

Stock Code: 8028

# Phoenix Silicon International Corporation

## 2024 Annual Report

### Notice to readers

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

Taiwan Stock Exchange Market Observation Post System: <http://mops.twse.com.tw>,  
<http://mopsplus.twse.com.tw>

Corporate Website: <http://www.psi.com.tw>

Printed on April 15, 2025

**Company Spokesman**

Name of spokesman : Fn Huang  
Title : Senior Vice President of President's Office  
Tel : 886-3-564-1888  
E-mail : fnhuang@psi.com.tw

Name of deputy spokesman : Arthur Chang  
Title : Project Section Manager  
Tel : 886-3-564-1888  
E-mail : arthur@psi.com.tw

**Headquarters, Branches and Plant**

Headquarters Address : No.6, Li-Hsin Road, Science Park, Hsinchu300 Taiwan, R. O. C  
Tel : 886-3-564-1888  
Chungkang Branch Address : No. 2, Jian 7th Rd., Wuqi Dist., Taichung City Taiwan, R.O.C.  
Plant Address : Hsinchu Fab.1 : No.6, Li-Hsin Road, Science Park, Hsinchu300 Taiwan, R. O. C  
Hsinchu Fab.2 : 3rd and 4th floor of No. 8, Li-Hsin Road, Science Park,  
Hsinchu300 Taiwan, R. O. C  
Chungkang Fab. : No. 2, Jian 7th Rd., Wuqi Dist., Taichung City, Taiwan, R.O.C.  
Tel : 886-3-564-1888

**Stock Transfer Agent**

Agency name : Grand Fortune Securities Co., Ltd.  
Address : 6F, No. 6, Section 1, Chung Hsiao West Road, Taipei City  
Website : <http://www.gfortune.com.tw/>  
Tel : 886-2-2371-1658

**Auditors**

Name of CPAs : Chien-Yu Liu, Li, Tien-Yi  
Name of Accounting Firm : Pricewaterhouse Coopers (PwC) Taiwan  
Address : 27F., No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City, Taiwan (R.O.C.)  
Website : <http://www.pwc.tw>  
Tel : 886-2-2729-6666

**Overseas Securities Exchange**

NA

**Corporate Website**

<http://www.psi.com.tw>

## Contents

<b>I. Letter to Shareholders</b> -----	1
<b>II. Corporate Governance Report</b>	
i. Directors, Supervisors and Management Team -----	4
ii. Remuneration to directors, supervisors, general manager and deputy general managers in the most recent year -----	15
iii. Implementation of Corporate Governance-----	20
iv. Information Regarding Audit Fees -----	76
v. Information on replacement of Independent Auditors-----	76
vi. The Chairperson, President, Finance or Accounting Manager Who Has Worked in the Accounting Firm or Affiliates in the Most Recent Year, the Name, Position and the Service Period Shall Be Disclosed -----	77
vii. Changes in Share Transfers and Pledge of Shares by Directors, Managers, and Shareholders Holding More Than 10% of Shares During the Most Recent Fiscal Year and up to the Date of Publication of this Annual Report -----	77
viii. Relationship Information of the Top 10 Shareholders among who are Related Parties	79
ix. Total Numbers and Equity of Shares Held in any Single Enterprise by the Company, Directors, Supervisors, Managers and Any Companies Controlled Either Directly or Indirectly by the Company -----	79
<b>III. Capital Overview</b>	
i. Capital and Share -----	80
ii. Issuance of Corporate Bonds -----	84
iii. Status of Preferred Stocks -----	85
iv. GDR Issuance -----	85
v. Employee Stock Options. -----	85
vi. Status of New Shares Issuance of Limited Stocks for Employees -----	85
vii. Status of New Shares Issuance in Connection with Mergers and Acquisitions -----	85
viii. Financing Plans and Implementation-----	85

#### **IV. Operational Highlights**

i. Business Activities -----	89
ii. Markets and Sales Overview -----	98
iii. Human Resources -----	107
iv. Environmental Protection Expenditures -----	108
v. Labor Relations -----	109
vi. Information and Communications Security Management -----	116
vii. Important Contracts -----	119

#### **V. Review and analysis of financial conditions and performance and risk issues**

i. Analysis of Financial Status -----	120
ii. Analysis of Operating Results -----	121
iii. Analysis of Cash Flow -----	122
iv. Major Capital Expenditure Items influence on Financial Business -----	123
v. Recent Reinvestment Policy, Major Reasons for Profits or Losses, Improvement Plan and Investment Plan for the Following Year -----	123
vi. Analyze and assess the following risks in the most recent year up to the publication date of the Annual Report -----	123
vii. Other Major Events -----	129

#### **VI. Special Disclosure**

i. Profiles of the affiliates -----	130
ii. Private Placement Securities in the Most Recent Years -----	130
iii. Other Necessary Supplement -----	130

#### **VII. Any Events that Had Significant Impacts ----- 130**

## I. Letter to Shareholders

Dear shareholders,

### Operation Performance

In the wake of the global post-pandemic recovery, end-market demand has remained impacted by inflationary pressures and a high-interest rate environment, resulting in a prolonged inventory correction cycle in the semiconductor industry. However, driven by strong momentum in AI applications, advanced process technologies, and power management requirements for AI servers, the semiconductor industry has gradually emerged from the downturn starting in 2024 and has begun to show signs of recovery and renewed growth.

In response to market dynamics, we at PSI have drawn on our technological leadership to deepen our focus on two core competencies: ultra-clean wafer surface treatment and wafer thinning. By continuously optimizing process performance and efficiency, we have further enhanced our product competitiveness. In 2024, PSI delivered record-high revenue of NT\$3.552 billion, marking our fourth consecutive year of historic growth with a year-over-year increase of 6.73%. Driven by the accelerating growth of the AI industry and the surge in semiconductor manufacturing demand, we remained agile in refining our product portfolio and operational efficiency. These efforts enabled us to expand our high-performance wafer solutions and achieve operating profit of NT\$535 million, representing a remarkable 133.05% increase from the previous year.

### Financial Results

unit : K NTD, %

Item	FY2024	FY2023	YOY%
Revenue	3,551,607	3,327,700	6.73
Gross profit	1,023,302	756,516	35.27
Operation profit	534,673	229,421	133.05
Net profit before tax	558,945	350,037	59.68
Net Profit for the year	491,902	311,994	57.66
EPS(NTD)	2.85	2.02	41.09

### Technical Development

The rise of AI technologies has significantly boosted demand for advanced process nodes and advanced packaging, in turn driving increased consumption of test wafers, reclaimed wafers, and carrier wafers. At PSI, we have taken the lead in successfully developing high-spec reclaimed wafers for the 2nm process, further expanding our technological edge over industry peers. At the same time, we are actively developing carrier wafers tailored for front-end logic, advanced packaging, and 3D memory packaging such as HBM, as we aim to capture early opportunities in this fast-growing market.

As demand surges for high-power, ultra-thin wafers driven by AI servers, smart electric vehicles, and advanced packaging, PSI is working closely with strategic customers to co-develop wafer thinning technologies for 12-inch wafers and wide bandgap (WBG) materials, including silicon carbide (SiC) and gallium nitride (GaN). These efforts reflect our commitment to advancing high-end applications, further

strengthening our technological capabilities and expanding our market footprint.

In the area of smart manufacturing, beyond ongoing efforts to optimize cost control and upgrade our technologies, PSI's Taichung fab stands as the world's first fully lights-out intelligent wafer reclaim fab. By the end of 2024, its monthly capacity had reached 240K wafers, delivering cost efficiency beyond expectations. Phase II of the expansion is scheduled for completion in 2025, by which time Taichung fab monthly capacity will reach 310K wafers, driving PSI's total monthly capacity to 800K wafers and securing a decisive competitive edge in the global market.

PSI continues to actively promote industry-academia collaboration and in-house R&D, leveraging both academic and industrial resources to drive innovation. In 2024, we successfully integrated AI-based behavior recognition and wafer surface defect detection technologies into production, significantly enhancing inspection accuracy and process efficiency, while effectively reducing defect rates and costs. These advancements have further strengthened the competitiveness of our reclaimed and test wafers. In parallel, we are co-developing CMP and AOI equipment with strategic partners to gain full control over critical process technologies. This enables greater process autonomy and operational efficiency and reflects PSI's strong capabilities in manufacturing integration and innovation.

### **Sustainable Operations**

In 2024, PSI established a Sustainability Development Committee, led by the President and a dedicated task force to drive our sustainability initiatives and reinforce our long-term commitment to sustainable operations. With low-carbon manufacturing as our core objective, we achieved significant environmental progress despite a 23.5% increase in total production capacity. Specifically, we reduced greenhouse gas emissions by 6.4%, electricity consumption by 1.9%, and tap water usage by 17.7%, while cutting waste by 140 metric tons. Our efforts were recognized with a CDP Climate Change rating of "B." In addition, we completed the implementation of the TCFD framework and successfully obtained ISO 14064-1 verification for our Taichung facility, further enhancing our carbon management capabilities and resilience to climate-related risks.

In our pursuit of becoming a happy and fulfilling workplace, we place strong emphasis not only on employee well-being but also on creating an environment that supports personal and professional growth. We offer diverse development programs, career training opportunities, and continually enhance our benefits system to foster a supportive and empowering corporate culture. In addition, as part of our commitment to giving back to society, we actively collaborate with charitable organizations to provide material donations. We are also dedicated to supporting education in underserved communities, donating refurbished laptops to rural schools in Hsinchu, and funding music and sports programs to encourage well-rounded development among youth. Through these efforts, we aim to drive positive social change and reduce educational inequality.

Robust corporate governance is our responsibility to all stakeholders. In 2024, PSI completed a full re-election of its Board of Directors as part of our commitment to strengthening governance. The newly appointed board members bring a wealth of professional expertise and experience, enhancing the board's overall effectiveness and injecting fresh momentum into the company's long-term development. Our continued dedication to sustainable business practices has earned us a place among the Top 25 in the "Small Giants" category of Commonwealth Magazine's Excellence in Corporate Social Responsibility Awards, recognizing PSI's outstanding performance in environmental sustainability and social responsibility.

### **The impact of the external competitive environment, the regulatory environment and the overall operating environment**

In 2025, the global economy and the semiconductor industry will continue to face multiple challenges and uncertainties. Among them, the rise of DeepSeek’s low-cost generative AI technology and the impact of U.S. import tariff policies are expected to have the most significant influence, introducing new variables to supply chain stability and global economic demand.

The rapid advancement of generative AI technologies—such as DeepSeek—not only injects new momentum into industry growth but also accelerates shifts in market structure and competitive dynamics. Improvements in manufacturing cost efficiency are reshaping the AI cost structure, fueling the development of edge AI and innovation in end-user devices. This, in turn, is driving increased demand for high-performance chips and advanced process technologies across a wide range of applications. While the short-term impact on PSI remains limited—primarily due to global capacity constraints, the medium- to long-term outlook presents substantial growth opportunities. As demand for materials and process-related services expands, PSI is well positioned to capture meaningful value from these industry shifts.

On the geopolitical front, the United States is accelerating the localization of its semiconductor industry, with leading players such as TSMC undertaking large-scale capacity expansions. This signals a rapid restructuring of the global supply chain toward localized integration. In response to this trend, PSI has launched a phased strategic plan. In the near term, we will continue to anchor our supply operations in Taiwan to ensure stable and uninterrupted customer service. In the medium to long term, we are actively evaluating U.S. localization initiatives, including potential production line deployment and talent development. Regardless of how global dynamics evolve, PSI remains committed to working closely with customers by leveraging our competitive strengths to build a highly flexible and resilient supply model—one that supports our continued global expansion and positions us for the next wave of growth.

## Outlook

In 2024, we not only achieved the business targets outlined in last year’s annual report but also laid a solid foundation for strong growth in 2025 and 2026. The global semiconductor industry continues to recover from the inventory correction cycle, with signs of demand rebound driven by trends such as generative AI, high-performance computing (HPC), advanced packaging, and energy transition. While external variables—including the emergence of DeepSeek AI and U.S. tariff policies—introduce new uncertainties to market demand, PSI remains committed to maintaining its competitive edge. We will proactively manage risks and embrace the coming opportunities and challenges with measured optimism and firm resolve.

Looking ahead, PSI will continue to strengthen its leadership in reclaimed wafers and wafer thinning technologies, while advancing resilient supply chain strategies through smart manufacturing and green production. This includes the development of new facilities in Taiwan and overseas production bases, as well as the strategic expansion into new businesses rooted in our core competencies. In fulfilling our ESG commitments, we will drive low-carbon transformation, promote social inclusion, and reinforce corporate governance—while remaining focused on employee development and corporate social responsibility. PSI remains committed to a stable dividend policy and to delivering enduring, sustainable value for our shareholders, employees, and the broader community.

Chairman : Mike Liang



President : Tony Tsai



Accounting Officer : Megan Yang



## II. Corporate Governance Report

### i. Directors, Supervisors and Management Team

#### 1. Directors

##### (1) Directors Data

March 31, 2025 Unit: shares; %

Title	Name	Gender	Age	Nationality	Date First Elected	Term (Years)	Date Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience ( Education )	Other Position
								Shares	%	Shares	%	Shares	%	Shares	%		
Chairman	Mike Liang	Male	61~70	Taiwan R.O.C	Jul 05, 2021	3	May 28, 2024	600,000	0.35	600,000	0.35	0	0	0	0	-Master of International Business Management, National Taiwan Univ. -Bachelor of Physics, National Cheng Kung Univ. -President, King Yuan Electronics Co., Ltd. -President, Amkor Taiwan -Vice president, Micron Memory Co., Ltd. - Director, Aptos Technology -Independent Director, Phoenix Silicon International Corporation	-Independent Director, Xintec Inc.
Director	Wen-Cheng Cheng	Male	61~70	Taiwan R.O.C	Apr 12, 2000	3	May 28, 2024	2,828,277	1.64	2,828,277	1.64	0	0	0	0	-Bachelor of Animal and Husbandry, National Chung Hsing Univ. -Director, Cheng Han Investment Co., Ltd.- -Director, TeleSynergy Corp. Ltd. -Director, Phoenix Battery Corp.	-Director, Cheng Han Investment Co., Ltd.- -Director, TeleSynergy Corp. Ltd.
Director	Min Ho Shuen Investments Co., Ltd	-	-	Taiwan R.O.C	Jun 26, 2014	3	May 28, 2024	2,256,245	1.31	2,256,245	1.31	-	-	-	-	N/A	Director, Pharma Power Biotech Co., Ltd.
	Representative: Yaw Zen- Chang	Male	41~50	Taiwan R.O.C	-	-	-	-	-	1,846,662	1.07	524,302	0.30	0	0	-Bachelor of Business Management Economics, Univ. of California, Santa Cruz -Chairman, Min He Shun Investment Co., Ltd.	- Chairman, Min He Shun Investment Co., Ltd. -Supervisor, Pharma Power Biotech Co., Ltd.
Director	Ting Dong Liang Investment Co., Ltd.	-	-	Taiwan R.O.C	Jun 30, 2003	3	May 28, 2024	1,742,972	1.01	1,743,000	1.01	-	-	-	-	N/A	-Director, Agarwood Biochemistry Technology Co., Ltd.
	Representative: Shin-Chin Huang	Female	51~60	Taiwan R.O.C	-	-	-	-	-	3,792	0.00	0	0	0	0	-Bachelor of Business Administration, National Taichung Univ. -Director, Phoenix Battery Corp.	-Director, Chipwell Tech Corporation -Director, Agarwood Biochemistry Technology Co., Ltd.



Title	Name	Gender	Age	Nationality	Date First Elected	Term (Years)	Date Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience ( Education )	Other Position
								Shares	%	Shares	%	Shares	%	Shares	%		
Director	Gallant Precision Machining Co., Ltd.	-	-	Taiwan R.O.C	May 26,2023	3	May 28,2024	8,286,461	4.80	8,999,461	5.21	-	-	-	-	N/A	-Director, APEX-I Internation Co. Ltd. -Direcor, Gallant Micro. Machining CO., Ltd. -Director, OPXION Tech. Inc. -Director, Ohmplus Technology Inc.
	Representative: Frank Liang	Male	41~50	Taiwan R.O.C	-	-	-	-	-	0	0	0	0	0	0	-NCCU EMBA 40th -Master of Law, School of Law, Northwestern Univ. -Certificate in Business Admin., Kellogg School of Management, Northwestern Univ. Univ. of Washington MBA -Certificate in Business Administration – Kellogg School of Business, Northwestern Univ. -Chairman and Director, Gallant Micro. Machining CO., Ltd. -Special assistant to the Chairman and consultant, C SUN Mfg., Ltd. -Chairman, Huashun Technology Co. -Supervisor, ViewMove Technologies, Inc. -Chairman, Suzhou Top Creation Machines Co., Ltd.	-Chairman and CEO, Gallant Micro. Machining Co., Ltd. -President, C SUN MFG. Ltd. -Vice chairman and CEO, Gallant Precision Machining Co., Ltd. -Director, Taiwan Printed Circuit Association (TPCA) -Supervisor, AmTrust Investment Consulting Corp. -Director, Utron Technologies CO., Ltd. -Chairman, Top Creation Machines Co., Ltd. -Chairman, Power Ever Enterprises Limited. -Director, Suzhou Top Creation Machines Co., Ltd. -Chairman, Good Team International Enterprise Limited -Director, Nantong Top Creation Machines Co., Ltd., -Director, Dunpin No.1 Innovation Investment Co., Ltd. -Independent Director of Contrel Technology Co., Ltd. -Chairman, Navigation Technology Co., Ltd.
Director	Acter Group Co., Ltd.	-	-	Taiwan R.O.C	May 28,2024	3	May 28,2024	5,247,490	3.04	6,460,456	3.74	-	-	-	-	N/A	-Director, Her Suo Engineering Co., Ltd. -Director, Nova Techninology Co. -Director, Enrich Tech Co. Ltd.
	Representative : Chun-Wei Liang	Male	31~40	Taiwan R.O.C	-	-	-	-	-	0	0	0	0	0	0	-Master’s Degree in Finance and International Financial Management, University of Leeds, United Kingdom -Master’s Degree in Business Administration, National Chiao Tung University -Special Assistant to the President, Taiwan Shin Kong Commercial Bank Co., Ltd.	-Spokesperson and Special Assistant to the Chairman of Acter Group Co., Ltd.

Title	Name	Gender	Age	Nationality	Date First Elected	Term (Years)	Date Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience ( Education )	Other Position
								Shares	%	Shares	%	Shares	%	Shares	%		
Independent director	Hung, Kuo-Cha	Male	51~60	Taiwan R.O.C	Jul 05, 2021	3 年	May 28,2024	0	0	0	0	0	0	0	0	-Master of Finance, City Univ. of New York -Bachelor of Mechanical Engineering, National Taiwan Univ. -Chairman and President, Makoto Bank -Chairman, Shin Kong Venture Capital International Co., Ltd.	-Director and President, Shin Kong Security Co., Ltd. -Director, Next Bank -Independent Director, Jung Shing Wire Co., Ltd.
Independent director	Chih-Kung Lee	Male	61~70	Taiwan R.O.C	May 28,2024	3	May 28,2024	0	0	0	0	0	0	0	0	- Ph.D. in Theoretical and Applied Mechanics, Cornell University, USA - Master of Science in Theory and Applied Mechanics, Cornell University, USA - Bachelor of Science in Civil Engineering, National Taiwan University. - Minister of Economic Affairs - Chairman, Industrial Technology Research Institute(ITRI) - Chairman, Institute for Information Industry(III) - Department of Engineering and Applied Sciences Director of National Science Council - Research Fellow, IBM Almaden Research Center, USA	-Distinguished Professor, Institute of Applied Mechanics, National Taiwan University -Distinguished Professor, Department and Graduate Institute of Engineering Science and Ocean Engineering, National Taiwan University -Distinguished Professor, College of Frontier Science and Technology, National Taiwan University -Independent Director, Taiwan Shin Kong Security Co., Ltd. -Chairman, TECO Technology Foundation
Independent director	Jin-Tang Huang	Male	61~70	Taiwan R.O.C	May 28,2024	3	May 28,2024	0	0	0	0	0	0	0	0	-Ph.D.in Eberhard Karls Universität Tübingen of Faculty of Law. -The 11th and 12th Commissioner of the Examination Yuan -Deputy Minister, Directorate-General of Personnel Administration, Executive Yuan -President, The Chinese Government and Public Affairs Association . -Member of the Rules Committee of the Environmental Protection Administration, Executive Yuan. - Professor, NTU Political Science	-Standing Supervisor, Constitutional Law Association of the Republic of China (Taiwan) -Supervisor, Taiwan Administrative Law Association
1. Any Executive, Director, or supervisor who is a spouse or relative within the second degree of kinship: None.																	
2.If the chairman, president or personnel with equivalent position (chief manager) are the same person, spouses or relatives within one degree of kinship, the reasons, reasonability, necessity and measures to be taken accordingly shall be addressed (ex: Increase the number of independent directors and more than half of the directors should not serve as employees or managers): None.																	

(2) Major shareholders of the institutional shareholders

Name of Institutional Shareholders	Major Shareholders (Note)	
	Shareholder name	%
Min Ho Shuen Investments Co., Ltd.	Yaw-Zen Chang	51.29
	Pi-Yueh Chang Tseng	25.59
Ting Dong Liang Investment Co., Ltd	Po-Tsung Ting	55.00
	Chin-Yu Ting	15.00
	Shin- Chin Huang	15.00
Gallant Precision Machining Co., Ltd.	C SUN MFG. LTD.	27.10
	Micronics Japan Co., LTD Investment Account in Custody of Mega Bank	1.64
	Standard Chartered Bank / Client: Mizuho Securities Co., Ltd.	1.52
	Treasury stock account of Gallant Precision Machining Co., Ltd.	1.01
	Custodian: Citibank / Investment Account Holder: Barclays Capital Securities Ltd.	0.82
	Chen Cheng-Hsing	0.63
	Tseng Chun-Shen	0.55
	Mega International Commercial Bank Co., Ltd.	0.55
	Chang Jih-Chun	0.54
	Lin Shih-Shu	0.43
Acter Group Corporation Limited	Sianghui Development Co., Ltd.	4.35
	Jiuchang Investment Co., Ltd.	3.95
	Mr. Jin-Li Liang	3.72
	Sumitomo Chemical Engineering Co., Ltd. (Japan)	2.23
	Ms. Tai-Chen Hu	2.10
	Cathay Life Insurance Co., Ltd.	2.10
	Mr. Chiung-Tang Yang	1.69
	Mr. Chih-Cheng Tsai	1.30
	JPMorgan Chase Bank, Custodian for Samsung Global Comprehensive Equity Index Fund	1.14
	JPMorgan Chase Bank, Custodian for Vanguard Emerging Markets Fund – Discretionary Account	1.10

Note : The information source for Min Ho Shuen Investment Co., Ltd., Ting Dong Liang Investment Co., Ltd. is the Ministry of Economic Affairs (MOEA) Commerce Industrial Services Portal. The information source of Gallant Precision Machining Co., Ltd. and Acter Group Corporation Limited is based on the 2023th Annual Report of the company.

