsement Guarantee Operating Procedures."

5.6.3 Summary of Major Future R&D Projects and Corresponding Budget

In terms of innovative structural design, with customer demand and changes in market trends, the Company actively invests in research and development of human capital, special manufacturing, and new assembly processes to apply to the hinge of ultra-thin laptops, 360-degree flip, and special modeling appearance. In the field of folding laptops and folding phones, we see opportunities in the coming years, which will be the focus of future technology research and development. We hope to achieve usable structures and forms in more brands and effectively increase product profits.

The Company uses a variety of existing process technology advantages, combined with the design and development of technical capabilities, to integrate our vertical production model. In a highly competitive environment, the Company aims to achieve the goal of business performance, stable market share, and resilient competitiveness. The Company also expects to invest approximately NTD$83,158 thousand in research and development costs in 2026.

5.6.4 Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales: None.

5.6.5 Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Sales: None.

5.6.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company’s Response Measures: None.

5.6.7 Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans: None.

5.6.8 Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans: None.

5.6.9 Risks Relating to and Response to Excessive Supplies and/or Concentrated Customers in the Market: None.

5.6.10 Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%: None.

5.6.11 Effects of, Risks Relating to and Response to the Changes in Management Rights: None.

5.6.12 Effects of, Risks Relating to and Response to Litigation or Non-litigation Matters by Directors, Supervisors, President, Substantive Responsible Personnel, or Shareholders and subordinate companies with Shareholdings of over 10% when such matter would have significant impacts on shareholders' equity or securities prices (including the handling of the facts of the matter, the amount, the commencement of litigation, the main parties involved): None.

5.6.13 Other major risks and responses: None.

5.7 Other Important Issues: None.

6.Special Disclosure

6.1 Summary of Affiliated Companies: Please refer to the Market Observation Post System website (https://mopsov.twse.com.tw/mops/web/t57sb01_q10) to access the Affiliated Enterprises Three-Statements.

6.2 Private Placement of Securities: None.

6.3 Other Essential Supplementary Information: None.

6.4 Other Significant Events Affecting Shareholders' Rights and Interests or Securities' Prices relevant to Securities and Exchange Law Article 36, paragraph 2, subparagraph 2 during the most recent year until the publication of this annual report: None.