(3) Major shareholders of the Company's major institutional shareholders :

Name of Institutional Shareholders	Major Shareholders (Note)	
	Shareholder name	%
C SUN Mfg., Ltd.	Gallant Precision Machining Co., Ltd.	12.73
	Haihsing Investment Co.	9.65
	Pinchin Investment Co.	7.85
	Mao-Chung Liang	4.62
	Treasury stock account of C SUN Mfg., Ltd.	4.47
	Mao-Sheng Liang	4.45
	Chin-Tu Chien	1.97
	HSBC Bank, Custodian for Acatis Emerging Markets Small Cap Equity Fund	1.53
	Jiayuan Investment Co., Ltd.	1.19
	Standard Chartered Bank, Custodian for SPDR Emerging Markets ETF Account	1.14
Mega International Commercial Bank Co., Ltd.	Mega Financial Holding Co., Ltd.	100.00
Sianghui Development Co., Ltd.	Mr. Hsin-Hao Yang	29.90
	Mr. Chiung-Tang Yang	26.11
	Mr. Wei-Ho-Chih Yang	26.11
Jiuchang Investment Co., Ltd.	Mr. Yi-Hua Wang	5.00
	Ms. Chiao-Yin Liang	30.00
Sumitomo Chemical Engineering Co., Ltd. (Japan)	The Master Trust Bank of Japan, Ltd. (Trust Account)	14.40
	Custody Bank of Japan, Ltd. (Trust Account)	6.06
	Sumitomo Life Insurance Company	4.33
	Nippon Life Insurance Company	2.50
	Sumitomo Chemical Employee Shareholding Association	1.82
	Custody Bank of Japan, Ltd. (Re-trust Account of Sumitomo Life Insurance Company Pension Trust Account by Sumitomo Mitsui Trust Bank)	1.77
	Custody Bank of Japan, Ltd. (Trust Account No. 4)	1.67
	State Street Bank and Trust Company 505001	1.46
	Sumitomo Mitsui Banking Corporation	1.40
Cathay Life Insurance Co., Ltd.	Norinchukin Bank	1.33
	Cathay Financial Holdings Co., Ltd.	100.00

Note: The shareholder information of Chih Sheng Industrial Co., Ltd., Mega International Commercial Bank Co., Ltd., and Cathay Life Insurance Co., Ltd. is sourced from the list of top 10 shareholders disclosed in their respective 2023 annual reports. The shareholder information of Sianghui Development Co., Ltd. and Jiuchang Investment Co., Ltd. is obtained from the Ministry of Economic Affairs' Company and Business One-Stop Service Portal. The shareholder information of Sumitomo Chemical Engineering Co., Ltd. (Japan) is based on the major shareholders disclosed on its official website as of September 30, 2024: <https://www.sumitomo-chem.co.jp/english/ir/stocks/information/>

(4) Professional Qualifications of Directors and Information Regarding the Independence of Independent Directors

Name/Title		Criteria	Professional Qualification and Experience(Note1)	Independent Directors' Independence Status	Number of Concurrent Independent Directorships at Other Taiwan Public Companies(Note1)
Mike Liang	Chairman		<ul style="list-style-type: none"> <li>Expertise in the technology industry and business management, with extensive practical experience in the semiconductor and electronics manufacturing sectors. Well-versed in multinational operations, strategic planning, and corporate development, demonstrating outstanding organizational leadership and industry insight.</li> <li>Equipped with capabilities in industrial technology, finance, marketing, and corporate management, along with relevant experience in the semiconductor industry.</li> </ul>	Not Applicable	1
Wen-Cheng Cheng	Director		<ul style="list-style-type: none"> <li>Expertise in investment and corporate management, with long-term involvement in board roles. Familiar with industry operations and capital management, demonstrating practical experience in business management and strategic investment.</li> <li>Equipped with capabilities in corporate management, investment, and financial planning</li> </ul>	Not Applicable	0
Yaw Zen-Chang	Director		<ul style="list-style-type: none"> <li>Expertise in corporate management and business operations, with functional experience in business leadership and supervisory roles.</li> <li>Equipped with capabilities in corporate management and business operations.</li> </ul>	Not Applicable	0

Name/Title		Criteria	Professional Qualification and Experience(Note1)	Independent Directors' Independence Status	Number of Concurrer Independent Directorships at Other Taiwan Public Companies(Note1)
Shin-Chin Huang	Director		<ul style="list-style-type: none"> <li>Expertise in corporate management and business operations, with solid experience in financial planning and investment. Demonstrates years of experience in corporate leadership and business development.</li> <li>Equipped with experience in business operations and financial management.</li> </ul>	Not Applicable	0
Frank Liang	Director		<ul style="list-style-type: none"> <li>Expertise across legal, financial, and corporate management domains, with leadership roles in multiple manufacturing and technology companies. Demonstrates hands-on experience in multinational operations, regulatory compliance, and strategic integration.</li> <li>Equipped with capabilities in industrial technology, marketing, corporate management, and legal expertise, along with relevant experience in the semiconductor industry.</li> </ul>	Not Applicable	1
Chun-Wei Liang	Director		<ul style="list-style-type: none"> <li>Expertise in finance and corporate management, with in-depth knowledge of banking and engineering services operations. Demonstrates practical experience in capital markets and project management.</li> <li>Equipped with capabilities in finance, marketing, corporate management, and operational integration.</li> </ul>	Not Applicable	0
Guo-Chao Hong	Independent Director		<ul style="list-style-type: none"> <li>Expertise in finance and corporate management, with extensive hands-on experience in banking and venture capital. Well-versed in capital operations, investment decision-making, and risk control, demonstrating outstanding cross-industry leadership.</li> <li>Equipped with capabilities in finance, investment analysis, corporate management, and sustainable development implementation.</li> </ul>	<p>All of the following situations apply to each and every of the Independent Directors:</p> <p>1. The Independent Directors, their spouses, or relative within the second degree of kinship do not serve as Directors, Supervisors, or employees of the Company or its affiliates.</p> <p>2. The independent directors,</p>	1

Name/Title		Criteria	Professional Qualification and Experience(Note1)	Independent Directors' Independence Status	Number of Concurrent Independent Directorships at Other Taiwan Public Companies(Note1)
Shih-Kuang Li	Independent Director		<ul style="list-style-type: none"> <li>Expertise in business and management and was named a Fellow of the U.S. National Academy of Inventors (NAI) in 2024, demonstrating outstanding capabilities in technological innovation and research and development.</li> <li>Experienced in technology R&amp;D, industrial policy, semiconductor industry operations, and corporate sustainability initiatives.</li> </ul>	<p>their spouses, and relatives within the second degree of consanguinity (or r held by the person under others' names) do not hold any shares of the Company.</p> <p>3. The Independent Directors do not serve as Directors, Supervisors or employees of companies with specific relationships with the Company (Note 2).</p>	1
Chin-Tang Huang	Independent Director		<ul style="list-style-type: none"> <li>Possesses a professional background in law and public affairs, with expertise in administrative regulations and personnel systems. Has been deeply involved in the drafting and review of regulations for government agencies and legal associations, offering profound insights into corporate compliance and legal governance.</li> <li>Experienced in advancing legal frameworks related to law, corporate governance, and sustainability policies.</li> </ul>	<p>4. Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years, and the service provided is either an "audit service" or a "non-audit service".</p>	0

Note1 : The professional qualifications, experience, and concurrent independent directorships at other public companies of the Company's directors are detailed in the "Directors Data" section on pages 4 to 6 of this annual report. Based on the review, none of the Directors currently fall under any of the circumstances specified in Article 30 of the Company Act.

Note 2 : Directors, supervisors, or employees of specific related companies are defined in accordance with Article 3, Paragraph 1, Items 5 to 8 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", as follows:

- (1) Directors, supervisors, or employees of corporate shareholders that directly hold 5% or more of the total issued shares of the Company, rank among the top five shareholders, or have appointed directors or supervisors pursuant to Article 27, Paragraphs 1 or 2 of the Company Act.
- (2) Directors, supervisors, or employees of another company where the majority of the directors' seats or voting shares are under the control of the same person as the Company.
- (3) Directors, supervisors, or employees of another company or institution where the chairman, president (or equivalent position), or spouse of such persons are concurrently serving as the chairman, president (or equivalent position) of the Company.
- (4) Directors, supervisors, managers, or shareholders holding 5% or more of a company or institution that has financial or business dealings with the Company.

(5) Board Diversity and Independence :

In accordance with the Company's "Corporate Governance Principles", The composition of the Board of Directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as the Company's managers do not exceed one-third of the total number of the Board members, and that an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

A. General conditions and values: Gender, age, nationality and culture

B. Professional knowledge and skills: Professional background (ex : Legal, Accounting, Industry, Finance, Marketing or Technology), professional skills and industrial experience.

The specific management objectives and achievement of the Company's diversity policy are as follows:

Management objectives	Progress
Independent directors exceed one-third of the board members	Achieved
Number of Directors who concurrently serve as Company managers do not exceed one-third of all Directors.	Achieved
At least one seat of Directors are females.	Achieved

The Company's Board of Directors is diversified, with each member possessing a professional background in areas such as law, finance or accounting, industry or technology, marketing, and corporate sustainability. This diverse expertise enables the Board to provide professional advice to the Company from multiple perspectives, greatly enhancing operational performance and management efficiency. The Company's Board of Directors consists of nine members, including three independent directors (33.3%), none of whom has served more than three consecutive terms. There is one female director (11.1%). The age distribution of the Directors is as follows: one director aged 31–40 (11.1%), two aged 41–50 (22.2%), two aged 51–60 (22.2%), and four aged 61–70 (44.4%). There are no spousal or second-degree familial relationships among the directors, demonstrating the independence of the Board. The diversity of individual board members is summarized as follows:

Name	Title	Gender	Professional knowledge and skills					Age				Consecutive Years of Service as Director		
			Industry or Technology	Finance or Accounting	Legal	Marketing	Corporate Sustainability	31~40	41~50	51~60	61~70	Less than 3 years	3 to 9 years	More than 9 years
Mike Liang	Chairman	M	V	V		V					V	V		
Wen-Cheng Cheng	Director	M	V								V			V-
Yaw Zen- Chang	Director	M	V						V					V
Shin-Chin Huang	Director	F		V						V				V
Frank Liang	Director	M	V	V	V				V			V		
Chun-Wei Liang	Director	M	V	V		V		V				V		
Guo-Chao Hong	Independent Director	M		V			V			V			V	
Shih-Kuang Li	Independent Director	M	V	V			V				V	V		
Chin-Tang Huang	Independent Director	M			V		V				V	V		



(6) Reasons for the Board's Failure to Meet One-Third Gender Representation and Measures Adopted to Enhance Gender Diversity Among Directors:

Currently, the Company's Board of Directors comprises nine members, including one female director, representing 11.1% of the Board and falling short of the one-third gender benchmark. This is primarily due to the semiconductor industry's long-standing male-dominated workforce, resulting in a lower participation rate of female professionals in related fields and, consequently, limited opportunities for women to advance to corporate governance roles. In addition, current board appointments are based on candidates' professional expertise, industry experience, and the overall operational needs of the Company, which has led to an imbalanced gender composition at this stage.

To enhance gender diversity on the Board, the Company will adopt the following measures:

- A. Incorporate gender balance as a principle in the nomination and re-election of directors.
- B. Actively seek female candidates with strong professional backgrounds and management capabilities.
- C. Gradually increase the number of female directors to strengthen Board diversity and enhance governance quality.

2. Information on the Company's President, Vice President, Assistant Vice President, and the supervisors of all the Company's Divisions and Branch Units as follows:

March 31, 2025 Unit: shares; %

Title (Note)	Name	Gender	Nationality	Date Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding in Other Persons' Names		Principal Work Experiences and Academic Qualifications	Positions Held Concurrently in The Company and/or in Any Other Company	Other executives, Directors and supervisors who are spouses or within second-degree relative of consanguinity			Notes
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President	Tony Tsai	Male	Taiwan R.O.C	Aug 1, 2018	511,163	0.30	0	0	0	0	- PhD of ME in Silicon photonic modeling, Univ. of California, Berkeley -President, Phoenix Silicon International Corp. -Director, Micron Technology -Special Assistant, Inotera Memories, Inc. -Director, Nanya Technology	None	None	None	None	None
Vice President	FN Huang	Male	Taiwan R.O.C	Aug 1, 2018	1,960	0.00	0	0	0	0	- Completion of Advanced Executive Course on Business Strategies at Peking University -CFO, Yuan Ruei Battery Co., Ltd. -Director of Finance and Administrative, Phoenix Silicon International Corporation	None	None	None	None	None
Vice President	Eric Pan	Male	Taiwan R.O.C	Aug 1, 2018	100,000	0.06	0	0	0	0	-Bachelor of Industrial Engineering, TaTung Univ. -Director of Reclaim Wafer, Phoenix Silicon International Corp.	None	None	None	None	None
Vice President	TK Huang	Male	Taiwan R.O.C	Oct 05, 2018	37,187	0.02	0	0	0	0	- Master of Department of Chemical Engineering, National Cheng Kung Univ.- -Vice President, Amkor Technology Co., Ltd- -Director, International rectifier- -Senior Manager, Infineon Technologies AG -Special Assistant, Phoenix Silicon International Corporation	None	None	None	None	None
Vice President	CM Ho	Male	Taiwan R.O.C	May 5, 2023	53,378	0.03	0	0	0	0	-Bachelor of Science in Water Resources and Environmental Engineering, Tamkang University -Manager, FuYang Technology Corporation	None	None	None	None	None
Accounting officer	Megan Yang	Female	Taiwan R.O.C	Aug 03,2023	20,000	0.01	0	0	0	0	-Master of Enterprise Resource Planning Accounting at Central University -Section Manager, Phoenix Silicon International Corporation	None	None	None	None	None
Financial officer	Yun-Jia Shan	Female	Taiwan R.O.C	Nov 06,2023	10,000	0.01	0	0	0	0	-Master of Accounting and Law in the Department of Accounting and Information Technology, Chung Cheng University -Project Section Manager, Phoenix Silicon International Corporation	None	None	None	None	None
Disclosure of reasons, rationality, necessity, and response measures (e.g., increasing the number of independent directors, ensuring that a majority of directors are neither employees nor managers) in cases where the general manager (or an equivalent position as the highest-ranking officer) and the chairman of the board are the same person, spouses, or first-degree relatives: none.																

Note : Information as of the printing date of the annual report.

ii. Remuneration to directors, supervisors, general manager and deputy general managers in the most recent year

1. Remuneration Paid to Directors (Independent Directors included)

December 31, 2024, Unit: NTD\$ thousand; %

Title (Note1)	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		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 the President and Vice President from an Invested Company Other Than the Company's Subsidiary
		Base Compensation (A)		Severance Pay and Pensions (B)		Bonus to Directors (C) (Note 2)		Allowances (D) (Note 3)				Salary, Bonuses, and Allowances (E)		Severance Pay and Pensions (F)		Profit Sharing- Employee Bonus (G) (Note 2)						
		The company	From All Consolidated Entities	The company	From All Consolidated Entities	The company	From All Consolidated Entities	The company	From All Consolidated Entities	The company	From All Consolidate d Entities	The company	From All consolidated Entities	The company	From All Consolidated Entities	The company		From All Consolidated Entities		The company	From All Consolidated Entities	
Chairman	Mike Yang	1,497	1,497	0	0	2,298	2,298	63	63	0.78	0.78	0	0	0	0	0	0	0	0	0.78	0.78	0
	Tony Tsai	487	487	0	0	1,561	1,561	257	257	0.47	0.47	1,906	1,906	0	0	1,048	0	1,048	0	1.07	1.07	0
Director	Wen-Cheng Cheng	0	0	0	0	1,929	1,929	77	77	0.41	0.41	0	0	0	0	0	0	0	0	0.41	0.41	0
	Min Ho Shuen Investments Co., Ltd Representative : Yaw-Zen Chang	0	0	0	0	1,929	1,929	55	55	0.40	0.40	0	0	0	0	0	0	0	0	0.40	0.40	0
	Ting Dong Liang Investment Co., Ltd Representative : Shin-Chin Huang	0	0	0	0	1,929	1,929	66	66	0.41	0.41	0	0	0	0	0	0	0	0	0.41	0.41	0
	Gallant Precision Machining Co., Ltd. Representative : Frank Liang	0	0	0	0	1,929	1,929	44	44	0.40	0.40	0	0	0	0	0	0	0	0	0.40	0.40	0
	Acter Group Corporation Limited Representative : Chun-Wei Liang	0	0	0	0	1,150	1,150	40	40	0.24	0.24	0	0	0	0	0	0	0	0	0.24	0.24	0
	An Grace Investment Corporation Ltd. Representative : Ji-Zeng Ma	0	0	0	0	744	744	24	24	0.16	0.16	0	0	0	0	0	0	0	0	0.16	0.16	0
Independent Director	Guo-Chao Hong	720	720	0	0	0	0	121	121	0.17	0.17	0	0	0	0	0	0	0	0	0.17	0.17	0
	Shih-Kung Lee	428	428	0	0	0	0	65	65	0.10	0.10	0	0	0	0	0	0	0	0	0.10	0.10	0
	Giin-Tarng Huang	428	428	0	0	0	0	70	70	0.10	0.10	0	0	0	0	0	0	0	0	0.10	0.10	0
	Ling-Shi Meng	292	292	0	0	0	0	31	31	0.07	0.07	0	0	0	0	0	0	0	0	0.07	0.07	0
	Ming-Cheng Liang	292	292	0	0	0	0	31	31	0.07	0.07	0	0	0	0	0	0	0	0	0.07	0.07	0
1. Policies, systems, standards and structures of Independent Director remuneration paid and describe the relevance to the amount of remuneration according to responsibilities, risks, time invested, etc.: The remuneration structures of Independent Director was based on the management methods formulated by the company with monthly fixed remuneration, not participating in the annual distribution of director’s remuneration. The monthly fixed remuneration is regularly reviewed by the remuneration committee for industry standards, if there is a change proposal, it is submitted to the board of directors for resolution. 2. Apart from above disclosure, compensation paid to directors who provide service in all companies in the consolidated financial statements (such as serving as a consultant for the parent company/all companies in the financial report/reinvested enterprises that are not employees, etc.) : NT\$0																						

Note 1: On May 21, 2024, the director An Grace Investment Co., Ltd. was automatically dismissed due to its shareholding falling below half of the number of shares it held at the time of election.

On May 28, 2024, the Company convened its Annual General Shareholders' Meeting and conducted a full re-election of the Board of Directors. The following individuals were elected as directors: Ming-Cheng Liang, Wen-Chen Cheng, and the representatives of Ting-Tung-Liang Investment Co., Ltd., Min-Ho-Shun Investment Co., Ltd., Gallant Precision Machining Co., Ltd. (represented by Frank Liang), and Acter Group Corporation Limited (represented by Chun-Wei Liang).

Kuo-Chao Hung, Shih-Kuang Lee, and Chin-Tang Huang were elected as independent directors. Tony Tsai, a director, and Ling-Shih Meng, an independent director, stepped down from their positions. On the same day, the Board elected Mike Liang as Chairman and reappointed Tony Tsai as President (General Manager).

Note 2: Director's remuneration and employee's remuneration for 2024 were approved by the board of directors on February 24, 2025.

Note 3: Operating expenses related to business execution include transportation expenses, vehicle-related costs, and various allowances.

## 2. Remuneration Paid to CEO, President and Vice Presidents

December 31, 2024, Unit: NT\$ thousand; %

December 31, 2024, Unit: NT\$ thousand, %

Title	Name	Salary(A)		Severance Pay and Pensions (B) (Note 1)		Bonuses and Allowances (C)(Note 2)		Profit Sharing- Employee Bonus (D) (Note 3)				Ratio of total compensation (A+B+C+D) to net income (%)		Compensation paid to the President and Vice President from an Invested Company Other Than the Company's Subsidiary
		The company	From All Consolidated Entities	The company	From All Consolidated Entities	The company	From All Consolidated Entities	The company		From All Consolidated Entities		The company	From All Consolidated Entities	
								Cash	Stock	Cash	Stock			
President	Tony Tsai	12,273	12,273	866	866	5,717	5,717	13,368	0	13,368	0	6.55	6.55	0
Senior Vice President	FN Huang													
Vice President	Eric Pan													
Vice President	TK Huang													
Vice President	CM Ho													

Note 1:The retirement pension refers to the contribution made for fiscal year 2024.

Note 2:This expense includes various bonuses, vehicle-related expenses, and other allowances.

Note 3:The employee compensation for fiscal year 2024 was approved by the Board of Directors on February 24, 2025, and the proposed distribution amount was calculated based on the actual distribution ratio in prior years.

### Remuneration Paid to CEO, President and Vice Presidents

Range of Remuneration	Name of President and Vice President	
	The Company	From All Consolidated Entities
Less than NT\$ 1,000,000	-	-
NT\$ 1,000,000(incl.)~NT\$2,000,000(not incl.)	-	-
NT\$ 2,000,000(incl.)~NT\$3,500,000(not incl.)	-	-
NT\$ 3,500,000(incl.)~NT\$5,000,000(not incl.)	TK Huang, CM Ho	TK Huang, CM Ho
NT\$ 5,000,000(incl.)~NT\$10,000,000(not incl.)	Eric Pan, FN Huang	Eric Pan, FN Huang
NT\$ 10,000,000(incl.)~NT\$15,000,000(not incl.)	Tony Tsai	Tony Tsai
NT\$ 15,000,000(incl.)~NT\$30,000,000(not incl.)	-	-
NT\$ 30,000,000(incl.)~NT\$50,000,000(not incl.)	-	-
NT\$ 50,000,000(incl.)~NT\$100,000,000(not incl.)	-	-
More than NT\$ 100,000,000	-	-
Total	5	5

### 3. Names of managers distributed employee compensation and the status of distribution

December 31, 2024 Unit: NT\$ thousand

Title		Name	Employee Bonus - in Stock	Employee Bonus - in Cash	Total (Note1)	Ratio of Total Amount to Net Income (%)
Management	President	Tony Tsai	0	14,748	14,748	3.00
	Senior Vice President	FN Huang				
	Vice President	Eric Pan				
	Vice President	TK Huang				
	Vice President	CM Ho				
	Accounting Supervisor	Megan Yang				
	Financial Supervisor	Yun-Jia Shan				

Note 1: The employees' compensation for the fiscal year 2024 was approved by the Board of Directors on February 24, 2025, and the proposed amount for this year was calculated based on the actual distribution ratios of previous years.

### 4. Amount of remuneration paid in the last 2 years by the Company and all companies included in the consolidated financial statements to the Company's directors, supervisors, president, and vice presidents, and the respective proportion of such remuneration to the income after tax referred to in the entity or standalone financial statements, as well as the policies, standards, and packages by which it was paid, the procedures through which the remuneration was determined, and its association with business performance and future risks:

Title	Ratio of Total Amount to Net Income (%)			
	2023		2024	
	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities
Directors	5.04	5.04	3.78	3.78
President and Vice President	11.66	11.66	6.55	6.55

#### (1) Policy, Standards, and Composition of Compensation:

In accordance with Article 30-1 of the Company's Articles of Incorporation, when the company is in a state of accumulated losses, these must be addressed as a priority. Additionally, a distribution of employee remuneration equivalent to 10% to 15% of the profit for the current year is prescribed. Should the profit for the current year not exceed 2%, director remuneration is distributed. The distribution of employee remuneration and director remuneration requires a resolution by the board of directors with a majority of two-thirds of the attending directors in favor, subsequently reported to the shareholders' meeting.

#### A. Directors:

The Company's director compensation structure, as governed by the "Regulations on Directors' Remuneration and Distribution of Compensation"

and “Articles of Incorporation”, encompasses:

- a. Compensation: Fixed compensation is provided based on the responsibilities assumed by the Chairman of the Board; independent directors receive fixed compensation for their duties and concurrent roles as members of the Compensation Committee and Audit Committee, disbursed monthly. The aforementioned compensation is assessed and recommended by the Compensation Committee and sanctioned by the board of directors.
- b. Transportation and Attendance Fees: Directors attending company meetings in person are provided with transportation expenses for each instance to the same meeting venue, as well as attendance fees for each meeting.
- c. Remuneration: Independent directors do not receive separate remuneration, while individual remuneration for non-independent directors is subject to review by the Compensation Committee based on their level of engagement in company operations (including provision of core operational advice, etc.) and contributions, responsibilities within financial planning scope, and assumption of the chairman of the board position. The distribution is reviewed based on the weight approved by the board of directors, deliberated upon by the Compensation Committee, and resolved by the board of directors.
- d. Retirement Benefits: Directors concurrently holding employee positions are entitled to retirement benefits based on their tenure, with conditions and calculation methods in line with the Company's Employee Retirement Management Regulations.

**B. President and Vice President:**

According to the "Employee Bonus Budget and Allocation Guidelines" and the "Articles of Incorporation", the compensation for the President and Vice President includes both fixed salary and variable salary.

- a. fixed salary: Monthly salary, holiday bonuses, and long-term incentive bonus for employees who have been in the position for over a year.
- b. Variable Salary: Operational bonuses are determined based on the achievement rate of revenue and the growth rate of operating net profit; employee compensation is determined based on the growth rate of net profit after tax. President does not receive operational bonuses, and the maximum amount of operational bonuses for Vice President shall not exceed 4 months' salary per person.
- c. In addition to receiving fixed salary, President 's employee compensation is based on the achievement rate of annual earnings per share.

- (2) The process of determining remuneration and its association with business performance and future risks.

The company follows the procedures for the distribution of remuneration to directors and managers as outlined in the " Articles of Incorporation," " Regulations on Directors' Remuneration and Distribution of Compensation," and " Employee Bonus Budget and Allocation Guidelines." The Compensation Committee evaluates and reviews the compensation situation annually, taking into account individual performance achievements and contributions to the company, as well as considering the overall operational performance of the company, future industry risks, and continuously reviewing the remuneration system in accordance with actual operational conditions and relevant regulations. Reasonable compensation is provided to achieve a balance between sustainable company operations and risk management.

In addition to aligning responsibilities with performance outcomes, managers in the Company also aggregate quarterly performance evaluations as a basis for remuneration. Performance indicators include qualitative metrics such as problem-solving abilities, communication skills, organizational and innovative development, and personal growth assessments, as well as quantitative metrics such as the achievement status, attainment rate, and completion rate of individual and departmental goals, and special project accomplishments. Moreover, short-term profit is not the sole criterion for compensation, and directors and managers are not encouraged to engage in risk-taking behaviors beyond the company's risk tolerance solely for the sake of pursuing salary rewards.

The remuneration disbursed to directors of the company in 2024 was all subject to review and resolution by the Compensation Committee prior to being presented for approval at the Board of Directors' meetings.

### iii. Implementation of Corporate Governance

#### 1. Operations of Director for Board Meetings

The Company had convened 7(A) Board of Director meetings in 2024 with the following attendance:

Title(Note1)	Name	Attendance in Person(B)	By Proxy	Attendance Rate in Person (%) (Note2)	Remarks
Chairman	Mike Yang	4	0	100.00	Elected as Chairman on May 28, 2024; formerly Independent Director; former Chairman Tony Tsai stepped down on the same day.
	Tony Tsai	3	0	100.00	
Director	Wen-Cheng Cheng	7	0	100.00	Reelected
Director	Min Ho Shuen Investments Co., Ltd Representative : Yaw-Zen Chang	6	1	86.00	Reelected
Director	Ting Dong Liang Investment Co., Ltd Representative : Shin-Chin Huang	7	0	100.00	Reelected
Director	Gallant Precision Machining Co., Ltd. Representative : Frank Liang	6	0	86.00	Reelected
Director	Acter Group Corporation Limited Representative: Chun-Wei Liang	4	0	100.00	Newly appointed
Director	An Grace Investment Corp. Ltd. : Representative : Ji-Ceng Ma	3	0	100.00	Removed
Independent Director	Guo-Chao Hong	7	0	100.00	Reelected
Independent Director	Shih-Kuang Li	4	0	100.00	Newly appointed
Independent Director	Chin-Tang Huang	4	0	100.00	Newly appointed
Independent Director	Mike Liang	3	0	100.00	Elected as Chairman
Independent Director	Ling-Shih Meng	2	1	67.00	Retired

Other matters to be disclosed:

1. If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:

- (1) Any matter under Article 14-3 of the Securities and Exchange Act: Not applicable, as the Company has established an Audit Committee.
- (2) In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that was on record or stated in writing with respect to any board resolution: None.

2. The status of director recusals in matters involving conflicts of interest shall specify the director's name, the content of the motion, the reason for the recusal, and the director's voting status:

Resolution of the Board of Directors on May 5, 2023, proposal for the Company's managers' 2022 employee compensation plan. As Director Tony Tsia is the President of the Company, to avoided conflicts of interest, did not participate in discussion or voting of the amount of the President, Director WenCheng Cheng was appointed as the acting chairman, the proposal was approved without dissent after



discussions among the Directors in attendance.

### 3. Implementation of Board performance evaluations

The 2024 Board Performance Evaluation was implemented, and the status and results are as follows:

Evaluation Cycle and Period	Evaluation Scope	Evaluation Method	Evaluation Content
Once a year 2024.01.01~12.31	Board of Directors	Self-evaluation by Board members	1.Level of participation in company operations. 2.Enhancement of decision-making quality. 3.Composition and structure of the Board of Directors 4.Appointment of Directors and continuing Education. 5.Internal control.
	Individual Directors	Self-evaluation by individual directors	1.Grasp of the Company's goals and missions. 2.Awareness of directors' responsibilities. 3.Level of participation in company operations. 4.Internal relationship management and communication. 5.Professional development and continuous education. 6.Internal control
	Audit Committee	Self-evaluation by Independent Directors	1.Level of participation in company operations. 2.Awareness of Audit Committee responsibilities. 3.Enhancement of Audit Committee decision-making quality. 4.Composition and selection of Audit Committee members. 5.Internal control
	Remuneration Committee	Self-evaluation by Committee members	1.Level of participation in company operations. 2.Awareness of Remuneration Committee responsibilities. 3.Enhancement of Remuneration Committee decision-making quality. 4.Composition and selection of Remuneration Committee members. 5.Internal control

Evaluation results and improvement plans:

The self-evaluation results of the Company's overall Board of Directors, each functional committee, and individual board members all exceeded the established standards, with no areas identified for improvement. The evaluation results were reported to the Board of Directors on February 24, 2025, and will serve as a reference for the performance assessment, remuneration, and renomination of members of the Board and functional committees.

4.Measures undertaken during the current year and past year in order to strengthen the functions of the Board of Directors and assessment of their implementation:

#### (1) Goals for strengthening Board functions

A.To strengthen the Board's functions, the Company has established an Audit Committee and a Remuneration Committee. In addition, on November 8, 2024, the Board resolved to establish a Sustainability Development Committee to assist the Board in more effectively fulfilling its responsibilities.The operation of these functional committees helps enhance the Company's corporate governance mechanisms and reduces the risks of significant damages to the Company and its shareholders resulting from errors or misconduct by directors.

B.In 2024, the Company completed a full re-election of the Board of Directors. The newly elected directors bring diverse expertise and industry experience, which not only strengthens the overall functions of the Board but also injects new momentum into corporate governance and sustainable development.

#### (2) Execution Evaluation:

- A. In accordance with the Corporate Governance Best Practice Principles for Listed Companies, the Company has obtained Directors' and Officers' (D&O) Liability Insurance to mitigate and diversify the risks of significant damage to the Company and shareholders resulting from directors' errors or omissions, thereby strengthening the effectiveness of the Board of Directors.
- B. The Company has adopted the "Rules of Procedure for Board Meetings," which are publicly disclosed on the Market Observation Post System (MOPS), to ensure compliance and transparency regarding major Board resolutions.
- C. Independent directors periodically review audit reports provided by the internal audit unit to effectively monitor the Company's operations and fulfill their supervisory duties.
- D. To enhance Board efficiency and support directors in fulfilling their duties, the Company established the position of Corporate Governance Officer, approved by the Board on May 13, 2019, to provide timely and effective assistance to directors and ensure compliance with corporate governance regulations.
- E. The Company encourages Board members to participate in various professional training programs and regularly provides updates on relevant laws and regulations during Board meetings to improve decision-making capabilities and ensure regulatory compliance.
- F. On November 8, 2024, the Company established the Sustainability Development Committee, dedicated to promoting and overseeing the Company's sustainability strategies and implementation, thereby assisting the Board in planning and achieving the Company's long-term sustainability goals.

Note 1: On May 21, 2024, the director An Grace Investment Co., Ltd. was automatically dismissed due to its shareholding falling below half of the number of shares it held at the time of election.

On May 28, 2024, the Company convened its Annual General Shareholders' Meeting and conducted a full re-election of the Board of Directors. The following individuals were elected as directors: Ming-Cheng Liang, Wen-Chen Cheng, and the representatives of Ting-Tung-Liang Investment Co., Ltd., Min-Ho-Shun Investment Co., Ltd., Gallant Precision Machining Co., Ltd. (represented by Frank Liang), and Acter Group Corporation Limited (represented by Chun-Wei Liang). Kuo-Chao Hung, Shih-Kuang Lee, and Chin-Tang Huang were elected as independent directors. Tony Tsai, a director, and Ling-Shih Meng, an independent director, stepped down from their positions. On the same day, the Board elected Mike Liang as Chairman and reappointed Tony Tsai as President (General Manager).

Note 2: The actual attendance rate (%) for each director is calculated based on the number of Board meetings held and the number of meetings the director attended during their term of office.

## 2. Operations of Audit Committee

### (1) Professional qualifications, experience, and reasons for appointment of members

The Company's Audit Committee is composed of three independent directors. The Audit Committee is established to assist the Board of Directors in fulfilling its oversight responsibilities regarding the quality and integrity of the Company's accounting, auditing, financial reporting processes, and financial controls. The professional qualifications, experience, and reasons for the appointment of the members are as follows:

Position	Name	Professional Qualifications and Experience
Independent Director	Chin-Tang Huang	With professional experience in law and public administration, and having served in various governmental and academic positions, the director possesses a high level of understanding of organizational compliance and oversight systems, and is able to provide expert legal advice on the company's internal control and auditing systems

Independent Director	Guo-Chao Hong	With extensive experience in finance and cross-disciplinary management, the director is well-versed in capital market operations and risk management. Possessing professional expertise in finance, accounting, and auditing, the director is capable of overseeing financial disclosure and the soundness of related systems.
Independent Director	Shih-Kuang Li	With a long-standing career in the technology and education sectors, the director has held leadership positions in central government agencies and public institutions. Possessing experience in technology industry operations and policy compliance, the director offers unique insights into audit systems and operational risk management.

(2) The term of the current Audit Committee members is from May 28, 2024 to May 27, 2027. In 2024, the Audit Committee convened 6 meetings (A). The attendance of the independent directors was as follows:

Title(Note1)	Name	Attendance in Person(B)	By Proxy	Attendance Rate in Person (%) (B/A)	Remarks
Convener	Chin-Tang Huang	3	0	100.00	Newly appointed
	Mike Liang	3	0	100.00	Retired
Member	Guo-Chao Hong	6	0	100.00	Reelected
Member	Shih-Kuang Li	3	0	100.00	Newly appointed
Member	Ling-Shih Meng	2	1	67.00	Retired

Other items to be stated:

I. If any of the following circumstances arises, the Company shall disclose the date of the Audit committee meeting, the session number, the motion(s) discussed, any dissenting or qualified opinions or significant recommendations of the independent directors, the resolutions of the Audit committee, and the Company's response to the Audit committee's opinions:

(1) Matters included in Article 14-5 of the Securities and Exchange Act:

Audit Committee of Date	Audit Committee of Term	Contents of Motion	Resolution of the Audit Committee
Feb 22, 2024	3rd Term, 23rd Meeting	<ul style="list-style-type: none"> <li>2023 Financial Report</li> <li>Assessment of the independence and suitability of the Company's CPA</li> <li>Appointment of CPA for auditing financial statements and determination of remuneration</li> <li>Effectiveness assessment of the Internal Control System and issuance of the 2023 Internal Control System Statement</li> </ul>	Approved
Apr 16, 2024	3rd Term, 24th Meeting	<ul style="list-style-type: none"> <li>2023 Business Report</li> <li>2023 Earnings Distribution Proposal</li> </ul>	Approved

Audit Committee of Date	Audit Committee of Term	Contents of Motion	Resolution of the Audit Committee
Feb 22, 2024	3rd Term, 23rd Meeting	<ul style="list-style-type: none"> <li>• 2023 Financial Report</li> <li>• Assessment of the independence and suitability of the Company's CPA</li> <li>• Appointment of CPA for auditing financial statements and determination of remuneration</li> <li>• Effectiveness assessment of the Internal Control System and issuance of the 2023 Internal Control System Statement</li> </ul>	Approved
Apr 16, 2024	3rd Term, 24th Meeting	<ul style="list-style-type: none"> <li>• 2023 Business Report</li> <li>• 2023 Earnings Distribution Proposal</li> </ul>	Approved
May 10, 2024	3rd Term, 25th Meeting	<ul style="list-style-type: none"> <li>• 2024 Q1 Financial Report</li> </ul>	Approved
Aug 9, 2024	4th Term, 1st Meeting	<ul style="list-style-type: none"> <li>• Amendment to the Company's machinery and equipment disposal plan</li> <li>• 2024 Q2 Financial Report</li> <li>• Additional 2024 Capital Expenditure Proposal</li> </ul>	Approved
Nov 8, 2024	4th Term, 2nd Meeting	<ul style="list-style-type: none"> <li>• 2024 Q3 Financial Report</li> <li>• Proposal for the second domestic unsecured convertible bond issuance</li> </ul>	Approved
Dec 26, 2024	4th Term, 3rd Meeting	<ul style="list-style-type: none"> <li>• 2025 Capital Expenditure Proposal</li> <li>• Appointment of Head of Internal Audit</li> <li>• Amendment to the "Internal Control System"</li> <li>• 2025 Internal Audit Plan</li> </ul>	Approved

a. Content of any dissenting opinions, reservations, or major recommendations from independent directors: None.

b. Resolutions of the Audit Committee and the Company's handling of the Audit Committee's opinions: All motions were unanimously approved by the Audit Committee members. The Board of Directors also approved all motions in accordance with the Audit Committee's recommendations.

(2) Aside from said circumstances, resolution(s) not passed by the Audit Committee but receiving the consent of two-thirds of the whole directors: None.

2. In instances where a director recuses himself/herself due to a conflict of interest, the minutes shall clearly state the director's name, contents of motions, reason for not voting and actual voting counts: None.

3. Communication between independent directors and internal auditing officers as well as external auditors (such as items discussed, means of communication and results on the Company's finance and business, etc.):

(1) The internal audit supervisor regularly communicates with the members of the Audit Committee about the results of the audit reports and gives internal audit reports at the Audit Committee meetings on a quarterly basis, and reports to the members of the Audit Committee immediately if there are special circumstances. No special circumstances as mentioned for 2024. The communication between the Audit Committee and the internal audit supervisors are fine.

(2) The CPAs regularly report the results of audits or reviews of financial statements at meetings of the Audit Committee, and other communications required by applicable laws and regulations. The communication between Audit Committee and CPAs are fine.

(3) Communications between the Independent Directors and the head of internal audit, CPA. are as follows:

a. Summary of Communication Between Independent Directors and CPAs			
Date	Meeting Type	Key Discussion Points	Communication and Execution Results
Feb 22, 2024	Audit Committee Meeting	<ul style="list-style-type: none"> <li>2023 Financial Report</li> <li>Assessment of the independence and suitability of the Company's CPA</li> </ul>	Reviewed by the Audit Committee. No dissenting opinions were expressed by the attending members.
May 10, 2024	Audit Committee Meeting	<ul style="list-style-type: none"> <li>Review of 2024 Q1 Financial Report</li> </ul>	Reviewed by the Audit Committee. No dissenting opinions were expressed by the attending members.
Aug 9, 2024	Audit Committee Meeting	<ul style="list-style-type: none"> <li>Review of 2024 Q2 Financial Report</li> </ul>	Reviewed by the Audit Committee. No dissenting opinions were expressed by the attending members.
Nov 8, 2024	Audit Committee Meeting	<ul style="list-style-type: none"> <li>Review of 2024 Q3 Financial Report</li> </ul>	Reviewed by the Audit Committee. No dissenting opinions were expressed by the attending members.
	Private Meeting(Note)	<ul style="list-style-type: none"> <li>2024 Financial Statement Audit Plan</li> </ul>	Acknowledged. No further recommendations were provided.
b. Summary of Communication Between Independent Directors and the Head of Internal Audit			
Date	Meeting Type	Key Discussion Points	Communication and Execution Results
Feb 22, 2024	Audit Committee Meeting	<ul style="list-style-type: none"> <li>Internal Audit Business Report</li> <li>2023 Internal Control System Statement</li> </ul>	Reviewed by the Audit Committee. No dissenting opinions were expressed by the attending members.
Apr 16, 2024	Audit Committee Meeting	<ul style="list-style-type: none"> <li>Internal Audit Business Report</li> </ul>	Reviewed by the Audit Committee. No dissenting opinions were expressed by the attending members.
May 10, 2024	Audit Committee Meeting	<ul style="list-style-type: none"> <li>2023 Internal Audit Follow-up Report</li> </ul>	Reviewed by the Audit Committee. No dissenting opinions were expressed by the attending members.
Aug 9, 2024	Audit Committee Meeting	<ul style="list-style-type: none"> <li>Internal Audit Business Report</li> </ul>	Reviewed by the Audit Committee. No dissenting opinions were expressed by the attending members.
Nov 8, 2024	Audit Committee Meeting	<ul style="list-style-type: none"> <li>Internal Audit Business Report</li> </ul>	Reviewed by the Audit Committee. No dissenting opinions were expressed by the attending members.
Dec 26, 2024	Audit Committee Meeting	<ul style="list-style-type: none"> <li>Internal Audit Business Report</li> <li>Amendment to the Company's Internal Control System</li> <li>2025 Internal Audit Plan</li> </ul>	Reviewed by the Audit Committee. No dissenting opinions were expressed by the attending members.
Dec 26, 2024	Private Meeting(Note)	<ul style="list-style-type: none"> <li>Comparative Analysis of Current and Previous Audit Methodologies</li> </ul>	Acknowledged. No further recommendations were provided.

4. Annual key functions and operations of Audit Committee:

2024 Annual key functions:

- (1) Review of financial statements.
- (2) Review of major asset transactions.
- (3) Review of matters related to the issuance of equity-related securities.
- (4) Amendments to the internal control system and assessment of its effectiveness.
- (5) Evaluation of the suitability and independence of the CPA.
- (6) Appointment of the Head of Internal Audit.

Note 1: On May 28, 2024, following the re-election of the Board of Directors, Chin-Tang Huang, Guo-Chao Hong, and Shih-Kuang Li were elected as Independent Directors. On the same day, Chin-Tang Huang was elected as the Convener of the Audit Committee, and Ming-Cheng Liang assumed the position of Chairman of the Board.

3. The state of the company's implementation of corporate governance, any variance from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance.

Assessed items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
I. Has the Company formulated and disclosed its corporate governance best practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has established the "Corporate Governance Principles" to implement the relevant regulations in accordance with the spirit of corporate governance. Please refer to the Company's official website or the Market Observation Post System (MOPS) for the Corporate Governance Principles stipulated by the Company.	No significant difference
II. Shareholding structure & shareholders' rights (1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure??	✓		(1) The Company has established the "Internal Procedures for Handling Material Information" to ensure that information that may affect shareholder decisions can be disclosed promptly and properly. The shareholder services and corporate relations unit is designated as the responsible unit and has set up a dedicated mailbox to handle shareholder suggestions, queries, disputes, and legal matters.	No significant difference

Assessed items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
(2) Does the Company maintain a register of major shareholders with controlling power as well as a register of persons exercising ultimate control over those major shareholders?	✓		(2) The Company continuously monitors the shareholdings of its directors, managers, and the top ten shareholders. Through the historical shareholder registers, the Company endeavors to identify major shareholders and their ultimate controllers. In addition, the departments responsible for stock affairs and investor relations maintain good interactions with major shareholders and closely monitor significant matters that may lead to changes in shareholding	No significant difference.
(3) Does the Company establish and enforce risk control and firewall systems with its affiliated businesses?	✓		(3) The Company's internal control system encompasses enterprise-level risk management and operational-level activities. The Company has established the 'Supervisory Regulations for Subsidiaries' to implement effective risk control mechanisms for its subsidiaries. Additionally, the Company has formulated the 'Procedures for Transactions with Group Enterprises, Specific Companies, and Related Parties' to govern transactions related to procurement, sales, acquisition and disposal of assets, endorsements and guarantees, and fund lending among related parties. Major transactions must be approved by the Board of Directors and either submitted to the shareholders' meeting for approval or reported accordingly	No significant difference
(4) Does the Company stipulate internal rules that prohibit company insiders from trading securities using information not disclosed to the market?	✓		(4) The Company's "Integrity Operation Procedures and Code of Conduct" clearly stipulates that directors, managers, and employees, among other internal personnel, shall conduct business activities in	No significant difference

Assessed items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			<p>accordance with the principles of fairness, honesty, integrity, and transparency. To implement the ethical business policy and proactively prevent unethical conduct, insiders must comply with the Securities and Exchange Act and are strictly prohibited from using undisclosed material information for insider trading or disclosing such information to others for the same purpose. In accordance with the "Corporate Governance Best-Practice Principles" and the "Procedures for Prevention of Insider Trading," the Company notifies insiders via email fifteen days before the announcement of each quarterly financial report and thirty days before the announcement of the annual financial report, prohibiting them from trading the Company's shares during the blackout periods. In 2024, insiders were notified on January 18, April 23, July 22, and October 21.</p> <p>The Company conducts at least one educational session each year on the "Procedures for Prevention of Insider Trading" and related laws and regulations for current directors, managers, and employees. For newly appointed directors and managers, training is arranged within three months of their appointment; for new employees, the training is provided during pre-employment orientation.</p> <p>On June 24 and December 21, 2024, the Company held seminars and training sessions on topics including "Prevention of Insider</p>	



Assessed items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			Trading," "Introduction to Insider Trading Regulations," and "Procedures for Handling Material Internal Information," totaling two hours of training. The sessions were attended by 39 participants, including directors, managers, and supervisors. The training covered the definition, elements, legal liabilities, and case examples of insider trading, as well as relevant regulations and internal procedures. To strengthen compliance awareness and promote a culture of legal compliance, the course materials have been uploaded to the Company's internal knowledge management system for ongoing reference. Additionally, in 2024, newly appointed director Chun-Wei Liang and the Corporate Governance Officer participated in the "Insider Trading Prevention Advocacy Seminar" hosted by the Securities and Futures Institute, further enhancing the Company's compliance awareness and practical implementation.	
III. Composition and Responsibilities of the Board of Directors				
(1) Has the Board of Directors formulated a policy regarding the composition of its members, set specific management objectives, and implemented them?	✓		(1) The Company has established a diversification policy for the composition of the Board of Directors, set specific management objectives, and implemented them. Details are provided in pages 12–13 of this Annual Report.	No significant difference
(2) In addition to establishing a Remuneration Committee and an Audit Committee as required by law, has the Company voluntarily	✓		(2) In addition to establishing a Remuneration Committee and an Audit Committee as required by law, the Company resolved to establish a Sustainability	No significant difference

Assessed items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
established other functional committees?			Development Committee on November 8, 2024, to promote sustainability goals and strengthen corporate governance. The operation of the committee is detailed on pages 41–42 of this Annual Report.	
(3) Has the Company established rules and methods for evaluating the performance of the Board of Directors, conducted regular annual performance evaluations, reported the evaluation results to the Board, and used the evaluation outcomes as a reference for determining the remuneration and re-nomination of individual directors?	✓		(3) The Company's Board of Directors approved the "Regulations for Performance Evaluation of the Board of Directors and Functional Committees" on December 24, 2019. At the end of each fiscal year, the Company conducts performance evaluations through internal self-assessment questionnaires, covering the overall Board, individual Board members, and functional committees (including the Audit Committee and Remuneration Committee). The evaluation results are reported to the Board of Directors and used as references for director nomination, selection, and operational efficiency improvements. The evaluation items mainly include participation in Company operations, enhancement of decision-making quality, the composition and structure of the Board and committees, selection and continuing education of directors and committee members, and internal control. The 2024 performance evaluation was completed in the fourth quarter and reported to the Board of Directors on February 24, 2025, and has been disclosed on the Company's website.	No significant difference
(4) Does the company regularly evaluate the independence of CPAs?	✓		(4) The Company has established the "Regulations Governing the Independence and Performance of	No significant difference.

Assessed items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			<p>Certified Public Accountants". The Company assesses the independence, suitability and performance of CPA annually and submits the results to the Audit Committee and the Board of Directors for approval.</p> <p>The evaluation of the independence and and suitability of the certified public accountants for 2024 was approved by the Audit Committee and the Board of Directors on February 24, 2025. The rotation of certified public accountants was also conducted in accordance with the relevant regulations.</p> <p>Independence assessment of the following standard items:</p> <ul style="list-style-type: none"> <li>a. No direct or indirect substantial financial interest between the CPA and the Company.</li> <li>b. No substantially close business relationship between the CPA and the Company.</li> <li>c. No potential employment relationship exists when the CPA audits the Company's report.</li> <li>d. The CPA should ensure the integrity, impartiality and independence of their assistants.</li> <li>e. The CPA never accepts any expensive gift or present from the Company or the Company's directors or managerial officers (valuing more than the value required under the general social etiquette standards).</li> <li>f. No borrowing/lending of fund between the CPA and the Company.</li> <li>g. The CPA does not hold another business, the CPA may lose its</li> </ul>	

Assessed items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			<p>independence.</p> <p>h. The CPA has not received any commission related to his/her service.</p> <p>i. The CPA or its spouse and second degree relatives do not hold any of the Company's shares.</p> <p>j. Not simultaneously taking a regular position in the Company or its affiliated enterprises and receiving a fixed salary therefrom.</p> <p>k. The CPA has no joint investment or interest sharing with the Company and its affiliated enterprises.</p> <p>l. The CPA is not involved in the management function of the Company in formulating decisions °</p> <p>m. The CPA does not currently hold any the position as director, managerial officer, or any position materially critical to the audited case in the most recent 2 years, and will never hold said positions in the future audit period.</p> <p>n. During the audit period, the CPA and his / her spouse or dependent(s) did not hold any position as a director, supervisor, or manager of the company or have direct and significant influence on the audit work.</p> <p>o. The CPA issued the Statement of Detached Independence.</p> <p>p. The CPA issued the Statement of Audit Quality Indicators.</p> <p>The results of the evaluation are as follows.</p> <p>As a result of the evaluation, the certified public accountants have met the requirements of the</p>	

Assessed items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			independence evaluation and issued the "Statement of Independence", "Audit Quality Indicators" which confirms that the CPAs are independent, suitability and can be trusted to issue financial reports.	
IV. Has the Company assigned an adequate number of qualified corporate governance personnel and designated a Corporate Governance Officer to be responsible for corporate governance affairs, including but not limited to providing directors and supervisors with the information necessary for their duties, assisting directors and supervisors in complying with applicable laws and regulations, handling matters related to Board and shareholders' meetings in accordance with the law, processing company registration and amendments, and preparing minutes of Board and shareholders' meetings	✓		<p>The Company resolved at the Board meeting on May 13, 2019 that the Company's Vice President of control center, should hold the position as the Company's Corporate Governance Manager concurrently (who has the experience in the management of finance, shareholders' service and parliamentary procedures for TWSE/TPEX-listed companies for more than three years), responsible for leading and guiding the President's Office to process corporate governance-related affairs and provide directors with support. The functions to be performed by him include:</p> <ol style="list-style-type: none"> <li>1. Handling matters relating to board meetings and shareholders meetings according to laws.</li> <li>2. Producing minutes of board meetings and shareholders meetings.</li> <li>3. Assisting in onboarding and continuous development of directors.</li> <li>4. Furnishing information required for business execution by directors.</li> <li>5. Assisting directors with legal compliance.</li> <li>6. Report to the Board on the results of its review of the conformity of the qualifications of independent directors with the relevant laws and regulations at the time of their nomination, election and the period of their appointment.</li> <li>7. To handle matters related to the change of directors.</li> </ol>	No significant difference.

Assessed items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			<p>8. Other matters set out in the articles or corporation or contracts</p> <p>The execution status of corporate governance affairs by the Corporate Governance Manager in 2024 is as follows:</p> <ol style="list-style-type: none"> <li>1. Developing and planning corporate governance-related regulations and procedures, and reviewing and revising them to ensure compliance with legal requirements.</li> <li>2. Providing the necessary information for directors to carry out their duties and assisting them in compliance with laws and regulations.</li> <li>3. Assisting newly appointed directors in assuming their roles and providing relevant support.</li> <li>4. Planning for each board meeting and notifying all directors at least 7 days in advance, providing sufficient meeting materials, and sending out the minutes of the board meeting within 20 days after the meeting.</li> <li>5. Handling pre-registration for shareholder meetings in accordance with the law, preparing meeting notices, agendas, annual reports, and minutes of meetings, and processing company registration changes (paid-in capital and changes in chairman or directors).</li> <li>6. In 2024, a total of 7 Board meetings were convened, 6 Audit Committee meetings, and 1 Annual Shareholders' Meeting.</li> <li>7. Ensured that each Board member completed at least 6 hours of continuing education; the Corporate Governance Officer completed a total of 12 hours of training. Full course details are provided on pages 71–72 of this Annual Report.</li> </ol>	

Assessed items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			<p>8. Renewed directors' liability insurance in compliance with regulations and reported the renewal to the Board of Directors on May 10, 2024.</p> <p>9. Conducted a full re-election of the Board of Directors in 2024, verified the qualifications of newly elected independent directors to ensure compliance with applicable regulations, and reported the results to the Board on April 16, 2024.</p> <p>10. Conducted performance evaluations for the Board of Directors, individual directors, and functional committees, with all evaluation results exceeding the standard.</p>	
V. Has the Company established a channel to communicate with stakeholders (including but not limited to the shareholders, employees, customers and suppliers), and set up a stakeholder section on the Company's website, and appropriately respond to the important corporate social responsibility issues which are essential to stakeholders?	✓		<p>The Company has spokespersons and acting spokespersons, the website has a special area for interested parties, and a contact person is established for the related parties, and there are special personnel to answer the social responsibility issues of the related parties.</p> <p>The communication situation of all stakeholders in 2023 has been reported to the board of directors on Nov 08, 2024.</p>	No significant difference.
VI. Has the Company commissioned a professional stock affair agency to manage Shareholders' Meetings and other relevant affairs?	✓		The Company entrusts Grand Fortune Securities Co., Ltd. to act as the Company's shareholders service agent to handle shareholders service affairs on behalf of the Company.	No significant difference.
VII. Information Disclosure (1) Has the Company established a website to disclose information on financial operations and corporate governance?	✓		(1)The Company's website has an investor section and a corporate governance section to disclose financial operations and corporate governance information respectively.	No significant difference.

Assessed items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
(2)Has the Company adopted other means of information disclosure(such as establishing an English language website, delegating a professional to collect and disclose Company information, implementing a spokesperson system, and disclosing the process of investor conferences on the Company website) ?	✓		(2) The Company's website has an investor section and a corporate governance section. The Company's financial, business, and related information can be found on the Market Observation Post System. The Company's dedicated personnel shall be responsible for information on the Company's financial, business, and other relevant information. The dedicated personnel shall disclose information to the Company's shareholders and stakeholders. A spokesperson and its substitution have been assigned.	No significant difference.
(3)Whether the company announces and declares the annual financial report within two months after the end of the fiscal year, and announces and declares the first, second, and third quarter financial reports and the monthly operating situation as early as the prescribed period ?	✓		(3)The 2024 financial report was announced on February 24, 2025. The financial reports for the first, second and third quarters of 2024 were announced on May 10,2024, Aug 12,2024 and Nov 11,2024, all earlier than within the specified period, the monthly revenue will also be announced in advance within the specified period.	No significant difference.
VIII.Has the Company provided other information that is helpful to understand the implementation of corporate governance (including but not limited to the rights and interests of employees, employee care, investor relations, supplier relations, implementation of the Company's policies, and purchase of liability insurance for the Directors and Supervisors) ?	✓		(1)Employee rights and employee care: The Company is used to valuing the labor-management relationship and treating the employees in good faith, and also protect the employees' legal interests and rights pursuant to the Labor Standards Act. Meanwhile, the Company builds the fair relationship of mutual trust and reliance with the employees via various employee welfare policies and excellent educational training systems. (2)Investor relations: Disclose the information sufficiently via the MOPS and the Company's website to enable the investors to understand the Company's	No significant difference



Assessed items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			<p>overview of operation and communicate with investors via the shareholders' meeting and spokesman.</p> <p>(3)Supplier relations: The Company maintains fair interactive relations with the suppliers and conducts audits from time to time to ensure the suppliers' quality.</p> <p>(4)Stakeholders' interests: The Company has appointed the spokesman and deputy spokesman, and also set up the stakeholder section on the Company's website to help the stakeholders communicate with the Company and provide suggestions to the Company to maintain the legal interests and rights deserved by them.</p> <p>(5)Continuing education of directors: All of the Company's directors shall hold the related professional knowledge, attend the related courses pursuant to laws and satisfy the continuing education hours as required. Please refer to pages 71-72 of the annual report for further details of the directors' training.</p> <p>(6)Implementation of risk management policies and risk measurements: The Company is used to managing the risk stably and establishes the related internal regulations and internal control system to prevent various risks. Meanwhile, the internal audit unit will audit the status of the internal control system, periodically or from time to time.</p> <p>(7)Implementation of customer policy: The Company maintains the fair and stable relations with customers and adopts the policy taking</p>	

Assessed items	State of Operations			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			customers as the priority, in order to create profit for the Company. (8)Maintenance of liability insurance for directors: The Company has taken out the liability insurance for its directors to enhance the protection on shareholders' equity, and disclosed the relevant information in the corporate governance section on the MOPS.	
IX. Please specify the status of correction based on the corporate governance assessment report released by the Corporate Governance Center of TWSE in the most recent year, and the priority corrective actions and measures against the remaining deficiencies :				
The improvement of the results of the 2024 corporate governance evaluation				
Evaluation index content			Improvement matters	
Has the Company assigned a functional committee at the Audit Committee or Board level (e.g., Risk Management Committee) to oversee risk management, establish risk management policies and procedures approved by the Board, disclose the risk management organizational structure, risk management procedures and their operations, and report at least once a year to the Board?			To strengthen the overall risk identification and control mechanisms, the Company plans to establish a 'Risk Management Task Force' under a functional committee, formulate related risk management policies, procedures, internal operating guidelines, and organizational structure. A risk management system will be gradually established, and the implementation status will be regularly reported to the Board to enhance overall corporate governance effectiveness.	
Has the sustainability report prepared by the Company obtained third-party verification?			The Company plans to obtain third-party verification for its sustainability report starting from fiscal year 2025.	
Has the Company disclosed a policy linking senior management remuneration to ESG-related performance evaluations?			The Company will consider formulating relevant policies and disclosure methods based on actual promotion status to strengthen the linkage between sustainability performance and business objectives.	

#### 4. Composition and Operation of the Remuneration Committee and the Sustainability Development Committee

##### Remuneration Committee

The Company's Remuneration Committee is composed of three independent directors. In a professional and objective capacity, the Committee reviews and

assesses the Company's policies, systems, standards, and structures regarding the remuneration of directors and managers, and provides recommendations to the Board of Directors for decision-making reference. The aim is to strengthen corporate governance and to improve the Company's remuneration system for directors and managers.

The operations of the Remuneration Committee are conducted in accordance with the 'Remuneration Committee Charter.' The authorities of the Committee include:

- A. Formulating and regularly reviewing the policies, systems, standards, and structures for performance evaluation and remuneration of directors and managers.
- B. Regularly assessing and determining the remuneration of directors and managers.

(1) The professional qualifications, experience, and reasons for the appointment of the members are as follows:

Position	Name	Professional Qualifications and Experience	Number of Other Public Companies with Remuneration Committee Membership
Independent Director	Guo-Chao Hong	Former Chairman and President of Entie Commercial Bank and Chairman of Shin Kong Venture Capital International. Currently serves as President of Shin Kong Security and holds directorships in several financial and industrial companies. Extensive practical experience has been accumulated in the banking and venture capital sectors, along with expertise in capital operations, risk management, cross-industry management, and corporate sustainability promotion, enabling the provision of professional advice on the Company's remuneration and incentive mechanisms.	1
Independent Director	Shih-Kuang Li	Former Minister of Economic Affairs, Chairman of the Industrial Technology Research Institute (ITRI) and Institute for Information Industry (III). Currently a Distinguished Professor at National Taiwan University and Chairman of TECO Technology Foundation. Brings combines expertise in technological R&D and policy planning, offering forward-looking and industry-relevant advice on remuneration planning.	1
Independent Director	Chin-Tang Huang	Former Professor of Political Science at National Taiwan University, Examination Committee Member at the Examination Yuan, and Deputy Director-General of the Executive Yuan. With extensive experience in regulatory review and academic research, Mr. Huang is well-versed in corporate governance, legal compliance, and institutional design, providing legal perspectives on the legality and fairness of remuneration policies.	0

Note1 : All of the Company's independent directors meet the independence standards stipulated by relevant laws and regulations, and they maintain independence in their roles as members of the Remuneration Committee. For details regarding the directors' professional qualifications and independence, please refer to pages 9–11 of this Annual Report

## (2) Operation of the Remuneration Committee

The term of the current Remuneration Committee members is from May 28, 2024 to May 27, 2027. In 2024, the Remuneration Committee convened 3 meetings (A).

The attendance of the independent directors was as follows:

Title(Note1)	Name	Attendance in Person(B)	By Proxy	Attendance Rate in Person (%) (B/A)	Remarks
Convener	Guo-Chao Hong	3	0	100.00	Reselected
Member	Shih-Kuang Li	3	0	100.00	Newly appointed
Member	Chin-Tang Huang	3	0	100.00	Newly appointed
Member	Ling-Shi Meng	3	0	100.00	Retired
Member	Mike Liang	2	1	66.67	Retired

Other mentionable items :

I. If the Board of Directors declines to adopt or modifies a recommendation of the Remuneration Committee's proposals, it should specify the date of meeting, sessions, content of the motion, resolution by the Board of Directors and the Company's response to the Remuneration Committee's opinion (e.g., the remuneration passed by the board of directors exceeds the recommendation committee, the circumstance and cause for the difference shall be specified): None.

II. Resolutions of the Remuneration Committee objected by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion of the Remuneration Committee, all members' opinions and the response to members' opinion should be specified: None.

III. Operations of Remuneration Committee :

Remuneration Committee of Date	Remuneration Committee of Term	Contents of Motion	Resolution
Feb 22, 2024	4th term 13th Meeting	<ul style="list-style-type: none"> <li>Proposal for Distribution of Directors' Remuneration for Fiscal Year 2023.</li> <li>Proposal for Distribution of Employees' Compensation for Fiscal Year 2023.</li> <li>Proposal for Year-End Bonus Amounts for Executive Officers for Fiscal Year 2023.</li> </ul>	Approved
May 10, 2023	4th term 14th Meeting	<ul style="list-style-type: none"> <li>Proposal for Chairman's Remuneration; Distribution of Employees' Compensation to Executive Officers for 2023</li> <li>Proposal for President's Remuneration.</li> </ul>	Approved
Aug 9, 2024	5th term 1st Meeting	<ul style="list-style-type: none"> <li>Proposal for Salary Adjustment of Executive Officers for 2024</li> </ul>	Approved

a. Content of any dissenting opinions, reservations, or material recommendations from independent directors:None.

b. Resolution results of the Remuneration Committee and the Company's response:

All proposals were unanimously approved by the members of the Compensation Committee.

IV. Key Focus Areas of the Remuneration Committee in 2024:

- (1) Review of directors' and executive officers' compensation distribution
- (2) Review of executive officers' performance bonuses
- (3) Review of the president's remuneration package
- (4) Review of annual salary adjustments for executive officers

Note 1: On May 28, 2024, following the re-election of the Board of Directors Guo-Chao Hong, Shih-Kuang Li and Chin-Tang Huang were elected as Independent Directors. On the same day, Guo-Chao Hong was elected as the Convener of the Remuneration Committee.

## Sustainability Development Committee

The Company's Sustainability Committee is composed of three independent directors. The Committee is responsible for promoting and overseeing the Company's sustainability strategies and their implementation, thereby assisting the Board of Directors in advancing the Company's long-term sustainable development. The operations of the Committee are conducted in accordance with the "Sustainability Committee Charter." The Committee's responsibilities include:

- A. Formulating, promoting, and enhancing the Company's sustainability policies, annual plans, and strategies.
- B. Reviewing, monitoring, and revising the implementation and effectiveness of sustainability initiatives.
- C. Supervising sustainability-related disclosures and reviewing the Sustainability Report.
- D. Overseeing the implementation of the Company's Sustainability Principles and other sustainability-related initiatives as resolved by the Board of Directors.
- E. Addressing other sustainability matters as may be assigned by the Board of Directors.

(1) The professional qualifications, experience, and reasons for the appointment of the members are as follows:

Position	Name	Professional Qualifications and Experience	Number of Other Public Companies with Sustainability Development Membership
Independent Director	Shih-Kuang Li	With a cross-sector background spanning industry, government, and academia, and currently serving as Chairman of the TECO Technology Foundation, he actively engages in energy transition and sustainability policy advocacy. His combined expertise in technology and public policy contributes to advancing the Company's overall strategy in sustainable governance, ESG initiatives, and industry responsibility.	1
Independent Director	Guo-Chao Hong	In addition to a solid background in finance and business operations, he has been actively involved in various corporate sustainability governance and social responsibility initiatives. His expertise supports the development of corporate policies from the perspectives of risk management and sustainability performance.	0
Independent Director	Chin-Tang Huang	With long-standing engagement in legal policy and institutional design, he possesses deep insight into ESG-related regulations and corporate social responsibility. His expertise strengthens the Company's sustainable management framework from the perspectives of compliance and corporate governance.	0

Note1 : All of the Company's independent directors meet the independence standards stipulated by relevant laws and regulations, and they maintain independence in their roles as members of the Sustainability Development Committee. For details regarding the directors' professional qualifications and independence, please refer to pages 9–11 of this Annual Report

(2) Operation of the Sustainability Development Committee

On November 8, 2024, the Board of Directors approved the appointment of members to the first Sustainability Committee. On the same day, the Committee elected Independent Director Shih-Kuang Lee as the Committee Convener, with unanimous consent from all members.

- A. On November 8, 2024, the Board of Directors approved the appointment of members to the first Sustainability Committee. On the same day, the Committee elected Independent Director Shih-Kuang Lee as the Committee Convener, with unanimous consent from all members.
- B. The term of the current Committee members is from November 8, 2024 to May 27, 2027.
- C. In accordance with the Committee Charter, meetings shall be convened at least once per year.
- D. On February 24, 2025, the Sustainability Executive Committee, led by the President, reported to the Board of Directors on the implementation status of the Company's 2024 sustainability initiatives and presented the action plan for 2025.

5. The state of the company's promotion of sustainable development, any variance from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance

Assessed items	State of Operations			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
I. Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with Board of Directors authorization for senior management, which is reviewed by the Board of Directors?	✓		(1) On December 28, 2022, the Board of Directors approved the establishment of the Sustainable Development Executive Committee (hereinafter referred to as the "Committee"), with the President appointed as Chief Executive. The Committee is responsible for proposing and implementing sustainability policies, systems, and action plans, and reports to the Board annually. Subsequently, on November 8, 2024, the Board further established the Sustainable Development Committee, composed of three independent directors with diverse expertise and solid practical experience. The committee oversees the company's sustainability strategy and execution, supporting the Board in driving long-term sustainable	No significant difference

Assessed items	State of Operations			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			<p>development.</p> <p>(2) Under the Committee, 8 task forces have been established based on 4 key aspects: environmental protection, social prosperity, corporate governance, and economic performance. Each task force is led by a senior executive to drive relevant initiatives. Key responsibilities include identifying material ESG issues, formulating response plans, budgeting for ESG-related activities, tracking performance, and establishing continuous improvement plans. Each task force reports quarterly to the Committee to ensure the effective integration of sustainability strategies into daily operations. In 2024, the Committee convened 3 meetings to review implementation progress, report annual outcomes, and set goals and plans for the following year.</p> <p>(3) Each year, the Committee consolidates its execution outcomes and strategic plans and presents them to the Board of Directors. The Board reviews the effectiveness and feasibility of the proposed strategies and, when necessary, provides guidance to ensure alignment with corporate goals. On February 24, 2025, the Committee formally reported the execution results for 2024 and confirmed the work plan and targets for 2025</p>	

Assessed items	State of Operations			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the cause of the said gaps																
	Yes	No	Explanation																	
II.Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operation, and establish risk management related policy or strategy?	✓		<p>This disclosure covers the period from January 2024 to December 2024, and the risk assessment boundary is based on the Company's location in Taiwan.</p> <p>The Company identifies important topics and evaluates the impact of risks in accordance with the materiality principle of sustainable development , and proposed related risk management strategies, as follows:</p> <p>Environment Issues</p> <table><tr><th>Material Topics</th><th>Risk Management Strategy</th></tr><tr><td>Energy Management</td><td><ul style="list-style-type: none"><li>Enhance energy resource efficiency through process and equipment optimization, and develop renewable energy strategies.</li></ul></td></tr><tr><td>GHG Management</td><td><ul style="list-style-type: none"><li>Conduct GHG inventory and data management and implement emission reduction technologies for Scope 1 emissions.</li></ul></td></tr><tr><td>Water Management Waste and Recycling</td><td><ul style="list-style-type: none"><li>Analyze and monitor water usage to reduce total wastewater discharge and increase water recycling.</li><li>Evaluate alternative water sources.</li></ul></td></tr><tr><td>Waste Management and Circular Resource Utilization</td><td><ul style="list-style-type: none"><li>Reduce and recycle waste to enable circular use of products, components, and raw materials, demonstrating the value of sustainable resources.</li></ul></td></tr></table> <p>Social Issue</p> <table><tr><th>Material Topics</th><th>Risk Management Strategy</th></tr><tr><td>Talent Retention and Employee Care</td><td><ul style="list-style-type: none"><li>Embrace diverse voices and understand employee needs through inclusive communication. Promote diverse retention strategies and benefits programs to foster a happy and supportive workplace.</li></ul></td></tr><tr><td>Human Rights</td><td><ul style="list-style-type: none"><li>Conduct regular training and legal awareness programs on the prevention of workplace misconduct. Ensure all employees understand their rights, legal responsibilities, and company policies to</li></ul></td></tr></table>	Material Topics	Risk Management Strategy	Energy Management	<ul style="list-style-type: none"><li>Enhance energy resource efficiency through process and equipment optimization, and develop renewable energy strategies.</li></ul>	GHG Management	<ul style="list-style-type: none"><li>Conduct GHG inventory and data management and implement emission reduction technologies for Scope 1 emissions.</li></ul>	Water Management Waste and Recycling	<ul style="list-style-type: none"><li>Analyze and monitor water usage to reduce total wastewater discharge and increase water recycling.</li><li>Evaluate alternative water sources.</li></ul>	Waste Management and Circular Resource Utilization	<ul style="list-style-type: none"><li>Reduce and recycle waste to enable circular use of products, components, and raw materials, demonstrating the value of sustainable resources.</li></ul>	Material Topics	Risk Management Strategy	Talent Retention and Employee Care	<ul style="list-style-type: none"><li>Embrace diverse voices and understand employee needs through inclusive communication. Promote diverse retention strategies and benefits programs to foster a happy and supportive workplace.</li></ul>	Human Rights	<ul style="list-style-type: none"><li>Conduct regular training and legal awareness programs on the prevention of workplace misconduct. Ensure all employees understand their rights, legal responsibilities, and company policies to</li></ul>	No significant difference
Material Topics	Risk Management Strategy																			
Energy Management	<ul style="list-style-type: none"><li>Enhance energy resource efficiency through process and equipment optimization, and develop renewable energy strategies.</li></ul>																			
GHG Management	<ul style="list-style-type: none"><li>Conduct GHG inventory and data management and implement emission reduction technologies for Scope 1 emissions.</li></ul>																			
Water Management Waste and Recycling	<ul style="list-style-type: none"><li>Analyze and monitor water usage to reduce total wastewater discharge and increase water recycling.</li><li>Evaluate alternative water sources.</li></ul>																			
Waste Management and Circular Resource Utilization	<ul style="list-style-type: none"><li>Reduce and recycle waste to enable circular use of products, components, and raw materials, demonstrating the value of sustainable resources.</li></ul>																			
Material Topics	Risk Management Strategy																			
Talent Retention and Employee Care	<ul style="list-style-type: none"><li>Embrace diverse voices and understand employee needs through inclusive communication. Promote diverse retention strategies and benefits programs to foster a happy and supportive workplace.</li></ul>																			
Human Rights	<ul style="list-style-type: none"><li>Conduct regular training and legal awareness programs on the prevention of workplace misconduct. Ensure all employees understand their rights, legal responsibilities, and company policies to</li></ul>																			



Assessed items	State of Operations			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
				maintain a respectful and friendly work environment.
			Occupational Safety and Health	<ul style="list-style-type: none"> <li>• Comply with occupational health and safety management systems to prevent workplace injuries; conduct emergency drills, implement safety management in collaboration with contractors, and promote employee health and well-being.</li> </ul>
			Economic Issues	
			Material Topics	Risk Management Strategy
			Business Integrity	<ul style="list-style-type: none"> <li>• Establish codes of conduct and related guidelines, along with anonymous reporting and misconduct disclosure mechanisms, to clearly define standards of employee behavior, prevent corruption, collusion, and other unethical business practices, and strengthen oversight and governance.</li> <li>• Regularly promote integrity awareness and compliance training to enhance employees' legal and ethical consciousness, while helping stakeholders understand the Company's code of conduct, thereby fostering a transparent and responsible corporate culture.</li> </ul>
			Information Security Management	<ul style="list-style-type: none"> <li>• Established an information security management framework and obtained ISO 27001 certification for international information security standards. The Company conducts regular disaster recovery drills for its information systems to ensure comprehensive confidentiality and protection of both customer and corporate data.</li> </ul>
			Customer Service	<ul style="list-style-type: none"> <li>• Understand customer feedback and needs to enhance satisfaction.</li> <li>• Conduct customer</li> </ul>

Assessed items	State of Operations			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			<div> <div></div> <div>satisfaction surveys and implement complaint-handling mechanisms to maintain service quality.</div> <div> <ul style="list-style-type: none"> <li>Respond to market needs by introducing new products.</li> </ul> </div> </div> <div> <div>Sustainable Supply Chain</div> <div> <ul style="list-style-type: none"> <li>Strengthen sustainability risk management (e.g., multi-sourcing, responsible minerals sourcing, codes of conduct) to reduce the risk of operational disruption.</li> <li>Promote a green and low-carbon supply chain (e.g., local sourcing, ISO 14064 compliance) to enhance long-term supply chain sustainability.</li> </ul> </div> </div>	
III. Environment issues (1) Does the company establish an appropriate environmental management system based on industry characteristics?	✓		(1) The company follows the PDCA of the ISO management system, and implements the ISO14001 environmental management system by establishing a complete SOP, independent internal audit and annual external audit by a third-party verification agency. Passed the ISO 14001 Environmental Management System in 2004 and verifies the effectiveness of the continuous system every year. Properly handle the waste, air pollution, wastewater discharge and other pollution generated in the production process in the factory and obtain the approval certificate issued by the competent authority. By establishing an environmental management system and implementing specific action plans, the impact of business operations on the natural environment and human health can be reduced, and the sustainable use of energy resources can be promoted. The company continuously verifies the validity of the ISO 14001 certificate annually. The verification unit is the	No significant difference

Assessed items	State of Operations			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			British Standards Institute (BSI). The last verification date is August 2024, The certificate is valid until October 7, 2025.	
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		(2) In terms of energy use, the company implements an energy-saving plan according to the Energy Management Law every year, with an energy-saving efficiency of $\geq 1\%$ or more, and regularly reports the progress of the plan to the company's environmental protection department to the committee. The recycled materials currently used by the Company mainly include customer-supplied wafer raw materials and reclaimed sputtering targets used in the manufacturing process. Other materials are not recycled at this stage due to their involvement in product manufacturing and customer certification requirements.	No significant difference
(3) Does the Company evaluate current and future climate change potential risks and opportunities and take measures related to climate related topics?	✓		(3) Our company has assessed the potential risks and opportunities of climate change on our business both now and in the future, and has incorporated them into our risk management framework. We actively promote energy conservation and carbon reduction measures. In July 2023, we obtained ISO 14064-1:2018 certification for greenhouse gas inventory. Following the inventory, our Health, Safety, and Environment (HSE) Department regularly tracks and audits the energy-saving and carbon reduction efforts of each department. The results of these efforts are reported in our Sustainability Development Committee reports. We disclose information regarding potential risks, opportunities, and mitigation measures related to climate change on our company website under the sustainability section.	No significant difference
(4) Does the company counted the greenhouse gas emissions, water consumption and total weight of waste in the past two	✓		(4) The company is actively committed to the implementation of energy conservation and carbon reduction, water resource management and proper	No significant difference

Assessed items	State of Operations			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps																																			
	Yes	No	Explanation																																				
years, and has it formulated policies for greenhouse gas reduction, water conservation or other waste management?			<p>waste disposal. The statistics of the past two years are as follows:</p> <p>1. Scope:All factories in Taiwan</p> <p>2. Measurement:converted to 12-inch single-chip products</p> <p>3. External authentication:The external third party verification is expected to be completed at Q2,2025</p> <p>• Greenhouse Gas</p> <p style="text-align: right;">Unit:ton CO2e</p> <table><tr><th>Scope</th><th>2023</th><th>2024</th></tr><tr><td>1</td><td>7,120.8969</td><td>4,679.7174</td></tr><tr><td>2</td><td>24,433.1625</td><td>23,966.9688</td></tr><tr><td>3</td><td>10,904.6722</td><td>10,494.8936</td></tr><tr><td>Total</td><td>42,458.7316</td><td>39,141.5798</td></tr></table> <p>• Waste</p> <p style="text-align: right;">Unit : ton</p> <table><tr><th>type</th><th>2023</th><th>2024</th></tr><tr><td>Harmful</td><td>817.7580</td><td>1,246.4460</td></tr><tr><td>Non-harmful</td><td>1,646.6725</td><td>1,815.4821</td></tr></table> <p>• Environment performance of the unit product</p> <table><tr><th>year item</th><th>2023</th><th>2024</th></tr><tr><td>GHG emissions</td><td>6.612E-03 ton CO2e/p</td><td>5.466 E-03 ton CO2e/p</td></tr><tr><td>Water</td><td>0.14 ton/p</td><td>0.104 ton/p</td></tr><tr><td>Waste</td><td>3.838 E-04 ton/p</td><td>4.276 E-04 ton/p</td></tr></table> <p>To effectively implement environmental initiatives, our company carries out ISO 14001 environmental management system and ISO 14064 greenhouse gas emission inventory third-party verification. Regular reports are submitted to the Sustainability Execution Committee on the implementation status and effectiveness of ESG annual environmental objectives. Additionally, third-party verification is outsourced annually to ensure the validity of the certification.</p>	Scope	2023	2024	1	7,120.8969	4,679.7174	2	24,433.1625	23,966.9688	3	10,904.6722	10,494.8936	Total	42,458.7316	39,141.5798	type	2023	2024	Harmful	817.7580	1,246.4460	Non-harmful	1,646.6725	1,815.4821	year item	2023	2024	GHG emissions	6.612E-03 ton CO2e/p	5.466 E-03 ton CO2e/p	Water	0.14 ton/p	0.104 ton/p	Waste	3.838 E-04 ton/p	4.276 E-04 ton/p
Scope	2023	2024																																					
1	7,120.8969	4,679.7174																																					
2	24,433.1625	23,966.9688																																					
3	10,904.6722	10,494.8936																																					
Total	42,458.7316	39,141.5798																																					
type	2023	2024																																					
Harmful	817.7580	1,246.4460																																					
Non-harmful	1,646.6725	1,815.4821																																					
year item	2023	2024																																					
GHG emissions	6.612E-03 ton CO2e/p	5.466 E-03 ton CO2e/p																																					
Water	0.14 ton/p	0.104 ton/p																																					
Waste	3.838 E-04 ton/p	4.276 E-04 ton/p																																					

Assessed items	State of Operations			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
IV.Social issues (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(1) In accordance with labor laws and international human rights standards, the Company has established and implemented internal personnel regulations such as the "Human Rights Policy," "Work Rules," and "Personnel Management Rules" to explicitly safeguard the labor rights of employees, including promotion, compensation, working hours, training, and career advancement, without discrimination based on gender, race, age, marital status, religion, political stance, or family status. Any form of forced labor and discrimination is strictly prohibited, and the employment of child labor is comprehensively prohibited, adhering to labor laws. The Company recognizes and voluntarily adheres to internationally recognized human rights standards, including the Universal Declaration of Human Rights, the United Nations Global Compact, the UN Guiding Principles on Business and Human Rights, the International Labour Organization (ILO) conventions, and the Responsible Business Alliance (RBA) Code of Conduct. The Company attaches great importance to workplace equality and sexual harassment prevention, and in accordance with the "Regulations for the Prevention of Sexual Harassment in the Workplace," continuously promotes related education and training. In 2024, a total of 163 participants completed new employee training sessions, and sexual equality and workplace sexual harassment prevention courses were conducted for directors, managers, and supervisors, with 120 participants completing the training, thereby fulfilling our responsibilities regarding	No significant difference

Assessed items	State of Operations			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
(2) Does 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?	✓		workplace equality and sexual harassment prevention. Going forward, the Company will continue to monitor human rights issues, promote awareness, and implement related training programs to enhance understanding of human rights protection and reduce the potential risk of violations.  (2) The Company regularly participates in industry salary surveys to calibrate salary levels and adjusts annual salaries based on company operations, price indices, and individual performance. Bonuses such as holiday bonuses, year-end bonuses, and employee remuneration are calculated based on the company's operational performance and employees' individual job performance. Additionally, the Company provides incentives such as patent bonuses, proposal improvement bonuses, and MVP employee awards to reward outstanding employee performance. In addition to rewarding outstanding employee performance, the Company also grants long-service bonuses to recognize the contributions of senior employees. For the Company's employee welfare policies, please refer to pages 109-116 of this annual report.	No significant difference
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		(3) The Company is committed to providing a safe and healthy working environment. To mitigate workplace risks, weekly 6S inspections are conducted throughout the facilities to identify abnormalities at an early stage. Corrective and preventive measures are then implemented to ensure operational safety. In addition to legally mandated occupational safety and health training for all personnel, the Occupational Safety Department continuously promotes various safety management initiatives to enhance	No significant difference

Assessed items	State of Operations			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps																
	Yes	No	Explanation																	
			<p>employees’ safety awareness. Regular employee health check-ups are also conducted to monitor and safeguard physical and mental well-being, fostering a safe and healthy workplace:</p> <table><tr><th>Course</th><th>frequency</th></tr><tr><td>On-the-job safety and Healthy training</td><td rowspan="3">Half-yearly</td></tr><tr><td>Fire tranining</td></tr><tr><td>Chemical hazard training</td></tr><tr><td>Emergency Response</td><td>Quarterly yearly</td></tr><tr><td>Employee Health Check-up</td><td>Every 2 years</td></tr><tr><td>Special Hazardous Work Health Examination</td><td>Yearly</td></tr><tr><td>Health Promotion Seminars/Activities</td><td>Quarterly</td></tr><tr><td>Health Awareness Campaigns</td><td>Monthly</td></tr></table> <p>The Company has fully obtained ISO 45001 Occupational Health and Safety Management System certification and continues to verify its validity on an annual basis. The certification was issued by the British Standards Institution (BSI), with the most recent audit conducted in August 2024. The certificate remains valid until October 7, 2025. The scope of certification covers the existing production process areas and product categories. In 2024, the Company recorded zero major incidents, fires, or explosions. A total of 14 cases of temporary total disability occupational injuries were reported, of which 12 were traffic accidents, accounting for 1.67% of total employees. Two workplace injuries occurred within the facility—one due to a laceration and one due to a fall—each representing 0.14%. In response, the Company has revised relevant standard operating procedures, increased audit frequency to</p>	Course	frequency	On-the-job safety and Healthy training	Half-yearly	Fire tranining	Chemical hazard training	Emergency Response	Quarterly yearly	Employee Health Check-up	Every 2 years	Special Hazardous Work Health Examination	Yearly	Health Promotion Seminars/Activities	Quarterly	Health Awareness Campaigns	Monthly	
Course	frequency																			
On-the-job safety and Healthy training	Half-yearly																			
Fire tranining																				
Chemical hazard training																				
Emergency Response	Quarterly yearly																			
Employee Health Check-up	Every 2 years																			
Special Hazardous Work Health Examination	Yearly																			
Health Promotion Seminars/Activities	Quarterly																			
Health Awareness Campaigns	Monthly																			

Assessed items	State of Operations			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
(4) Does the company established an effective career development training program for employees?	✓		<p>strengthen the effectiveness of safety management, and continues to promote traffic safety awareness to reduce the risk of occupational accidents.</p> <p>(4) The Company is committed to establishing excellent career development plans for employees and optimizing various cultivation mechanisms. This includes new employee education and training to familiarize employees with the Company's overview, as well as on-the-job training and qualification certification mechanisms tailored to different positions in line with training roadmaps, ensuring that employees' career development aligns closely with the Company's future development. In 2024, the Company continued to promote internal trainer teaching skills and Mentor coaching guidance, and launched OJT (On-the-Job Training) programs to strengthen employees' professional capabilities and career growth. Internal trainers, who possess practical experience, provide training closely aligned with job requirements. As of 2024, a total of 71 Mentors have been trained, offering one-on-one guidance to enhance employees' learning curves and foster team collaboration. By the end of 2024, 1,433 OJT courses had been made available, offering tailored training programs for employees across different roles. The average training hours per person in the fiscal year 2024 were 81 hours. Through the combination of internal trainers and the Mentor system, the Company provides comprehensive and efficient career development training programs, while fostering a culture of mutual growth. This approach not only attracts outstanding talent but also</p>	No significant difference



Assessed items	State of Operations			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
(5) Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling and set policies to protect consumers' or customers' rights and consumer appeal procedures?	✓		<p>continuously improves employee job satisfaction and loyalty, laying a solid foundation for becoming Taiwan's leading reclaimed wafer manufacturer.</p> <p>(5) The Company strictly adheres to applicable regulations and international standards across the full process of wafer reclamation and thinning. It has obtained ISO 9001 certification and established internal audit and risk control mechanisms to ensure compliance in both production and operations.</p> <p>To safeguard customer rights, the Company has established the 'Customer Complaint Handling Standard' and the 'Customer Feedback Processing Procedure.' Through continuous needs assessment, the Company enhances its quality management practices and has implemented a customer service mechanism to promptly address complaints and monitor corrective actions.</p> <p>The Company ensures that product labeling, technical documentation, and customer communications comply with applicable laws and international standards. All information is subject to internal review, and suppliers are required to sign compliance agreements to guarantee that manufacturing processes and materials meet regulatory requirements. The Company strictly adheres to the standards of the Responsible Business Alliance (RBA) and the Responsible Minerals Initiative (RMI) to avoid the use of conflict minerals.</p> <p>We continuously optimize our quality and customer feedback mechanisms to enhance satisfaction and strengthen market competitiveness.</p>	No significant difference
(6) Does the company set supplier management policies that	✓		<p>(6) The Company(Psi) has established a supplier management procedure under</p>	No significant difference

Assessed items	State of Operations			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
require suppliers to follow relevant regulations on environmental protection, occupational safety and health, or labor human rights, and their implementation status?			<p>which all suppliers are required to sign a 'Supplier Commitment Statement.' This declaration includes commitments to ethical business practices, protection of intellectual property, and confidentiality of trade secrets. Contracts and purchase orders with suppliers explicitly state that they must comply with the Company's Environmental, Occupational Health and Safety, and Energy Management System requirements, support energy conservation and carbon reduction initiatives, and adhere to contractor safety and health regulations. Suppliers are also required to avoid the use of hazardous substances and conflict minerals, and to comply with the Code of Conduct set forth by the Responsible Business Alliance (RBA). According to new supplier selection and audit improvements, supplier capabilities are enhanced, supply chain resilience is strengthened, and operational risks are reduced. In 2024, the Company's approved suppliers met the following criteria :</p> <div> <div> <p>New supplier evaluation:</p> <p>All new suppliers are selected through an evaluation process. Follow the supplier's code of conduct and sign a "Supplier Commitment". Raw material-related suppliers are required to pass the ISO 9001 or IATF16949 quality management system.</p> </div> <div> <p>Supplier audit:</p> <p>An annual supplier audit plan is developed to conduct audits through documentation review, video conferencing, and on-site inspections. The Company places great importance on sustainable supplier management by incorporating environmental protection, occupational health and safety, and labor and human rights into its audit criteria. For any deficiencies identified during the audits, suppliers are required to submit corrective action plans within a specified timeframe,</p> </div> </div>	

Assessed items	State of Operations			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			<div>which are then reviewed and verified by the Company. The annual supplier audit covers areas such as environmental protection, occupational health and safety, and labor and human rights. In support of ongoing green procurement initiatives, the Company also prioritizes suppliers that demonstrate environmentally friendly and carbon-reducing practices.</div>	
V.Does the Company refer to international reporting rules or guidelines to publish Sustainability Report to disclose non-financial information of the Company? Has the said Report acquire third party verification or statement of assurance?		✓	The company refers to internationally recognized reporting guidelines or standards to prepare the 2023 sustainability report, which discloses non-financial information about the company. The aforementioned report has not yet obtained the assurance or opinion of a third-party verification unit.	The research and development of obtaining third-party certification or assurance opinions is underway.
VI.If the company has its own sustainable development code in accordance with the "Code of Practice for the Sustainable Development of Listed OTC Companies", please describe the differences between its operation and the prescribed code: The Company's Board of Directors approved the establishment of the "Code of Practice for Corporate Social Responsibility" on October 16, 2017, which was amended to the "Code of Practice for Sustainable Development" by the Board of Directors on February 23, 2023, and the current operation is not materially different from the prescribed Code.				
VII. Other important information helpful to understand the implementation of the promotion of sustainable development: The specific implementation results of the company's sustainable development (ESG) in 2024 :				
【Environment】				
Development Strategy	Initiatives		Outcome	
Energy Saving	Replace high-energy-consuming and lighting equipment; integrate power-saving systems		Total electricity consumption in 2024 decreased by 1.9% compared to 2023	
GHG Emission Reduction	Phase out fluorinated gases; adjust process parameters		Total GHG emissions (Scope 1 + 2) in 2024 decreased by 8% compared to 2023	
Reduce Water Intensity	Improve manufacturing efficiency, reduce tap water use, and lower water dependency		Total tap water consumption in 2024 decreased by 17.63% compared to 2023	
Optimize Wastewater Treatment	Continuously assess the adoption of new wastewater treatment technologies		Total wastewater discharge in 2024 decreased by 24% compared to 2023	
Increase Resource Reuse Rate	Enhance waste reuse rate		Waste reuse rate in 2024 increased by 0.175% compared to 2023	

Assessed items	State of Operations			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the cause of the said gaps	
	Yes	No	Explanation		
【Social】					
Development Strategy	Initiatives		Outcome		
Diversity and Inclusion	Recruit diverse talent; embrace and listen to different perspectives		<ul style="list-style-type: none"><li>• Online campus lecture: Introduced semiconductor career paths to students from nearly 20 universities, attracting 260 participants.</li><li>• Monthly “Letter from the GM” since October 2022 to align and motivate employees</li></ul>		
Talent Acquisition and Development	Enhance employer branding; support onboarding; offer diverse development plans		<ul style="list-style-type: none"><li>• Recruitment promotion on official Line/Facebook/Instagram platforms, reaching over a thousand individuals.</li><li>• New employee education and training, achieving a satisfaction score of 90.</li><li>• Conducted internal trainer training, certifying 16 trainers.</li><li>• Conducted Mentor coaching guidance training, training 71 Mentors.</li><li>• Promoted the Mentor Growth Table to help new employees integrate quickly into PSI, with a total of 25 applications received.</li><li>• Launched the English Improvement Program, offering employees free access to an English learning platform.</li></ul>		
Social Care (Note 1)	Promote educational equity by supporting the development of education in rural areas, improving public environments, caring for disadvantaged groups, enhancing social warmth, and fulfilling corporate social responsibility.		<ul style="list-style-type: none"><li>• Huashan Social Welfare Foundation – 120 Mid-Autumn Festival gift boxes (38 participants).</li><li>• TFCF-Collected 160 sets of New Year supplies (47 participants).</li><li>• Hsinchu County Fulong Elementary School-96 sets of Psi Wish Tree teaching tools and life related items; NT\$10,000 drum team scholarship.</li><li>• Hsinchu County Hengshan Junior High School – Archery team scholarship of NT\$24,200, 25 sets of archery team uniforms, 5 refurbished laptops for the programming and robotics club, and NT\$130,000 for event venue rental.</li><li>• Charity Event – 106 individuals from disadvantaged rural families and communities (365 participants).</li><li>• Blood Donation Drive – A total of 52,000cc donated, a 59% increase compared to 2023 (140 participants).</li><li>• Hsinchu Fishing Harbor Environmental Park, Weed Removal – 90 volunteers cleared 295 kg of weeds.</li></ul>		
Happy Workplace Initiative	• Enhance employee and family connection with the company, promote comprehensive health		<ul style="list-style-type: none"><li>• Provide a guaranteed annual salary of 14 months, with additional bonus payouts based on company policies and performance.</li></ul>		

Assessed items	State of Operations			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			<p>protection, and advocate for health knowledge.</p> <ul style="list-style-type: none"> <li>• Flexible working hours to improve employees' work-life balance.</li> <li>• Accurate and Flexible Work Hours': Leave and Overtime are calculated in minute increments.</li> <li>• Promote employee welfare trust ownership – the company contributes 50%, encouraging employees to join the employee welfare trust stockholding program.</li> <li>• Provide 6% employee voluntary retirement contribution and an additional 7% employer contribution, totaling 13% deposited into the retirement account, ensuring comprehensive retirement security for employees.</li> <li>• Company meal subsidy, you won't have to work on an empty stomach.</li> <li>• Provide full accommodation subsidy for employees from other cities.</li> <li>• Annual workplace communication subsidy to promote colleague interaction.</li> <li>• Reserved car/scooter parking spaces for expectant mothers.</li> <li>• Offer stress-relief massage services to alleviate employee stress and enhance physical and mental well-being.</li> </ul>	
Industry-Academia Collaboration(Note 2)			<p>Bridge theory-practice gap, boost student hands-on experience.</p> <ul style="list-style-type: none"> <li>• In 2024, there were 8 interns, with a retention rate of 40%.</li> </ul>	
Social Citizenship			<p>Through external activities and close communication with the industry, promote industry connections and show concern for public issues.</p> <ul style="list-style-type: none"> <li>• Top 25 in the "Small Giant" category – Commonwealth Magazine's Sustainable Citizenship Awards</li> <li>• 21st National Innovation Award – Multi-functional liquid protein rapid test chip</li> <li>• 2024 Healthy Corporate Citizenship Certification – CommonHealth Magazine</li> <li>• Certified as a "Healthy Workplace" by the Ministry of Health and Welfare since 2020, renewed through 2025</li> </ul>	

(Note 1) Social Care Initiatives :

Our company, located in the Hsinchu Science Park, has been dedicated to supporting the development of the local community, with a particular focus on addressing the issue of limited educational resources in rural areas. Through a combination of resource investment and volunteer efforts, we aim to improve the educational environment in schools and, in turn, enhance students' learning outcomes. We also recognize the importance of environmental protection within the community, and we actively participate in initiatives that contribute to creating a better living environment.

As part of its 2024 community support program, the Company provided various resources and manpower assistance to two remote schools in Hsinchu County. For Fulong Elementary School, 96 sets of daily-use educational kits were donated to enhance the overall learning experience of students. Additionally, a subsidy of NT\$10,000 was granted to support the school's drumming team, encouraging students to develop artistic expression and teamwork.

At Hengshan Junior High School, the Company offered NT\$24,200 in financial assistance to the archery team and

Assessed items	State of Operations			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps															
	Yes	No	Explanation																
<p>donated 25 team uniforms to strengthen team identity and cohesion. Furthermore, to promote technological education, five refurbished laptops were donated to the school’s robotics and programming club, helping to create better learning conditions for the students.</p> <p>Since 2019, Psi has adopted the Hsinchu Fishing Harbor Environmental Park, regularly dispatching staff for maintenance to contribute to the environment in Hsinchu. Starting in 2022, we are committed to environmental sustainability, making significant efforts through practical activities to protect and preserve our planet.</p> <p>(Note 2) Industry-Academia Collaboration :</p> <p>Since 2022, Psi has actively engaged in industry-academia cooperation with major universities and colleges, providing a total of 70 students with practical internships, offering young scholars a platform for development. Upon completion of the internship period, we provide internal retention and transfer mechanisms, covering positions such as assistant engineer, equipment engineer, plant engineer, and information engineer.</p> <p><b>【Governance】</b></p> <table><tr><th>Development Strategy</th><th>Initiatives</th><th>Outcome</th></tr><tr><td>Strengthen Corporate Governance</td><td>Improve the effectiveness of corporate governance</td><td><ul style="list-style-type: none"><li>• 2023 Corporate governance assessment results for the top 21-35% of all listed companies.</li><li>• According to the market capitalization of \$5 billion to \$10 billion, the ranking increased by one level (from 21% to 40% to 11% to 20%).</li></ul></td></tr><tr><td>Increase the information disclosure transparency</td><td>Information Disclosure Bilingualism and Timeliness</td><td><ul style="list-style-type: none"><li>• The Company published its first Sustainability Report in 2023 and has completed the compilation of the 2024 report this year, demonstrating its ongoing commitment to transparent disclosure of sustainability-related information.</li></ul></td></tr><tr><td>Compliance</td><td>Establish a Corporate Culture of Integrity</td><td><ul style="list-style-type: none"><li>• In 2024, a total of five training sessions related to integrity management were conducted, covering topics such as insider trading prevention, employee ethics, integrity management promotion, and the Personal Data Protection Act. Employees were required to complete online courses and pass assessments, with a total of 2,112 participants completing the training.</li><li>• All suppliers underwent integrity record assessments, and integrity behavior clauses were explicitly included in contracts.</li><li>• In 2024, no complaints or reports of violations of the company's integrity management policies were received, and no employees were found to have engaged in unethical conduct.</li></ul></td></tr><tr><td>Intellectual Property Management</td><td>Enhance the Intellectual Property Management System</td><td><ul style="list-style-type: none"><li>• As of the end of 2024, there were a total of 811 intellectual property items, including 37 patents and 774 trade secrets, which are regularly inventoried and updated.</li><li>• Regular training sessions on key points for writing engineer logbooks are conducted, and the content is reviewed to enhance quality. Additionally, periodic audits are carried out to ensure proper retention of engineer logbooks.</li></ul></td></tr></table>					Development Strategy	Initiatives	Outcome	Strengthen Corporate Governance	Improve the effectiveness of corporate governance	<ul style="list-style-type: none"><li>• 2023 Corporate governance assessment results for the top 21-35% of all listed companies.</li><li>• According to the market capitalization of \$5 billion to \$10 billion, the ranking increased by one level (from 21% to 40% to 11% to 20%).</li></ul>	Increase the information disclosure transparency	Information Disclosure Bilingualism and Timeliness	<ul style="list-style-type: none"><li>• The Company published its first Sustainability Report in 2023 and has completed the compilation of the 2024 report this year, demonstrating its ongoing commitment to transparent disclosure of sustainability-related information.</li></ul>	Compliance	Establish a Corporate Culture of Integrity	<ul style="list-style-type: none"><li>• In 2024, a total of five training sessions related to integrity management were conducted, covering topics such as insider trading prevention, employee ethics, integrity management promotion, and the Personal Data Protection Act. Employees were required to complete online courses and pass assessments, with a total of 2,112 participants completing the training.</li><li>• All suppliers underwent integrity record assessments, and integrity behavior clauses were explicitly included in contracts.</li><li>• In 2024, no complaints or reports of violations of the company's integrity management policies were received, and no employees were found to have engaged in unethical conduct.</li></ul>	Intellectual Property Management	Enhance the Intellectual Property Management System	<ul style="list-style-type: none"><li>• As of the end of 2024, there were a total of 811 intellectual property items, including 37 patents and 774 trade secrets, which are regularly inventoried and updated.</li><li>• Regular training sessions on key points for writing engineer logbooks are conducted, and the content is reviewed to enhance quality. Additionally, periodic audits are carried out to ensure proper retention of engineer logbooks.</li></ul>
Development Strategy	Initiatives	Outcome																	
Strengthen Corporate Governance	Improve the effectiveness of corporate governance	<ul style="list-style-type: none"><li>• 2023 Corporate governance assessment results for the top 21-35% of all listed companies.</li><li>• According to the market capitalization of \$5 billion to \$10 billion, the ranking increased by one level (from 21% to 40% to 11% to 20%).</li></ul>																	
Increase the information disclosure transparency	Information Disclosure Bilingualism and Timeliness	<ul style="list-style-type: none"><li>• The Company published its first Sustainability Report in 2023 and has completed the compilation of the 2024 report this year, demonstrating its ongoing commitment to transparent disclosure of sustainability-related information.</li></ul>																	
Compliance	Establish a Corporate Culture of Integrity	<ul style="list-style-type: none"><li>• In 2024, a total of five training sessions related to integrity management were conducted, covering topics such as insider trading prevention, employee ethics, integrity management promotion, and the Personal Data Protection Act. Employees were required to complete online courses and pass assessments, with a total of 2,112 participants completing the training.</li><li>• All suppliers underwent integrity record assessments, and integrity behavior clauses were explicitly included in contracts.</li><li>• In 2024, no complaints or reports of violations of the company's integrity management policies were received, and no employees were found to have engaged in unethical conduct.</li></ul>																	
Intellectual Property Management	Enhance the Intellectual Property Management System	<ul style="list-style-type: none"><li>• As of the end of 2024, there were a total of 811 intellectual property items, including 37 patents and 774 trade secrets, which are regularly inventoried and updated.</li><li>• Regular training sessions on key points for writing engineer logbooks are conducted, and the content is reviewed to enhance quality. Additionally, periodic audits are carried out to ensure proper retention of engineer logbooks.</li></ul>																	

Assessed items			State of Operations		Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
			Yes	No	
	Information Security Implement	Establish a Comprehensive Information Security Management System			<ul style="list-style-type: none"> <li>Continuously conduct effective assessments and reviews, successfully passing the ISO27001 information security recertification.</li> <li>Joined TWCERT/CC and the CISO Alliance to obtain real-time cybersecurity intelligence and respond accordingly.</li> <li>Conduct social engineering drills and provide related training courses.</li> <li>Perform vulnerability scans and implement follow-up information security risk management to mitigate malicious software attacks.</li> </ul>

## VIII. Climate-Related Information of TWSE/TPEX Listed Company

### 1 Implementation of Climate-Related Information

Item	Implementation status				
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.					
<p>(1) On November 8, 2024, the Board of Directors of the Company established the Sustainable Development Committee, composed of three independent directors, with Independent Director Shih-Kuang Lee serving as the convener. Under its supervision, the Sustainable Development Executive Committee, led by the President as authorized by the Board, is composed of senior management and holds quarterly meetings to track progress, with an annual report submitted to the Board outlining performance and futur targets.</p> <p>(2) On February 24, 2025, the Company reported the implementation status of sustainability initiatives to the Board of Directors. A dedicated TCFD chapter disclosing climate-related risks and opportunities will be included in the 2024 Sustainability Report.</p> <p>(3) To strengthen climate-related awareness and governance capabilities among the Board and management, the Company has continuously arranged climate change-related training for directors from 2022 to 2024. Senior executives were also invited to participate, fostering a shared understanding and collaborative decision-making process between the Board and management, thereby enhancing the effectiveness of sustainability governance practices.</p>					
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).					
Major Climate – related risks					
Risk	Type	Risk Description	Timeframe	Likelihood	Impact Severity
Transition Risk	Policy & Regulation	Rising GHG emissions pricing (carbon fees)	Medium to Long Term	Almost Certain	Minor
Transition Risk	Technology	Cost of transitioning to low-carbon technologies	Medium to Long Term	Almost Certain	Minor
Physical Risk	Acute	Typhoons	Short Term	Likely	Minor
Physical Risk	Acute	Water Shortage	Short Term	Likely	Minor
Major Climate-Related Opportunities:					

Category	Opportunity Description	Timeframe	Likelihood	Impact Severity
Resource Efficiency	Use of more efficient production processes	Short/Medium /Long Term	Likely	Minor
Energy Source	Use of low-carbon or alternative energy	Short/Medium /Long Term	Likely	Minor

Note: Short term (1–3 years), Medium term (3–5 years), Long term (5+ years)

### 3. Describe the financial impact of extreme weather events and transformative action.

#### (1) Rising GHG Emission Pricing (Carbon Fee)

- Risk Description: The 2023 Climate Change Response Act introduced a carbon fee mechanism targeting enterprises.
- Strategic Response: To address tightening carbon pricing regulations, Psi plans to allocate resources for external training on carbon-related issues and implement systems such as ISO 50001, ISO 14067, and ISO 14064 to mitigate regulatory impact.

Type of Financial Impact	Potential Financial Impact	Financial Impact (Short-Term)	Financial Impact (Long-Term)
Risk-related Financial Impact	Increase in Operating Costs	Emissions are regulated, and the threshold for carbon fee collection is lowered.	
Strategic Response to Financial Impact	Increase Operating Costs	<ul style="list-style-type: none"> <li>• Evaluate allocation of personnel to external training on carbon-related topics</li> <li>• Plan to implement ISO 50001, ISO 14067, ISO 14064, etc.</li> <li>• Install CF<sub>4</sub> exhaust treatment facilities at the Hsinchu and Zhonggang Plants</li> <li>• Total costs are estimated to account for approximately 0.12% of 2024 revenue</li> </ul>	Invest in Green Transportation and Green Supply Chain
	Reduce Operating Costs	<ul style="list-style-type: none"> <li>• Utilizing Government Support Resources: ISO 50001, ISO 14067, ISO 14064</li> <li>• The Hsinchu Plant (Fab1) completed the installation of CF<sub>4</sub> exhaust treatment facilities in September 2023, achieving a total emission reduction of approximately 1,415.96 tons of CO<sub>2</sub>e (from October to December).</li> <li>• The Zhonggang Plant(Fab3) is scheduled to complete the installation of CF<sub>4</sub> exhaust treatment facilities by October 2024, with an expected total emission reduction of approximately 1,048.698 tons of CO<sub>2</sub>e.</li> </ul>	

#### (2) Costs of Low-Carbon Technology Transition

- Risk Description: In 2023, the Renewable Energy Development Act was passed, requiring major electricity users to install renewable energy generation facilities with a contracted capacity equivalent to 10% of their electricity usage.
- Strategic Response: To address the increasingly stringent requirements of renewable energy regulations, low-carbon transition services, and low-carbon products and services, Psi will evaluate the purchase of renewable energy and amend the registration and sales agreement for the Fab3's solar power equipment, transitioning from feed-in tariff sales to on-site generation for self-consumption, in order to mitigate the impact of climate-related regulations.

Type of Financial Impact	Potential Financial Impact	Financial Impact (Short-Term)	Financial Impact (Long-Term)
--------------------------	----------------------------	-------------------------------	------------------------------



Risk-related Financial Impact	Increase in Operating Costs	As international standards increase and the thresholds for low-carbon transformation and net-zero emissions become higher, greater costs for green energy will be incurred.	
Strategic Response to Financial Impact	Increase Operating Costs	<ul style="list-style-type: none"> <li>In 2025, the Fab3 office area will fully adopt solar photovoltaic energy, and solar power usage across the entire plant will reach 10%.</li> <li>In 2026, solar power usage at the Fab3 will increase to 20%, and by 2027, it will reach 30%.</li> <li>Starting from 2025, the company will purchase renewable energy and transition the Fab3's renewable energy to on-site generation for self-consumption.</li> <li>The total costs are estimated to account for approximately 0.59% of revenue in 2025, 1.12% in 2026, and 0.99% in 2027.</li> </ul>	Continuous Use of Solar Photovoltaics
	Reduce Operating Costs	<ul style="list-style-type: none"> <li>Fab3 has installed 499.7 kW of solar power, which is currently fully sold to Taiwan power company. It is expected that in 2025, the feed-in tariff contract with Taiwan power company will be terminated and switched to self-consumption. Based on the total power generation of 589,312 kWh in 2023, this change is estimated to increase revenue by approximately 0.04%.</li> <li>The entire facility has installed 675.2 kW of solar power. If fully converted to self-consumption in the future, based on the total power generation of 794 MWh in 2023, it is estimated to increase revenue by approximately 0.05%.</li> <li>It is estimated that the carbon fee threshold will be lowered to 20,000 metric tons, with a charge of NT\$500 per ton, which is expected to reduce carbon fee expenditures.</li> </ul>	It is estimated that the carbon fee threshold will be lowered to 20,000 metric tons, with a charge of NT\$500 per ton, which is expected to reduce carbon fee expenditures.

### (3) Typhoon Risk

- Risk Description: According to IPCC AR6 under scenario SSP5-8.5, Taiwan may face a 100% increase in strong typhoons. From 2030, two annual typhoons may cause property damage and the factory shutdown.
- Strategic Response: The company will closely monitor typhoon impacts and purchase insurance to mitigate operational risks.

Type of Financial Impact	Potential Financial Impact	Financial Impact (Short-Term)	Financial Impact (Long-Term)
Risk-related Financial Impact	Reduce Revenue	Employees' inability to report to work results in production disruptions, preventing the achievement of operational goals, leading to work stoppage losses (one-day revenue): accounting for 0.27% of 2023 revenue; estimated to account for approximately 0.22% of 2024 revenue.	
Strategic Response to Financial Impact	Increase Operating Costs	<ul style="list-style-type: none"> <li>Damage to Plant or Equipment</li> <li>Increase in insurance premiums related to natural disaster.</li> </ul>	

	Reduce Operating Costs	• Employee Attendance (Taxi Fees) • Transfer insurance to reduce financial losses.	
--	------------------------	---	--

(4) Water Shortage Risk

- Risk Description: According to IPCC AR6 under scenario SSP5-8.5, annual total precipitation in Taiwan is projected to increase by 15%, while the number of consecutive dry days is expected to rise by 5.5%. These climate changes could lead to water supply disruptions by the local water utility, resulting in financial impacts such as reduced revenue and increased operating costs for the Company.
- Strategic Response: As part of its long-term planning, the Company is evaluating seawater desalination as a strategy to maintain plant operations. While this may increase the cost of procuring desalinated water, it can mitigate the financial impacts associated with revenue loss and rising operational costs due to water supply disruptions.

Type of Financial Impact	Potential Financial Impact	Financial Impact (Short-Term)	Financial Impact (Long-Term)
Risk-related Financial Impact	Reduce Revenue	Failure to Meet Process Conditions Causing Line Shutdown Water shortage leads to the inability to achieve operational goals, resulting in work stoppage losses (one-day revenue): accounting for 0.27% of 2023 revenue; accounting for 0.27% of 2024 revenue.	
Strategic Response to Financial Impact	Increase Operating Costs	It has been evaluated that in the event of a water shortage, seawater desalination will be purchased. If 1,500 CMD of seawater desalination capacity is purchased, it is estimated to account for approximately 5.32% of the daily revenue in 2024.	<ul style="list-style-type: none"><li>• Continuously implement water-saving and water recycling measures.</li><li>• Maintain close communication with suppliers of water sources for procurement.</li></ul>

4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.

The company has conducted an inventory of potential climate risks and their financial impacts, integrating risk identification through discussions and reviews by senior management.

Climate-related issues associated with operations were categorized and consolidated to determine the annual key risk topics, which are planned to be incorporated into the annual risk project management plan.

The Sustainability Development Committee will be responsible for tracking and managing these risks and reporting to the Board of Directors on an annual basis.

5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.

Each relevant department evaluates the likelihood and impact severity of various risk factors based on their respective responsibilities.

The 1.5°C scenario and Taiwan’s “2050 Net-Zero Emissions Pathway and Strategy” are adopted as the transition risk scenarios, while the IPCC (AR6) report’s worst-case global warming scenario (SSP5-8.5) is adopted as the physical risk scenario.

Based on these scenarios, the company identifies and assesses climate-related risks and opportunities, focusing on their actual impacts on physical risks, regulatory changes, and other transition risks.

Likelihood Scale

level	Frequency	instruction
1	1 times/11~20 year	rare
2	1 times/5~10 year	unlikely
3	1 times/3~4 year	Possible
4	1 times/2 year	Very likely
5	1~2 times/1 year	Almost Certain

#### Financial Impact Scale

Financial impact	Financial	Personnel	Downtime	Environment impact
Low risk	≤2 million	False alarm/ No injury	≤12hr	No obvious hazard
acceptable	From 2 million to 5 million	slight injury	12~24hr	Impact extends near the source of occurrence
minor	From 5 million to 10 million	Temporary Total Disability	25~48hr	Impact confined to a single area or floor
Serious	From 10 million to 20 million	Permanent Partial Disability	49~168hr	Impact extends across the entire plant
Very serious	≥ 20 million	Dead/Permanent Total Disability	≥168hr	impact extends beyond the factory

#### Climate Scenario Setting

Types of Climate-Related Risks and Opportunities	Scenario for Strategy Evaluation	Scenario Content
Transition Risk Opportunities	<ul style="list-style-type: none"> <li>1.5°C Scenario</li> <li>Taiwan's "2050 Net-Zero Emissions Pathway and Strategy"</li> </ul>	<p>Here is the English translation:</p> <p>Achieving net-zero carbon emissions by 2050 has become a global trend. In March 2022, Taiwan released the "2050 Net-Zero Emissions Pathway and Strategy Overview," which outlines four major transitions—energy, industry, lifestyle, and society—and two key governance foundations—technology R&amp;D and climate legislation—to strictly control greenhouse gas emissions. These measures may have operational impacts on enterprises and their value chains.</p>
Physical Risk	The worst-case global warming scenario (SSP5-8.5) in the IPCC Sixth Assessment Report (AR6)	<p>Here is the English translation:</p> <p>Under the high greenhouse gas emissions scenario (SSP5-8.5), climate change is expected to intensify changes in average temperatures, extreme heat, total annual rainfall, maximum one-day rainfall intensity, the number of consecutive dry days, and the frequency of strong typhoons, potentially impacting the operations of the company and its supply chain.</p>

6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.		
TYPE	Climate Risk Description	Financial Impact Assessment
Increase in Greenhouse Gas Emission Pricing (Carbon Fee Collection)	Carbon fees are levied on businesses in accordance with the Climate Change Response Act.	The carbon fee in 2025 is 300 NTD per ton of CO <sub>2</sub> e.
Cost of Low-Carbon Technology Transition	In accordance with the Renewable Energy Development Act, major electricity users are required to install renewable energy generation facilities with a contracted capacity equivalent to 10% of their electricity consumption.	The estimated cost of renewable energy purchases in 2025 is approximately 0.61% of revenue.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated. Based on Microsoft's internal carbon pricing principles, the formula for internal carbon price is: Internal Carbon Price = Environmental Initiative Cost / Total Emissions "Total Emissions" is estimated based on the emission reduction path, representing the carbon emissions from energy-saving measures implemented between 2024 and 2027. "Environmental Initiative Cost" includes the costs of internal emission reduction measures, green energy purchases, and carbon offsetting. In other words, it refers to the cost incurred by the company from 2024 to 2027 for replacing large energy-consuming equipment and purchasing renewable energy. After calculation, the internal carbon price set for 2025 is NT\$1,220 per ton of CO <sub>2</sub> e.		
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified <ul style="list-style-type: none"> <li>By 2025, the Zhonggang plant office area will fully utilize solar power, and the entire plant will achieve 10% solar energy usage; by 2026, solar usage at the Zhonggang plant will reach 20%, and by 2027, it will reach 30%.</li> <li>The Zhonggang plant has installed 499.7 kW of solar power, which is currently fully sold to Taipower. The contract is expected to be terminated in 2025 and switched to self-consumption. Based on the total power generation of 589,312 kWh in 2023, this change is estimated to increase revenue by approximately 0.04%.</li> <li>The entire facility has installed 675.2 kW of solar power. If all of it is converted to self-consumption in the future, based on a total power generation of 794 MWh in 2023, the estimated revenue increase is approximately 0.05%.</li> <li>It is estimated that the carbon fee threshold will be lowered to 20,000 metric tons, with a charge of NT\$500 per ton, potentially reducing carbon fee expenditures.</li> </ul>		
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separatel fill out in points 1-1 and 1-2 below).		Please refer to 1-1 and 1-2 below.

#### 1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

Information of the Company <input type="checkbox"/> Companies with capital of \$10 billion or more, iron and steel industry, cement industry <input type="checkbox"/> Companies with capital of \$5 billion or more but less than \$10 billion <input checked="" type="checkbox"/> Companies with capital less than \$5 billion	According to the Sustainability Roadmap, at least the following should be disclosed: <input checked="" type="checkbox"/> Individual inventory of the parent company <input checked="" type="checkbox"/> Individual Confirmation of the Parent Company <input type="checkbox"/> Inventory of Consolidated Financial Reporting Subsidiaries <input type="checkbox"/> Confirmation of Consolidated Financial Reporting Subsidiaries
--	--

Year	Indicators (Note 1)	Total Emissions (metric tons CO2e)	Density(Note 2) (metric tons CO2e)/million)	Assurance Institutions	Assured Situation
2023	Scop 1	7,120.8969	2.140	LRQA	<ul style="list-style-type: none"> <li>• Scop:Fab 1</li> <li>• Standards:ISO 14064-1:2018</li> <li>• LRQA's Opinion: The Report has been prepared in conformance with ISO 14064-1:2018.</li> </ul>
	Scop 2	24,433.1625	7.342		
2024	Scop 1	4,679.7174	1.318	LRQA	<ul style="list-style-type: none"> <li>• Scop:Fab 1 and Fab 3</li> <li>• Standards:ISO 14064-1:2018</li> <li>• Verification Timing: Expected to be completed in the second quarter of 2025, with comprehensive verified information disclosed in the sustainability report.</li> </ul>
	Scop 2	23,966.9688	6.748		

Note 1:Direct emissions (Scope 1, meaning emissions directly from sources owned or controlled by the company), Indirect emissions from energy (Scope 2, meaning indirect GHG emissions from imported electricity, heat or steam).

Note 2:The intensity of GHG emissions is calculated based on revenue. The Company's revenue in 2023 and 2024 amounted to NT\$3,327.7 million and NT\$3,551.6 million, respectively.

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

Describe of the baseline year and data for greenhouse gas reduction, reduction targets, strategies, specific action plans, and progress towards achieving reduction goals.
<p>1. Baseline Year and Data for Greenhouse Gas Reduction: The baseline year for greenhouse gas reduction is 2023, as verified by the certification body (LRQA). Scop 1: 7,120.8969 tonCO2e , Scop 2: 24,433.1625 tonCO2e</p> <p>2. Reduction target: By 2025, greenhouse gas emissions will decrease by over 5%. By 2030, the reduction will exceed 10%, and by 2050, carbon neutrality will be achieved.</p> <p>3. Reduction strategies: Incorporating energy conservation and carbon reduction into operational management as a crucial agenda item, integrating resources from customers and government, actively participating in multiple energy conservation and carbon reduction initiatives, establishing an environmental committee to regularly review the effectiveness of energy conservation and carbon reduction efforts.</p> <p>4. Specific Action Plan :</p> <ul style="list-style-type: none"> <li>• Establishment of perfluorocarbon (PFCs) treatment equipment, with a processing efficiency verified to exceed 90% through testing.</li> <li>• Planning to reduce energy consumption in the manufacturing process. °</li> <li>• Replacement of old equipment with high energy consumption.</li> </ul> <p>5. Achievement of Reduction Targets: In 2024, the target for greenhouse gas emissions (scope 1+2) reduction in Fab 1 was set to exceed 8%, and the actual reduction achieved was 9%.</p>

6. 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.

Assessed items	State of Operations			Gaps with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
I. Establishment of ethical corporate management policies and programs				
(1) Does the company declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its board to implement the policies?	✓		(1) The Company has established the Code of Ethical Conduct for Directors and Managers and the Ethical Corporate Management Best Practice Principles, both of which have been approved by the Board of Directors. The Legal Department is responsible for reporting the implementation status to the Board at least once a year. These principles are strictly enforced in both internal management and external business activities in a fair, impartial, and transparent manner. To promote and reinforce ethical conduct, the Company continuously provides training to all employees and has made relevant policies available on the Company's intranet for convenient access.	No significant difference
(2) Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies?	✓		(2) The Company manages its relationships with suppliers in accordance with the Code of Ethical Conduct for Directors and Managers, the Ethical Corporate Management Best Practice Principles, and the Procedures and Guidelines for Ethical Business Practices. The Company conducts regular audits and reports to the Board of Directors at least once a year on the implementation status. Contracts with suppliers include clauses stipulating that, in the event of any unethical conduct, the Company may terminate or	No significant difference

Assessed items	State of Operations			Gaps with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
(3) Does the company establish appropriate precautions against high-potential unethical conducts or listed activities stated in Article 2, Paragraph 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies?	✓		rescind the contract at any time. (3) To prevent any unethical conduct, the Company requires employees to proactively disclose any ethical concerns or conflicts of interest and comply with the relevant internal policies. A whistleblower mailbox has been established to allow employees and related parties to report any improper business conduct. Such reports are handled directly by designated members of the management team.	No significant difference
II. Fulfill operations integrity policy				
(1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	✓		(1) Prior to engaging in transactions with vendors, responsible personnel are required to review past transaction records and conduct online searches to verify whether the vendor has any history of unethical conduct. Contract terms explicitly state that the Company may terminate or rescind the contract at any time should any unethical behavior occur.	No significant difference
(2) Does the company establish an exclusively (or concurrently) dedicated unit supervised by the Board to be in charge of corporate integrity?	✓		(2) The Company has designated the Legal Department as the responsible unit for assisting the Board of Directors and management in formulating and overseeing the implementation of ethical corporate management policies and preventive measures. To ensure the effective enforcement of the ethical management guidelines, the system is reviewed at least once annually. The latest compliance report was presented to the Board of Directors on November 8, 2024.	No significant difference
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and	✓		(3) To prevent any unethical conduct, the Company requires employees to proactively disclose any ethical concerns or conflicts of interest. In	No significant difference

Assessed items	State of Operations			Gaps with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
implement it?			2024, no violations of professional ethics by employees were reported.	
(4) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management, and are they audited by either internal auditors or CPAs on a regular basis?	✓		(4)The Company has established an effective accounting system and internal control system to ensure the implementation of ethical corporate management. The audit plan includes various operational cycles to verify the effective execution of ethical practices.	No significant difference
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	✓		(5)In 2024, the Company conducted training programs related to ethical corporate management, covering topics such as the prevention of insider trading, confidentiality agreements, trade secret protection, personal data protection, and sexual harassment prevention. Online courses and assessments were assigned to employees, with a total of 815 completions recorded	No significant difference
III.Operation of the integrity channel				
(1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	✓		(1) The Company has established the Guidelines for Handling Employee Irregularities and Whistleblower Complaints, the Procedures for Handling Complaints and Reports, and the Whistleblower Protection Management Procedures. A dedicated whistleblower mailbox has been set up and is managed by the Legal Department as the responsible unit. All cases are handled in accordance with the prescribed procedures. In 2024, the Company did not receive any whistleblower reports related to violations of ethical corporate management.	No significant difference
(2) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases?	✓		(2)The Company's Ethical Corporate Management Best Practice Principles provide clear and legitimate channels for	No significant difference



Assessed items	State of Operations			Gaps with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
(3) Does the company provide proper whistleblower protection?	✓		<p>whistleblowing, which are strictly implemented. Designated personnel or units are assigned to handle the acceptance of reports and to oversee the investigation process, results, and the preparation and retention of related documentation. The Company has an obligation to protect the confidentiality of whistleblowers' identities and information.</p> <p>(3)The Company's Ethical Corporate Management Best Practice Principles also include measures to ensure that whistleblowers are protected from improper treatment as a result of their reports.</p>	No significant difference
<p>IV. Enhanced information disclosure</p> <p>(1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?</p>	✓		<p>(1) In December 2024, the Company uploaded relevant ethical corporate management policies and training materials to its digital learning platform. These materials included courses on the prevention of insider trading, confidentiality agreements, trade secret protection, personal data protection, and sexual harassment prevention. Employees were assigned to complete the courses and corresponding assessments online, with a total of 815 completions recorded.</p> <p>(2)The Company's Ethical Corporate Management Best Practice Principles are publicly disclosed on both the Company's official website and the Market Observation Post System (MOPS). The effectiveness of the Company's ethical management practices is updated annually on the website,</p>	No significant difference

Assessed items	State of Operations			Gaps with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the cause of the said gaps
	Yes	No	Explanation	
			and related goals and performance are disclosed in the Company's Sustainability Report.	
V. 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: No significant differences.				
VI. Other important information to facilitate a better understanding of the company's ethical corporate management policies (under situations such as review and revision of regulations): <ol style="list-style-type: none"> <li>1. The company consistently operates with integrity, transparency, and accountability, establishing policies based on integrity and fostering good corporate governance and risk management mechanisms to create a sustainable operating environment. Directors, managers, and employees represent the symbol of integrity management for the company in all internal and external business operations. The company discloses its adherence to integrity management guidelines on its external website, annual reports, and public disclosure documents.</li> <li>2. The Board of Directors of the company effectively implements a system for directors to avoid conflicts of interest.</li> <li>3. The company continually monitors the development of integrity management regulations domestically and internationally, using them as a basis for reviewing and formulating relevant management policies.</li> <li>4. The company adheres to the Company Act, Securities and Exchange Act, internationally recognized accounting standards approved by the Financial Supervisory Commission, and other relevant laws and regulations as the foundation for implementing integrity management.</li> </ol>				

#### 7. Other Important Information Regarding Corporate Governance:

- (1) The Company continues to allocate resources to enhance corporate governance practices. Currently, the Audit Committee, the Remuneration Committee, and the Sustainability Development Committee have been established. A dedicated Corporate Governance section is available on the Company's official website, where relevant regulations and material information are disclosed in a timely manner to safeguard the rights of investors and shareholders to be informed.
- (2) In order to establish a sound internal mechanism for the handling and disclosure of material information, prevent improper information leakage, and ensure the consistency and accuracy of the Company's public disclosures, the Board of Directors approved the "Procedures for Handling Material Internal Information" on November 4, 2022. These procedures serve as the basis for internal practices regarding material information. The Company's internal control system also includes the "Management Procedures for Financial and Non-Financial Information" and the "Insider Trading Prevention Management Procedures," which are published on the Company's internal website. These measures are designed to provide clear guidelines for all employees in handling and controlling

significant financial and business information, thereby reducing the risk of inadvertent violations and preventing the occurrence of insider trading.

(3) Directors of the Company, managers and supervisor of corporate governance training and training situations.

Title	Name	Training date	Institution	Training course	Training hours
Chairmant	Mike Liang	Oct 22, 2024	Taiwan Securities and Futures Institute	Innovative Thinking for Corporate Growth in the AI Era	3 hours
				ESG Sustainability Trends and Climate Challenges and Opportunities	3 hours
Director	Wen-Cheng Cheng	Oct 22, 2024	Taiwan Securities and Futures Institute	Innovative Thinking for Corporate Growth in the AI Era	3 hours
				ESG Sustainability Trends and Climate Challenges and Opportunities	3 hours
Corporate Director Representative	Shin-Chin Huang	Oct 22, 2024	Taiwan Securities and Futures Institute	Innovative Thinking for Corporate Growth in the AI Era	3 hours
				ESG Sustainability Trends and Climate Challenges and Opportunities	3 hours
Corporate Director Representative	Yaw- Zen Chang	Oct 22, 2024	Taiwan Securities and Futures Institute	Innovative Thinking for Corporate Growth in the AI Era	3 hours
				ESG Sustainability Trends and Climate Challenges and Opportunities	3 hours
Corporate Director Representative	Frank Liang	Jun 19, 2024	Taiwan Directors' Association	Enhancing Taiwan Enterprises' Global Competitiveness	3 hours
		Oct 31, 2024	Taiwan Corporate Governance Association	Trends in Digital Technology and AI & Risk Management	3 hours
Corporate Director Representative	Chun-Wei Liang	Sep 06, 2024	Taiwan Securities and Futures Institute	2024 Insider Trading Prevention Advocacy	3 hours
		Sep 12, 2024	Taiwan Investor Relations Association	Core Strategies in Dealing with Shareholder Activism	3 hours
		Oct 22, 2024	Taiwan Securities and Futures Institute	Innovative Thinking for Corporate Growth in the AI Era	3 hours
				ESG Sustainability Trends and Climate Challenges and Opportunities	3 hours
Independent Director	Guo-Chao Hong	Oct 22, 2024	Taiwan Securities and Futures Institute	Innovative Thinking for Corporate Growth in the AI Era	3 hours
				ESG Sustainability Trends and Climate Challenges and Opportunities	3 hours
Independent Director	Chin-Tang Huang	Jun 05, 2024		How Non-Financial Directors Should Review Financial Reports	3 hours

Title	Name	Training date	Institution	Training course	Training hours
			Taiwan Securities and Futures Institute	How Directors and Supervisors Should Oversee Risk Management and Crisis Handling	3 hours
		Jun 12, 2024	Taiwan Stock Exchange	Taiwan Capital Market Summit	3 hours
		Oct 22, 2024	Taiwan Securities and Futures Institute	Innovative Thinking for Corporate Growth in the AI Era	3 hours
				ESG Sustainability Trends and Climate Challenges and Opportunities	3 hours
Independent Director	Shih-Kuang Li	Jun 03,2024	Taiwan Securities and Futures Institute	Institutional Investor Perspectives Forum	3 hours
		Aug 14,2024	Financial Law and Crime Prevention Center	Case Studies on Shareholders' Meeting Disputes	3 hours
Head of Corporate Governance	FN Huang	Sep 20, 2023	Taiwan Securities and Futures Institute	2024 Insider Trading Prevention Advocacy	3 hours
		Oct 22, 2024		Innovative Thinking for Corporate Growth in the AI Era	3 hours
				ESG Sustainability Trends and Climate Challenges and Opportunities	3 hours
				Nov 22, 2024	2024 Insider Equity Transactions Legal Compliance Seminar
Accounting supervisor	Megan Yang (Note2)	Mar 18, 2024	Accounting Research and Development Foundation	Basic Training for Accounting Officers of Listed Companies	30 hours
		Oct 22, 2024	Taiwan Securities and Futures Institute	Innovative Thinking for Corporate Growth in the AI Era	3 hours
				ESG Sustainability Trends and Climate Challenges and Opportunities	3 hours
Financial supervisor	Yun-Jia Shan	Oct 22, 2024	Taiwan Securities and Futures Institute	Innovative Thinking for Corporate Growth in the AI Era	3 hours
				ESG Sustainability Trends and Climate Challenges and Opportunities	3 hours
Audit Manager	Chien-Hsin Chang	Nov 22, 2024	Institute of Internal Auditors	Cybersecurity and Cloud Audit Practices	6 hours
		Nov 28, 2024		Sustainability Disclosure, Governance Policy and Key Audit Points	6 hours

Note1: Information as of the printing date of the annual report.

Note2: Megan Yang was appointed as the Company's Chief Accounting Officer on August 3, 2023.. In accordance with the "Regulations Governing Qualifications and Continuing Education of Accounting Officers of Issuers, Securities Firms, and Securities Exchanges," newly appointed accounting officers must complete more than 30 hours of professional training within one year from the date of assuming the position.

8. The state of implementation of the Company's internal control system

(1) The Company's 2024 Statement on Internal Control System was approved by the Board of Directors on February 24, 2025. Please visit the Market Observation Post System (MOPS) at <https://mops.twse.com.tw/mops/#/web/t06sg20> and enter the Company Code: 8028 to access related information.

(2) CPA Audit Report Should Be Disclosed If CPA Is Entrusted To Perform Internal Audit: None.

9. As of the date of this Annual Report, the following resolutions are adopted regarding annual shareholders' meeting and Board of Directors Meeting.

(1) Important resolutions and implementation status of the annual Shareholders' Meeting.

Shareholders' Meeting	Resolution	Review of Implementation Status
Annual General Meeting of Shareholders (May 28 2024)	Recognize the 2023 annual business report and financial statements.	Resolution was passed.
	Acknowledgment of the 2023 Earnings Distribution.	Resolution was passed. After the resolution of the shareholders' meeting, the cash dividend distribution operation was completed on July 10, 2024(NTD1.4 per share, totaling NTD 241,679,246).(Note)
	Board Re-election	The Company completed the full re-election of its 10th Board of Directors, with the term of office commencing on May 28, 2024, and ending on May 27, 2027.
	Discussion to approve the lifting of non-competition restrictions for directors.	Resolution to release directors for Mike Liang, and Representative of Gallant Precision Machining Co., Ltd., Frank Liang from the restriction of competition.

Note: In addition to distributing cash dividends from earnings, the Company also distributed a cash dividend of NT\$69,051,213 from capital surplus arising from the issuance of common shares in excess of par value, in accordance with Article 241 of the Company Act. For the year 2023, the total cash dividend amounted to NT\$0.4 per share. The payment date was July 10, 2024, which was the same day as the cash dividend distribution from earnings.

(2) Important resolutions of the Board of Directors

Board of Directors Date	Board of Directors Term	Contents of Motion
Fab 22, 2024	9th term 29th Meeting	1. Proposal for the Company's 2023 Financial Statements 2. Assessment of the Independence and Suitability of the Company's Certifying CPA 3. Appointment of the Certifying CPA for Financial Statements and Determination of Remuneration 4. Evaluation of the Effectiveness of the Internal Control System for 2023 and the Statement on Internal Control

Board of Directors Date	Board of Directors Term	Contents of Motion
		5.Proposal for Distribution of Directors' Remuneration for 2023 6.Proposal for Distribution of Employees' Compensation for 2023 7.Proposal for Year-End Bonus for Managers for 2023 8.Proposal for Re-election of Directors 9.Proposal for Convening the 2024 Annual General Shareholders' Meeting
Apr 16, 2024	9th term 30th Meeting	1.Proposal for the Company's 2023 Business Report 2.Proposal for Earnings Distribution for 2023 3.Proposal for Distribution of Capital Reserve in Cash 4.Proposal for the List of Candidates for Directors 5.Discussion to approve the lifting of non-competition restrictions for the Directors.
May 10, 2024	9th term 31th Meeting	1.Proposal for the Company's Financial Report for the first Quarter of 2024 2.Proposal for the Company's Credit Facility Application to Financial Institutions 3.Proposal for the Chairman's Remuneration 4.Proposal for the Allocation of 2023 Employees' Compensation to Managers 5.Proposal for the President's Remuneration
May 28, 2024	10th term 1st Meeting	1.Proposal for the Election of the Company's New Chairman 2.Proposal for the Appointment of Members of the 5th Remuneration Committee
Aug 09, 2024	10th term 2nd Meeting	1.Proposal for the Amendment to the Company's Machinery and Equipment Disposal Plan 2.Proposal for the Company's Financial Report for the Second Quarter of 2024 3.Proposal for the Company's Credit Facility Application to Financial Institutions 4.Proposal for the Company's 2023 Sustainability Report 5.Proposal for the Company's Capital Expenditure Plan 6.Proposal for the 2024 Salary Adjustment for the Company's Managerial Officers
Nov 08, 2024	10th term 3rd Meeting	1.Proposal for the Company's Financial Report for the Third Quarter of 2024 2.Proposal for the Company's Second Issuance of Unsecured Convertible Bonds Domestically 3.Proposal for the Establishment of the Sustainability Development Committee and Adoption of Its Charter 4.Proposal for the Appointment of the First-Term Members of the Sustainability Development Committee
Dec 26, 2024	10th term 4th Meeting	1.Proposal for the Formulation of the Company's 2025 Business Plan 2.Proposal for the Company's Credit Facility Application to Financial Institutions 3.Proposal for the Appointment of the Company's Chief Audit Officer 4.Proposal for the Amendment to the Company's Internal Control System 5.Proposal for the Company's 2025 Annual Audit Plan

Board of Directors Date	Board of Directors Term	Contents of Motion
Feb 26, 2025	10th term 5th Meeting	1.Proposal for the Company's Financial Report for Fiscal Year 2024 2.Assessment of the Independence and Suitability of the Company's Certifying CPA 3.Proposal for Approval of the Effectiveness Evaluation of the Internal Control System for 2024 and the Statement on Internal Control 4.Proposal for Convening the 2025 Annual General Shareholders' Meeting 5.Proposal for the 2024 Year-End Operational Bonus for Managers 6.Proposal for the Distribution of Directors' Remuneration for 2024 7.Proposal for the Distribution of Employees' Compensation for 2024
Apr 15, 2025	10th term 6th Meeting	1.Proposal for the Company's 2024 Business Report 2.Proposal for the Earnings Distribution for 2024 3.Proposal for the Amendment to the Company's Articles of Incorporation 4.Proposal for the Amendment to the Company's Audit Committee Charter 5.Proposal for the Company's Credit Facility Application to Financial Institutions

10. During the most recent fiscal year and up to the date of publication of this Annual Report, there were no dissenting opinions, records, or written statements from any Director regarding resolutions passed by the Board of Directors.: None.

iv. Information Regarding Audit Fees

1. Information on CPA Fees

Unit: NT\$ thousand

Accounting Firm	Name of CPA	Audit Period	Audit Fees	Non- Audit Fees	Total	Remarks
PwC Taiwan	Chien-Yu Liu	Jan 1, 2024   Dec 31, 2024	1,880	840	2,720	Non-audit service fees primarily cover tax audit and attestation services, registration of capital increase through new share issuance, bonded inventory settlement attestation, and consulting services related to tax incentives under the Industrial Innovation Act.
	Tien-Yi Lee					

- 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 year, the reduction in the amount of audit fees, reduction percentage, and reasons, therefore shall be disclosed: None.
- When the audit fees paid for the current 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, therefore shall be disclosed: None.
- The audit fees include fees paid by the Company to the CPA for the audit, review and second review of financial reports, and for financial forecast reviews.

v. Information on replacement of Independent Auditors

1. Regarding the former CPA

Date of replacement	Since the financial statements of the first quarter of 2024.		
Replacement reasons and explanations	To accommodate the internal adjustment of PwC Taiwan, the Company's CPA were changed from Chien-Yu Liu and Chih-Cheng Hsieh to Chien-Yu Liu and Tien-yi Li.		
Describe whether the Company is terminated or the CPA did not accept the appointment	Party		CPA
	Condition		Consignor
	Engagement terminated automatically		Not applicable
The Opinions other than Unmodified Opinion Issued within the last 2 years and the reason for the Said Opinion	Engagement discontinued		Not applicable
	None.		
Any disagreement in Opinion with the issuer	Yes	Accounting principles or practices	
		Disclosure of financial report	
		Scope or procedure of auditing	
		Others	



	No	V	
	Explanation		
Supplementary Disclosure (Specific Disclosures mentioned in Article 10.6.1.4~7 of the Regulation)	None.		

2. Regarding the successor CPA

Name of the firm	PwC Taiwan
Name of CPA	Chien-Yu Liu and Tien-yi Li.
Date of appointment	Since the financial statements of the first quarter of 2024.
Prior to the Formal Engagement, Any Inquiry or Consultation on the Accounting Treatment or Accounting Principles for Specific Transactions, and the Type of Audit Opinion that Might be Rendered on the Financial Report	Internal audit firm adjustment, not applicable.
Written Opinions from the successor CPA that are Different from the Former CPA Opinions	Internal audit firm adjustment, not applicable.

3. The Reply of Former CPAs on Article 10.6.1 and Article 10.6.2.3 of the Regulations Governing Information to be Published in Annual Reports of Public Companies: Not applicable

vi. The Chairperson, President, Finance or Accounting Manager Who Has Worked in the Accounting Firm or Affiliates in the Most Recent Year, the Name, Position and the Service Period Shall Be Disclosed: None.

vii. Changes in Share Transfers and Pledge of Shares by Directors, Managers, and Shareholders Holding More Than 10% of Shares During the Most Recent Fiscal Year and up to the Date of Publication of this Annual Report:

1. Changes in Shareholding of Directors, Managers, and Major Shareholders:

Unit: Shares

Title (Note1)	Name	2024(Note2)		Current year to Mar 28, 2025	
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
Chairman	Mike Yang	-	-	-	-
Director	Wen-Cheng Cheng	-	-	-	-
Director	Ting Dong Liang Investment Co., Ltd	28	-	-	-
	Representative : Shin-Chin Huang	-	-	-	-
Director	Min Ho Shuen Investments Inc	-	-	-	-
	Representative : Yaw- Zen Chang	-	-	-	-
Director	Gallant Precision Machining Co., Ltd.	2,665,000	-	-	-
	Representative : Frank Liang	-	-	-	-
Director (Note3)	Acter Group Co Ltd.	1,010,966	-	-	-

Title (Note1)	Name	2024(Note2)		Current year to Mar 28, 2025	
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
	Representative: Chun-Wei Liang	-	-	-	-
Independent Director	Guo-Chao Hong	-	-	-	-
Independent Director	Shih-Kuang Li	-	-	-	-
Independent Director	Chin-Tang Huang	-	-	-	-
President	Tony Tsai	36,482	-	-	-
Senior Vice President	FN Huang	(70,000)	-	-	-
Vice President	Eric Pan	(111,551)	-	-	-
Vice President	TK Huang	2,769	-	-	-
Vice President	CM Ho	(59,000)	-	-	-
Accounting Supervisor	Megan Yang	(5,000)	-	-	-
Financial Supervisor	Yun-Jia Shan	(10,000)	-	-	-

Note 1: Refers to individuals holding office as of the date of the Annual Report publication.

Note 2: Changes in shareholding are disclosed only for directors or managers during their term of office. Monthly changes in shareholding can be found in the “Changes in Shareholding of Directors, Supervisors, Managers, and Shareholders Holding More Than 10%” section on the Market Observation Post System (MOPS).

Note 3: The Company held its Annual General Shareholders’ Meeting on May 28, 2024, during which a full re-election of directors was completed. New directors elected include Chun-Wei Liang, the representative of Acter Group Corporation Limited, and independent directors Shih-Kuang Li and Chin-Tang Huang.

2. Shares Trading with Related Parties: None.

3. Shares Pledge with Related Parties: None.

viii. Relationship Information of the Top 10 Shareholders among who are Related Parties

Mar 28, 2025 ; Unit: Shares ; %

Name	Shareholding		Shareholding under spouse or underage children		Shareholding under other		Among who are related parties		Remarks
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Name	Relationship	
Gallant Precision Machining Co., Ltd. Chairman: Jason Chen	8,999,461	5.21	-	-	-	-	None	None	-
	11,048	0.01	-	-	-	-	None	None	-
Acter Group Co., Ltd. Chairman: Chin-li Liang	6,460,456	3.74	-	-	-	-	None	None	-
	0	0	-	-	-	-	None	None	-
Citibank Custody Account - UBS Europe SE Investment Account	5,864,483	3.40	-	-	-	-	-	-	-
Standard Chartered Bank, Commercial Banking Division - Custodian for J.P. Morgan Securities Ltd. Investment Account	4,209,851	2.44	-	-	-	-	-	-	-
Citibank Custody Account – Norges Bank Investment Account	3,186,000	1.85	-	-	-	-	-	-	-
Wen- Cheng Cheng	2,828,277	1.64	-	-	-	-	None	None	-
HSBC Bank (Taiwan) Limited - Custodian for Société Générale Europe Options Investment Account	2,776,000	1.61	-	-	-	-	-	-	-
Min Ho Shuen Investments Co., Ltd Chairman: Yaw- Zen Chang	2,256,245	1.31	-	-	-	-	None	None	-
	1,846,662	1.07	524,302	0.30	-	-	None	None	-
Citibank (Taiwan) Limited – Custodian for BNP Paribas Financial Markets Investment Account	2,025,667	1.17	-	-	-	-	-	-	-
Standard Chartered International Commercial Bank, Banking Division – Custodian for Advanced Star Funds Series - Advanced Global Equity Index Fund Investment Account	1,939,473	1.12	-	-	-	-	-	-	-

ix. Total Numbers and Equity of Shares Held in any Single Enterprise by the Company, Directors, Supervisors, Managers and Any Companies Controlled Either Directly or Indirectly by the Company: None.

### III. Capital Overview

#### i. Capital and Shares

##### 1. Source of capital

Units: NT\$ thousand; thousand shares

Year/ month	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Shares (thousand shares)	Amount (NT\$ thousands)	Shares (thousand shares)	Amount (NT\$ thousands)	Source of capital	Capital Increased by Assets Other than Cash	Other
Mar 1987	10	66,000	660,000	16,500	165,000	Established	None.	Note 1
Jun 1987	10	66,000	660,000	66,000	660,000	Capital increase by cash of NT\$495,000 thousand	None.	Note 2
Mar 1988	12	110,000	1,100,000	88,000	880,000	Capital increase by cash of NT\$220,000 thousands	None.	Note 3 Note 4
Oct 2002	—	110,000	1,100,000	74,800	748,000	Reduce capital NT\$132,000 thousand	None.	Note 5
Nov 2004	11	110,000	1,100,000	92,400	924,000	Capital increase by cash of NT\$176,000 thousands	None.	Note 6
Jun 2013	10	110,000	1,100,000	93,452	934,520	Employee stock option certificate conversion NT\$10,520 thousand	None.	Note 7
Aug 2013	11	200,000	2,000,000	111,452	1,114,520	Capital increase by cash of NT\$180,000 thousand	None.	Note 8 Note 9
Dec 2013	10	200,000	2,000,000	112,828	1,128,280	Employee stock option certificate conversion NT\$13,760 thousand	None.	Note 10
Oct 2014	51	200,000	2,000,000	116,828	1,168,280	Capital increase by cash of NT\$40,000 thousand	None.	Note 11
Jul 2018	24.6	200,000	2,000,000	132,408	1,324,080	Capital increase by cash of NT\$155,800 thousand	None.	Note 12
Sep 2021	10	200,000	2,000,000	140,352	1,403,525	Capital increase by capital surplus of NT\$79,445 thousand	None.	Note 13
Nov 2021	10	400,000	4,000,000	140,352	1,403,525	Increase authorized capital	None.	Note 14
Aug 2022	10	400,000	4,000,000	148,773	1,487,736	Capital increase by capital surplus of NT\$84,211 thousand	None	Note 15
Dec 2022	10	400,000	4,000,000	152,628	1,526,280	Conversion of bonds to shares NT\$38,544 thousand	None	Note 16
Dec 2023	10	400,000	4,000,000	172,628	1,726,280	Capital increase by cash of NT\$200,000 thousand	None	Note 17

Note1: Approval Document No. The 3 March 1997 Letter No. Science-Park-Listed-Company -03691 of Science Park Administration.

Note2: Approval Document No. The 25 June 1997 Letter No. Science-Park-Listed-Company -12733 of Science Park Administration.

Note3: Approval Document No. The 8 January 1998 Letter No. Science-Park-Listed-Company -00764 of Science Park Administration, and increase it's capital by NTD 440,000 thousand dollar.

Note4: Approval Document No. The 12 March 1998 Letter No. Science-Park-Listed-Company -05498 of Science Park Administration.

Note5:Approval Document No. The 17 July 2002 Letter No. Taiwan Finance Securities –I-0910139697 of the Securities and Futures Commission, Ministry of Finance (Approval Document No. The 24 October 2002 Letter No. Science-Park-Listed-Company -250718 of Science Park Administration.)

Note6:Approval Document No. The 15 June 2004 Letter No. Taiwan Finance Securities –I-0930126884 of the Securities and Futures Commission, Ministry of Finance (Approval Document No. The 24 November 2004 Letter No. Science-Park-Listed-Company -0930032881 of Science Park Administration.)

Note7:Approval Document No. The 17 June 2013 Letter No. Science-Park-Listed-Company -1020017445 of Science Park Administration.

Note8:Approval Document No. The 21 May 2013 Letter No. Science-Park-Listed-Company -1020014869 of Science Park Administration, and increase it's capital by NTD 900,000 thousand dollar.

Note9:Approval Document No. The 6 August 2013 Letter No. Science-Park-Listed-Company -1020023675 of Science Park Administration.

Note10:Approval Document No. The 9 December 2013 Letter No. Science-Park-Listed-Company -1020037416 of Science Park Administration.

Note11:Approval Document No. The 27 October 2014 Letter No. Science-Park-Listed-Company -1030031283 of Science Park Administration.

Note12:Approval Document No. The 20 July 2018 Letter No. Science-Park-Listed-Company -1070021327 of Science Park Administration.

Note13:Approval Document No. The17 Sep 2021 Letter No. Science-Park-Listed-Company -1100027115 of Science Park Administration.

Note14:Approval Document No. The 9 Nov 2021 Letter No. Science-Park-Listed-Company -1100032613 of Science Park Administration.

Note15:Approval Document No. The 10 Aug 2022 Letter No. Science-Park-Listed-Company -1110025443 of Science Park Administration.

Note16:Approval Document No. The 05 Dec 2022 Letter No. Science-Park-Listed-Company -1110038627 of Science Park Administration.

Note17:Approval Document No. The 07 Dec 2023 Letter No. Science-Park-Listed-Company -1120039887 of Science Park Administration.

Units: Shares

Type of Stock	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Ordinary share	172,628,033	227,371,967	400,000,000	The stock is an TSE stock

Shelf Registration: Not applicable.

## 2. Major Shareholders (Top ten shareholders)

Mar 28, 2025 ; Unit: Person; Share; %

Name of Major Shareholders	Shares	Number of shares held	Percentage (%)
Gallant Precision Machining Co., Ltd.		8,999,461	5.21
Acter Group Co., Ltd.		6,460,456	3.74
Citibank Custody Account - UBS Europe SE Investment Account		5,864,483	3.40
Standard Chartered Bank, Commercial Banking Division - Custodian for J.P. Morgan Securities Ltd. Investment Account		4,209,851	2.44
Citibank Custody Account – Norges Bank Investment Account		3,186,000	1.85
Wen- Cheng Cheng		2,828,277	1.64
HSBC Bank (Taiwan) Limited - Custodian for Société Générale Europe Options Investment Account		2,776,000	1.61
Min Ho Shuen Investments Co.,Ltd		2,256,245	1.31
Citibank (Taiwan) Limited – Custodian for BNP Paribas Financial Markets Investment Account		2,025,667	1.17
Standard Chartered International Commercial Bank, Banking Division – Custodian for Advanced Star Funds Series - Advanced Global Equity Index Fund Investment Account		1,939,473	1.12

### 3. Dividend Policy and Execution Status

#### (1) Dividend Policy

If there is a surplus in the annual final accounts, it should first make up for the losses, pay taxes, and deposit 10% as the statutory surplus reserve. However, the statutory surplus reserve is not included in the total capital. The Company shall provide or revolve special surplus reserves as needed. The balance plus the previously undistributed surplus is the distributable surplus. Depending on the Company's operating conditions, the Board of Directors shall make the shareholder's dividend and dividend distribution proposal and submit the proposal to the shareholders' meeting for resolution.

If the Company distributes dividends and bonuses or statutory surplus reserve and capital reserve, if it is paid in cash, the board of directors is authorized to attend with more than two-thirds of the directors, and more than half of the Directors present agree to do so, and report to the shareholders meeting. The provisions of the preceding paragraph shall be subject to the resolution of the shareholders meeting.

When forming its dividend policy, the Corporation considers various factors such as its plans relating to current and future development, the overall investment environment, its financial needs, competition in the domestic and foreign markets, as well as the interest of shareholders and the principles of stability and balance in the distribution of dividends. Each year it will set aside as shareholder dividends an amount of not less than 10% of the earnings available for distribution. Dividends to shareholders may be distributed in cash or shares, but in any event the amount of cash dividends may not be less than 50 % of the total dividends.

#### (2) Proposed dividend distribution of shareholders' meeting

A. The proposed dividend distribution on the year 2024 as below :

Unit: NT\$

Item	Amount
Unappropriated retained earnings at beginning of year	289,099,394
Actuarial (loss) gain included retained earning	(351)
2024 net income after tax	491,902,076
Legal reserve	(49,190,173)
Earnings available for distribution	731,810,946
Common shares cash dividends (per share NT\$2.2)	(379,781,673)
Unappropriated retained earnings at end of year	352,029,273

Note1 : The distribution of 2024 retained earnings not yet approved by Shareholders' Meeting.

Note2 : According to the Ministry of Finance letter No. 871941343, dated April 30, 1998, the principle of distributing the Company's earnings is to distribute the 2024 year's earnings first. If there is a shortfall, it will be distributed in the order of first-in, first-out, in the year in which the surplus is generated.

### 4. Impact of the Stock Dividend Proposal of this Shareholders meeting on Operational Performance and Earning per Share: None.

## 5. Employee Bonus and Directors' Remuneration:

### (1) Ratio or scope of compensation to employees and directors, as set forth in the Company's Articles of Incorporation:

The Company makes a profit, it will pay 10%~15% of the employee's compensation and 2% as remuneration for directors according to the profit status of the current year.

The employee compensation could either be distributed via share or cash, entitled employees include subsidiaries' employees who meet the conditions.

The current year's profit situation referred to in the first item refers to the current year's pre-tax benefits minus the distribution of employee's compensation and directors' remuneration.

### (2) Accounting treatment for the difference between the estimated remuneration to employees, directors and supervisors and the actual amount distributed:

The company provides remuneration to employees and directors in proportion to the company's articles of association. Under the current expenses, the amount of remuneration for employees is NT\$101,014 thousand and the amount of directors' remuneration is NT\$13,469 thousand. There is no difference between the allotment amount and the annual estimated amount of the recognized expense, so there is no need to disclose the difference, the reason and the handling situation.

### (3) Information on the amount of compensation for distribution as approved by the Board of Directors:

A. The compensation of employees, directors and supervisors is distributed in the form of cash dividend or stock dividend. If there is any discrepancy between the actual distributed amount and figure, the difference, reason and response should be disclosed:

2024 remuneration for employees and directors was approved by the Board of Directors on February 24, 2025 as follows:

Unit: NT\$ thousand				
Distribution	Actual distributed amount as resolved by the Shareholders' Meeting	The original estimated amount approved by the Board of Directors	Differences	Reason for difference
Employee cash dividends	101,014	101,014	0	-
Employee stock dividends	-	-	-	-
Remuneration of directors	13,469	13,469	0	-

B. The amount of stock dividend and ratio of the total net profit after-tax and individual employee compensation or standalone financial report for the current period: None.

### (4) The actual distributed compensation to employees and remuneration to directors and supervisors in the previous year:

Unit: NT\$ thousand

Distribution	Actual distributed amount as resolved by the Shareholders' Meeting	The original estimated amount approved by the Board of Directors	Differences	Reason for difference
Employee cash dividends	48,842	48,842	0	-
Employee stock dividends	-	-	-	-
Remuneration of directors	8,140	8,140	0	-

On February 22, 2024, the Board resolved to appropriate compensation to employees for 2023 in the amount of NT\$48,842 thousand and remuneration to directors of NT\$8,140 thousand. There is no difference between the actual number of distributions and the number of recognitions.

6. Repurchase by the Company of its own shares : None.

ii. Issuance of Corporate Bonds:

1. Issuance of Corporate Bonds

Type of Corporate Bonds		Second Domestic Unsecured Convertible Bonds
Issuance (Processing) Date		January 22, 2025
Par Value		NTD 100,000
Issuance and Trading Location		Taiwan / Taipei Exchange (TPEX)
Issuance Price		103.5% of par value
Total Amount Issued		NTD 2 billion
Interest Rate		0%
Term		5 years; maturity date: January 22, 2030
Guarantor		None
Trustee		Taipei Fubon Commercial Bank Co., Ltd., Trust Department
Underwriter		SinoPac Securities Corporation
Legal Counsel (Certifying Lawyer)		Not applicable
Certifying CPA		Not applicable
Repayment Method		Bondholders may convert the bonds into the Company's common shares according to Article 10 of the Conversion Rules for the Second Domestic Unsecured Convertible Bonds, or the Company may redeem them early under Article 18 of the Rules. Otherwise, the Company will repay the bonds in full in cash at maturity based on the bond's face value.
Outstanding Principal		NTD 2 billion
Terms of Redemption or Early Repayment		Please refer to the Company's Rules for the Issuance and Conversion of Convertible Bonds.
Restriction Clauses		None
Credit Rating Agency Name, Rating Date, and Rating Result		Not applicable
Other Rights Attached	Amount Already Converted (Exchanged or Subscribed) into Common Shares, GDRs, or Other Securities as of the Date of Publication of the Annual Report	None
	Issuance and Conversion (Exchange or Subscription) Method	Please refer to the Company's Rules for the Issuance and Conversion of Convertible Bonds.
Impact of Issuance, Conversion, Exchange, or Subscription Conditions on Equity Dilution and		The issuance of these unsecured convertible bonds is primarily intended for the purchase of machinery and equipment and repayment of bank loans, aiming to support future operational



Type of Corporate Bonds	Second Domestic Unsecured Convertible Bonds
Shareholder Rights	development and moderately improve the Company's financial structure. This move is expected to enhance the Company's competitiveness and provide strong support for overall business growth, positively impacting earnings per share (EPS) in future fiscal years without causing profit dilution. The Company has carefully considered its future development prospects, and the terms of issuance have been designed to protect shareholder rights. The impact on equity dilution is controllable and does not pose any significant risk.
Custodian for Exchange Underlying Assets	Not applicable

## 2. Convertible Bond Information

Type of Corporate Bonds	Second Domestic Unsecured Convertible Bonds	
year	As of the Date of Publication of the 2025 Annual Report	
Convertible Bond Market Price	Highest	126
	Lowest	94
	Average	106.97
Conversion Price	NTD 140.3	
Issuance (Processing) Date and Conversion Price at Issuance	ssued on January 22, 2025, with an initial conversion price of NTD 140.3	
Method of Fulfilling Conversion Obligations	Delivery by Issuance of New Shares	

- iii. Status of Preferred Stocks: None.
- iv. GDR Issuance: None
- v. Employee Stock Options: None.
- vi. Status of New Shares Issuance of Limited Stocks for Employees: None.
- vii. Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.
- viii. Financing Plans and Implementation:

As of the end of the quarter preceding the date of publication of the Annual Report, the Company's capital utilization plans include the issuance of the Second Domestic Unsecured Convertible Bonds in 2025 and the cash capital increase carried out in 2023. The contents and execution status of the capital utilization plans are summarized as follows:

### Issuance of the Second Domestic Unsecured Convertible Bonds in 2025

#### 1. Project Description and Expected Benefits

- (1) Date and Reference Number of Approval by the Competent Authority:  
December 30, 2024 – FSC Securities Letter No. 1130367072,  
January 16, 2025 – TPEx Bond Letter No. 11400001652

(2) Total Amount of Funds Required: NT\$2,083,401 thousand

(3) Sources of Funds:

The Company issued its second domestic unsecured convertible bonds, totaling 20,000 units, each with a face value of NT\$100,000. The total face value of the issuance was NT\$2,000,000 thousand. The bonds have a maturity of three years and carry a 0% coupon rate. The public offering was conducted through competitive bidding, and the bonds were issued at 103.5% of face value, resulting in actual proceeds of NT\$2,074,846,190. The funding shortfall of NT\$8,555 thousand was covered by the Company's own funds or bank financing.

(4) Project Items and Utilization Progress

Unit: NT\$ thousand

Program	Estimated Completion Date	Total Funds Required	Planned Use of Funds (NT\$ thousand)					
			2024	2025				2026
			Q4	Q1	Q2	Q3	Q4	Q1
Purchase of machinery and equipment	2026Q1	1,083,401	85,441	253,568	418,475	97,567	55,285	173,065
Repayment of Bank Loans	2025Q1	1,000,000	0	1,000,000	0	0	0	0
Total		2,083,401	85,441	1,253,568	418,475	97,567	55,285	173,065

(5) The proceeds from the issuance of the unsecured convertible bonds are intended for the purchase of machinery and equipment and the repayment of bank loans, in order to meet future operational development needs, improve the financial structure, and enhance debt repayment capability.

(6) The plan was entered into the Market Observation Post System (MOPS) on January 20, 2024.

(7) Changes to the Plan Content, Reasons for Changes, and Comparative Benefits Before and After Changes: None.

## 2. Execution Status

Unit: NT\$ thousand

Program	Implementation Status of Program		As of Q1 2025	Reasons for Ahead or Behind Schedule and Improvement Plans
Purchase of machinery and equipment	Amount Utilized	Estimated	339,009	The Company's fund utilization progress has been executed according to the original plan, with no delays or acceleration observed.
		Actual	339,009	
	Progress Rate	Estimated	31.29%	
		Actual	31.29%	
Repayment of Bank Loans	Amount Utilized	Estimated	1,000,000	
		Actual	1,000,000	
	Progress Rate	Estimated	100%	
		Actual	100%	

3. The machinery and equipment required for the planned capacity expansion will be gradually put into production. As of the end of the first quarter of 2025, the Company has purchased

machinery and equipment totaling NTD 339,009 thousand. Since the equipment has not yet been fully installed and operational, the expected increases in operating revenue, gross profit, and operating income have not yet been realized.

4. As of the end of the first quarter of 2025, the planned repayment of bank loans totaling NTD 1,000,000 thousand has been fully executed according to the original plan. The benefits of interest savings have already begun to materialize, contributing to improvements in the financial structure and enhancing the Company's debt repayment capability. A comparative analysis is provided below.

Unit: NT\$ thousand

Item	2025Q1	2024Q4	Difference (%)
Current Assest	2,473,930	2,412,944	2.53
Current iabilities	1,648,001	1,914,773	(13.93)
Total Liabilities	5,589,642	5,442,654	2.70
Current Ratio (%)	149.93	126.02	18.97
Debt Ratio (%)	54.73	56.94	(3.88)
Interest expanse(Note1)	16,008	13,221	21.08
Revenue	1,082,444	1,049,958	3.09
EPS	1.34	1.16	15.52

Note1: The Company's interest expenses for the first quarter of 2025 included the amortized interest on the second domestic convertible bonds. Excluding the impact of this item, overall interest expenses decreased by 12.74% compared to the previous quarter.

Note2: The financial statements for the first quarter of fiscal year 2025 have not been reviewed by independent auditors

### Capital Increase by Cash in 2023

#### 1. Project Description and Expected Benefits

- (1) Date and Reference Number of Approval by the Competent Authority: September 6, 2023 – FSC Securities Letter No. 1120354293
- (2) Total Capital Required for the Project: NT\$1,033,332 thousand.
- (3) Source of Funds:  
The Company conducted a cash capital increase by issuing 20,000 thousand new common shares, each with a par value of NT\$10 and an issue price of NT\$45 per share, raising NT\$900,000 thousand. The remaining NT\$133,332 thousand was funded through internal resources.

#### (4) Project Items and Utilization Progress

Program	Estimated Completion Date	Total Funds Required	Planned Use of Funds (NT\$ thousand)					
			2023	2024				2025
			Q4	Q1	Q2	Q3	Q4	Q1
Purchase of machinery and equipment	2025Q1	1,033,332	163,978	612,160	135,818	63,505	29,264	28,607

- (5) The proceeds from this cash capital increase through new share issuance are intended for the purchase of machinery and equipment to expand production capacity and

support the Company's future manufacturing and operational needs.

- (6) The plan was disclosed on the Market Observation Post System on September 6, 2023.
- (7) Changes to the Plan, Reasons for Changes, and Impact Before and After Changes: None.

## 2. Execution Status

Unit: NT\$ thousand

Program	Implementation Status of Program		As of Q1 2025	Reasons for Ahead or Behind Schedule and Improvement Plans
Purchase of machinery and equipment	Amount Utilized	Estimated	1,033,332	The Company's fund utilization progress has been executed according to the original plan, with no delays or acceleration observed.
		Actual	1,033,332	
	Progress Rate	Estimated	100%	
		Actual	100%	

In 2024, the Company achieved year-over-year growth in operating revenue, gross profit, and operating income, driven by product mix optimization in wafer reclaim and wafer thinning, as well as effective control over operating costs and expenses. This reflects the gradual realization of the benefits from machinery and equipment procurement. As the capital expenditure for equipment was fully executed in the first quarter of 2025, the resulting operational benefits are expected to materialize progressively in the coming years.

### Comparison Between Fiscal Year 2024 and Fiscal Year 2023

Item	2024	2023	Difference (%)
Plant and Equipment	6,517,118	5,849,745	11.41
Operating Revenue	3,551,607	3,327,700	6.73
Operating Cost	2,528,305	2,571,184	(1.67)
Operating Profit	534,673	229,421	133.05

## IV.Operational Highlights

### i. Business Activities

#### 1. Business Scope

##### (1) Business scope

The main business of the company is research and development, manufacturing, and sales of semiconductor wafer processing services, including providing wafer reclaim and wafer thinning process services. The end products are mainly used in semiconductor wafer processing service, consumer electronics, industrial electronics, and automotive electronic components.

##### (2) Business proportion

unit : NTD thousand ; %

Item \ Year	2023		2024	
	Net operating revenue	Proportion %	Net operating revenue	Proportion %
Semiconductor wafer service	3,327,700	100.00	3,551,607	100.00
Total	3,327,700	100.00	3,551,607	100.00

##### (3) Current Products and Service

Item	product name		Main purpose or function
semiconductor wafer service	Wafer reclaim	6", 8", 12" wafer reclaim	Used by IC manufacturers for machine testing and process data validation.
		8", 12" test wafer	Used by IC manufacturers for quality verification of thin films for various processes.
	Wafer thinning	6", 8" wafer thinning	Consumer and industrial electronics, power management for automotive and aerospace applications, medical and optoelectronics-related optoelectronic semiconductor components.
		Wafer Frontside and backside metal process	

##### (4) Future New Products and Services

- A. 12-inch, 15nm recycled wafer technology development.
- B. 12-inch, advanced technology development of recycled wafer with low copper content (polishing and cleaning process).
- C. 12-inch, high flatness test wafer development.
- D. 12-inch, silicon carrier wafer development.
- E. Grinding, etching and metal sputter processes development for 6 / 8-inch Wide Band Gap device wafers (GaN, SiC, etc.).
- F. 12" MOSFET wafer BGBM process development.
- G. Point of care diagnostic system: Mono/ multiple protein chips.

- H. Point of care diagnosis chip: Nucleic acid chip.
- I. The customized biochip design and manufacture service.

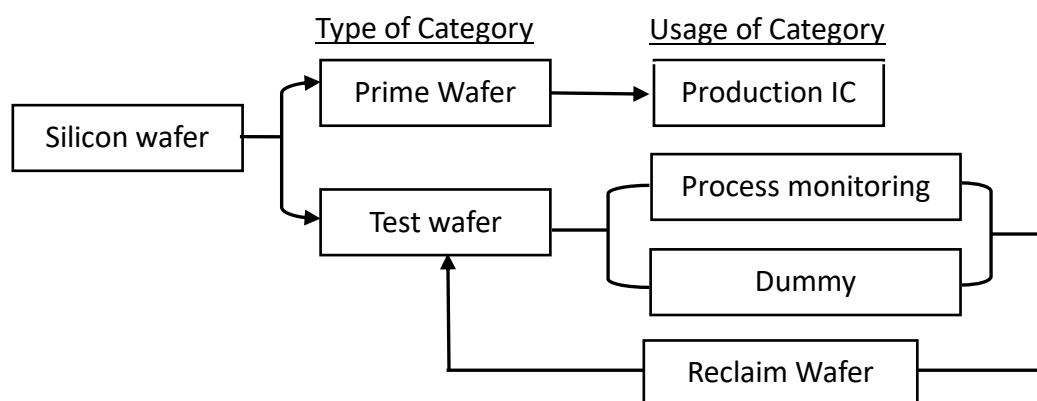
## 2. Industry Overview

### (1) Current status and development of the industry

The company belongs to the semiconductor industry, and semiconductor wafer processing services include wafer reclaim and wafer thinning process services. The following are the main service items for regenerated wafers and product wafer thinning process services.

#### A. Wafer reclaim contract manufacturing service

In the classification of silicon wafers, there are different ways to distinguish them according to their size or usage characteristics. In response to the trend of larger size, 12-inch silicon wafers are currently the mainstream product, which can be divided into two categories based on their properties, namely product wafers and test wafers.



【Source:Psi】

Test wafer is used to monitor the stability of the manufacturing process. There are two types of test wafers: process monitors and dummy wafers. One of our company's main businesses is to provide semiconductor wafer reclaim services. The growth of the wafer reclaim market is closely linked to wafer start and the capacity utilization rate of semiconductor foundries.

According to Grand View Research, the global wafer reclaim market size is estimated to reach approximately US\$577 million in 2024, is expected to reach US\$600 million in 2025, and will increase to US\$740 million in 2030, with a compound annual growth rate (CAGR) of 4.2%. In addition, according to Gartner, Inc.'s forecast, global semiconductor revenue will total US\$626 billion in 2024, an increase of 18.1% from 2023. The total revenue is projected to further rise to USD 705 billion in 2025, representing an annual growth rate of 11.3%. Furthermore, the World Semiconductor Trade Statistics (WSTS) reports

that demand for artificial intelligence (AI) products is one of the key drivers behind the growth of the semiconductor market.

Taiwan leads the way in advanced foundry processes. As demand from advanced foundries grows, our business grows in tandem with our customers' demand for recycled wafers.

**Global Semiconductor Market Revenue Forecast**

Spring 2024	Amounts in US\$M			Year on Year Growth in %		
	2023	2024	2025	2023	2024	2025
<b>Americas</b>	134,377	<b>168,062</b>	<b>192,941</b>	-4.8	25.1	14.8
<b>Europe</b>	55,763	<b>56,038</b>	<b>60,901</b>	3.5	0.5	8.7
<b>Japan</b>	46,751	<b>46,254</b>	<b>50,578</b>	-2.9	-1.1	9.3
<b>Asia Pacific</b>	289,994	<b>340,877</b>	<b>382,961</b>	-12.4	17.5	12.3
<b>Total World - \$M</b>	526,885	<b>611,231</b>	<b>687,380</b>	-8.2	16.0	12.5
<b>Discrete Semiconductors</b>	35,530	<b>32,773</b>	<b>35,310</b>	4.5	-7.8	7.7
<b>Optoelectronics</b>	43,184	<b>42,736</b>	<b>44,232</b>	-1.6	-1.0	3.5
<b>Sensors</b>	19,730	<b>18,265</b>	<b>19,414</b>	-9.4	-7.4	6.3
<b>Integrated Circuits</b>	<b>428,442</b>	<b>517,457</b>	<b>588,425</b>	-9.7	20.8	13.7
Analog	81,225	79,058	84,344	-8.7	-2.7	6.7
Micro	76,340	77,590	81,611	-3.5	1.6	5.2
Logic	178,589	197,656	218,189	1.1	10.7	10.4
Memory	92,288	163,153	204,281	-28.9	76.8	25.2
<b>Total Products - \$M</b>	526,885	<b>611,231</b>	<b>687,380</b>	-8.2	16.0	12.5

Source: : WSTS Semiconductor Market Forecast Spring 2024

#### B. Wafer Thinning Processing Outsourcing Services

Wafer thinning technology is part of the mid-end semiconductor manufacturing process, situated between the front-end (front-side) and back-end (back-side) stages. With the rapid advancement of heterogeneous integration and packaging technologies, a series of emerging solutions have been developed, including wafer bumping and various types of wafer-level packaging (WLP), such as fan-out WLP, wafer-level chip-scale packaging (WLCSP), 3D WLP, and wafer-level optics. Related processing technologies include photolithography, wafer thinning, backside grinding, and backside metal deposition. From the perspective of the overall IC supply chain—including both integrated device manufacturer (IDM) output and outsourced foundry production—IC design and wafer fabrication together account for more than USD 500 billion in production value, representing approximately 90% of the total value chain. The back-end process accounts for about 9%, while the mid-end process, though representing just over 1%, plays a crucial and indispensable role in enabling high-efficiency packaging solutions. In recent years, the rapid growth of the consumer electronics market, along with operating system upgrades driving computer system replacements, has led to surging demand for power management ICs and discrete components. This, in turn, has fueled the expansion of outsourced mid- and back-end processing services. Notably, major international IDMs such as NXP, Renesas, Infineon,

Texas Instruments, and STMicroelectronics have gradually released part of their process capacity and shifted toward an OEM (Original Equipment Manufacturing) model, significantly increasing demand for contract services in the mid- and back-end segments. Meanwhile, given the characteristics of chips and packaging requirements, most design companies are concentrated in Taiwan and mainland China. This regional concentration has further driven demand growth for analog IC wafer fabrication and contract manufacturing across the Taiwan Strait. Consumer products of this type often require backside thinning and metal deposition processes, which continue to expand the development potential of the mid- and back-end process outsourcing industry.

The growth of the power semiconductor device market is primarily driven by the following factors:

(a) High-Performance Computing and Data Centers:

As demand for AI computing and cloud services continues to rise, energy consumption in data centers has become a growing concern. Power semiconductors play a critical role in enhancing power supply and thermal management efficiency, thereby reducing overall energy usage.

(b) Energy Conservation and Carbon Reduction Policies:

Governments worldwide are actively promoting energy efficiency improvements and carbon emission reductions. This trend is driving increased demand for power semiconductor devices in applications such as electric vehicles, smart grids, and industrial automation.

(c) Rapid Growth of the Electric Vehicle (EV) Market:

The widespread adoption of electric vehicles (EVs) and hybrid electric vehicles (HEVs) is accelerating the use of power semiconductors—such as SiC and GaN devices—in on-board chargers, motor drives, and inverter systems.

(d) Renewable Energy Development:

Green energy systems, such as solar and wind power, require high-performance power semiconductors to improve power conversion efficiency and minimize energy loss.

(e) Industrial and Home Appliance Upgrades:

The advancement of smart factories, industrial automation, energy management systems, and high-efficiency home appliances (e.g., inverter air conditioners and refrigerators) has increased the reliance on high-efficiency power components, thereby promoting broader adoption of power semiconductors in end-use applications.

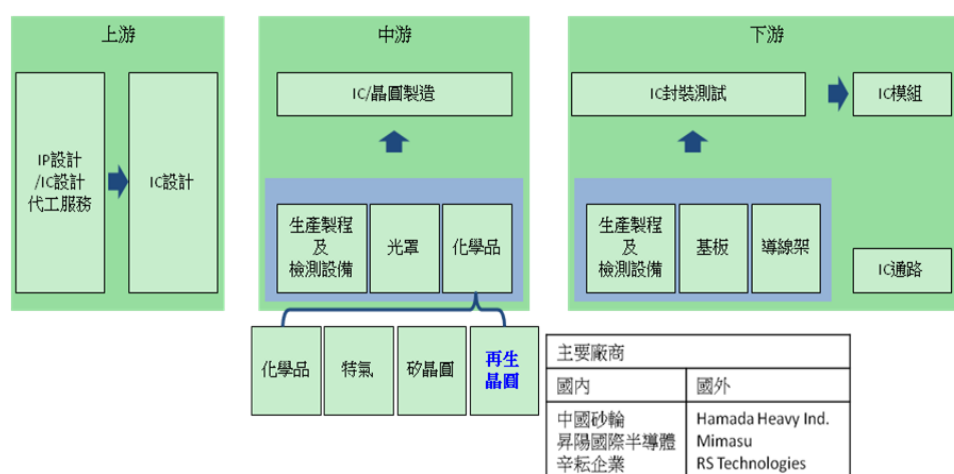
According to analysis by Yano Research Institute, the global power semiconductor market is expected to maintain steady growth in the coming years. Growth will be particularly strong in segments such as electric vehicles,



renewable energy, industrial automation, and home appliances. The adoption of new material technologies—such as silicon carbide (SiC) and gallium nitride (GaN)—is expected to further expand the overall market size and increase the rate of technology penetration.

## (2) Interrelationship between upstream, midstream, and downstream in the industry

The IC manufacturing process includes design, manufacturing, packaging, and testing. It mainly involves converting the designed circuit layout into a photomask, which is then used to mass-produce ICs. The silicon wafers produced by the wafer fab are inspected for defects, and the good dies are cut from the wafers and then packaged and tested. International companies mostly operate in a vertically integrated manner, from design, manufacturing, packaging, testing, and even system products (IDM; Integrated Device Manufacturer). Taiwanese companies adopt a more efficient and specialized vertical division of labor system, divided into upstream IC design, midstream IC photomask, manufacturing, and downstream IC packaging and testing industries, emphasizing professional division of labor. Our company mainly engages in wafer reclaim and wafer thinning process services. The recycled wafers are processed using special chemicals to acid wash, polish, and clean the customer's wafers in sequence, and then provide the IC manufacturing industry with regenerated wafers with high cleanliness for monitoring the process quality. The wafer thinning process is used to reduce the thickness of the wafers after manufacturing, deposit metal on the front and back, and test before packaging. Therefore, the semiconductor services provided by our company are wafer manufacturing services in the semiconductor manufacturing industry, belonging to the midstream of the entire industry supply chain. The interrelationships between upstream, midstream, and downstream are listed as follows:



【Source:OTC，Introduction to Semiconductor Industry Chain and Psi】

## (3) Product Development Trend

### A. Wafer reclaim Contract Manufacturing Services

Taiwan currently has the highest density of 12-inch semiconductor fabs in the world, making it the most competitive semiconductor production center. It is evident that, for the domestic market alone, as semiconductor fabs continue to develop advanced processes, the business volume of 12-inch regenerated wafers has consistently and substantially grown. So far, Taiwan semiconductor companies that have invested in 12-inch wafer production include TSMC, UMC, Powerchip, Micron, Nanya Technology, Winbond Electronics, and MediaTek, among others, all of which have a significant demand for reclaim wafers for process control purposes.

As semiconductor process technology continues to evolve and gradually moves towards 2nm process nodes and advanced packaging applications, the demand for test wafers is also increasing. Considering cost control, reclaim wafers have obvious cost advantages over test wafers, which drives customers to increase their requirements for the cleanliness of reclaim wafers and expands the usage ratio of reclaim wafers. It is expected that as the semiconductor industry continues to grow, the market demand for reclaim wafers will show an upward trend

#### B. Wafer Thinning Processing Outsourcing Services

With the trend towards lighter, thinner, shorter, smaller, and more energy-efficient 3C products, the electronics industry continues to shrink the size of integrated circuits. However, the degree to which the transistor, the basic building block of ICs, can be miniaturized is limited by existing physical constraints. As a result, effective wafer thinning is necessary to reduce the TSV channel width in 3D ICs, further shrinking the footprint of ICs, and the design of silicon wafer thinning is essential for controlling the thickness of the final product in chip design (SoC). The demand for thinning processes has evolved from the initial 260um to the current 50um (2 mil) technology.

Furthermore, since wafers are prone to breakage during transport after thinning, customers prefer suppliers who can provide a Total Solution, meaning completing multiple processes within a single outsourcing factory to reduce transportation costs. Thus, intermediate manufacturers are actively expanding their processes and offering subsequent wafer front and backside metallization, as well as pre-packaging testing, to expand their service offerings and business scope.

Our company has accumulated more than a decade of experience in wafer reclaim outsourcing and has established excellent wafer thinning and etching technology. We have also introduced electron gun deposition and sputtering technology and established a complete process for grinding backside gold. We are actively expanding our SBR (Schottky Barrier Diode), TMBS (Trench MOS Barrier Schottky), Power Driver IC, and general silicon wafer thinning and film coating services. In addition, we have completed wafer front metallization film coating and wafer electrical characteristics testing, enabling us to provide comprehensive semiconductor wafer process establishment and expand our service offerings and business scope.

#### (4) Market competition

##### A. Reclaim Business Unit v.s. major competition comparson

Company	Country	Product Dimension	Main Product	Strength / Weekness
Sciencetech Corporation	Taiwan	12 inch	Wet bench 、reclaim wafer	The Company keeps improving the manufacturing process with cost competitiveness and focuses on reclaimed wafers and customers' advanced process demands.
Kinik Company	Taiwan	8 &12 inch	Grinding wheel, Precision tool, reclaim wafer	

##### B. Thinning Business Unit v.s. major competition comparson

Company	Country	Product Dimension	Main Product	Strength / Weekness
Chipbond Technology Corp.	Taiwan	6" & 8"	Wafer gold ball bumping and thinning	Taiko 2mil BGBM process and CP testing
Micro Metal Electronics Co., Ltd.	Taiwan	6", 8", 12"	wafer thinning	FSM and Taiko 2mil BGBM process with CP testing
Micro Silicon Electronics Co., Ltd.	Taiwan	6", 8", 12"	Wafer testing and thinning	Taiko 2mil BGBM process
Prosperity Power Technology Inc.	Taiwan	8"	Wafer testing and thinning	FSM process and cost-efficient wet etching system
United Microelectronics Corp. (UMC)	Taiwan	8"	Foundry and wafer thinning	FSM process and CP testing
Vanguard International Semiconductor Corp.(VIS)	Taiwan	8"	Foundry and wafer thinning	FSM process and cost-optimized evaporation system
Hangzhou Silan Microelectronics Co., Ltd.	China	8", 12"	Foundry and wafer thinning	FSM and Taiko 2mil BGBM process with CP testing

##### C. Possible future competitors in the market

###### (A) Wafer reclaim foundry services

Japanese reclaim wafer suppliers such as RS Tech and HAMADA, which have been affected by the transformation of the Japanese semiconductor industry, are actively expanding into the Taiwanese and Chinese markets, thereby forming a competitive relationship with our company. However, after continuously improving the quality, widening the gap between us and our competitors, and effectively controlling costs, our company has become the main supplier of regenerated wafers for semiconductor foundries, and can provide high-specification products for customers to use in the most advanced processes. Among many competitors, we still have a clear advantage.

### (B) Wafer thinning foundry services

In addition to the aforementioned Taiwanese manufacturers and Hangzhou Silan Microelectronics, several 12-inch foundries in China are also actively promoting 12-inch BGBM wafering services.

AVIC Semiconductor: As an important part of China's military and power semiconductor supply chain, AVIC Semiconductor has invested in 8-inch and 12-inch power semiconductor manufacturing processes. HHGrace: One of China's major power semiconductor foundries, HHGrace provides 8-inch and 12-inch BGBM process services. CSMC (China Resources Microelectronics): Specializing in power semiconductor foundry services, CSMC possesses backside metallization capabilities and offers wafer foundry services for IGBT, MOSFET, and SiC devices.

### 3. Technology and R&D Overview

#### (1) R&D expenses for the year 2024 and up to the issuance date of this annual report

Unit: NT\$ thousand

Item/Year	2024	2025 First Quarter(Note)
R&D expenses	69,086	25,124
Operating revenue	3,551,607	1,082,444
R&D expenses of operating revenue (%)	1.95	2.32

Note: The Financial Report for the first quarter of 2025 have not yet been reviewed by the CPA.

#### (2) Newly Developed Technology and Products in Recent Years

Product Category	R & D results	Benefits
Wafer reclaim foundry service	32nm 12" test wafer product	12-inch test wafer 32nm grading has reached mass production, which can expand product portfolio and meet different customer needs.
	Technology to reduce metal residue on surface	The test wafer surface has low metal contamination, which can meet the needs of advanced processes and make the product more competitive in the market
	12" flat & low trace metal test wafer process technology	Develop new process technologies to meet the needs of new products and new applications
Power Device wafer thinning process service.	6"/8" GaN wafer thinning process development	Development completed 150um & 300um thinning of GaN power device wafer and wafer backside metal process.
	6" /8" SiC wafer thinning process development	Development completed 100um & 180um thinning of SiC high-power device wafer and wafer backside metal process and Laser anneal process.
	12" MOSFET wafer BGBM process technology development	Development completed 12" wafer thinning and backside metal process and delivery engineering wafers for international customer qualification.

Product Category	R & D results	Benefits
Point of care diagnosis chip	Mono/ multiple protein chips	The chip detection limit reaches pg/ml level, protein recover rate between 80-120% for 30min in a lower plasma sample. The sensitivity, specificity > 90%.
	Nucleic acid chip	The chip detection limit reaches fg/ml level, nucleic acid recover rate between 80-120% for 60min in a lower sample. The sensitivity, specificity > 95%.
	The customized biochip service for academic research institutions	Provide customized service to expand chip application field and media exposure.

#### 4. Long and Short-Term Business Development Plan

##### (1) short-term Plan

###### A. Marketing Strategy

- a. Our company's top priority in management is customer satisfaction, improving quality rate, short and stable product delivery, and prompt handling of customer complaints, all following QS9000 operation processes, to comprehensively enhance competitiveness.
- b. We are committed to meeting the increasing demands of our business and actively seeking various production possibilities based on different customer usage characteristics, formulating marketing strategies, actively developing domestic and foreign markets, and meeting customer needs.

###### B. Production Strategy

- a. In line with market strategy, fully utilize machine capacity, improve yield, shorten delivery time, meet different product demands in the market, and develop unique products based on core technologies to differentiate ourselves from competitors.
- b. Implement quality management systems to further enhance our company's quality image, and improve competitiveness.

###### C. R&D Strategy

Our company's research and development focus will be on "developing higher value-added products" for existing products, using innovation to increase added value, create higher profits, and establish leadership in the market.

##### (2) Long-term Plan

###### A. Marketing Strategy

- a. In addition to existing domestic and foreign customers, actively develop customers in the Asia-Pacific and Europe and America regions to diversify the product marketing areas. At the same time, strengthen the international

marketing capabilities of sales personnel through training to provide customers with more comprehensive services..

- b. Through the established domestic customer base, actively introduce new processes and machinery and promote them to top international factories to establish a dual barrier of technology and marketing.

#### B. Production Strategy

Establish long-term partnerships with major domestic and international wafer fabs, major customers, and agents to stabilize wafer source quality and sales channels for mutual benefits. Actively promote various quality certifications such as IATF16949 (automotive product certification) and ISO13485 (medical equipment quality certification) to comprehensively improve quality and quantity and aim to become a world-class scale contract manufacturer.

Psi has increased its production capacity to support and meet customer needs. In 2021, it has become the largest wafer reclaim foundry in Taiwan. The Psi Taichung plant started operations in June 2022, supplemented by the production of automated overhead traveling unmanned guided vehicles (OHT), which continues to contribute to output and hopes to become the world's number one.

#### C. R&D Strategy

- a. Create more core technologies to develop high-value-added products in line with the improvement of production processes and continue to research related technologies.
- b. Seek cooperation with academic research institutions or wafer manufacturing peers at home and abroad to obtain key technologies to enhance product levels and accelerate product development.

### ii. Markets and Sales Overview

#### 1. Market analysis

##### (1) Sales Area

Unit: NT\$ thousand ; %

Area \ Year		2023		2024	
		Amount	%	Amount	%
Domestic sales		3,045,416	91.52	3,016,433	84.93
Export	Asia	265,997	7.99	325,357	9.16
	Americas	9,089	0.27	203,927	5.74
	Europe	7,198	0.22	5,890	0.17
	Sub-total	282,284	8.48	535,174	15.07
Total		3,327,700	100.00	3,551,607	100.00

##### (2) Market share

Wafer reclaim focuses on regional services. According to statistical data, according

to statistics, major suppliers in Taiwan's wafer reclaim market include our company, RS, Kinik and Scientech.

According to Psi's own statistics from the second half of 2024, our company's current 12-inch reclaim wafer production capacity accounts for approximately 55-60% of the Taiwan market share. Although there is no public research organization to quantify the exact proportion of the wafer thinning market, our company has a monthly production capacity of approximately 40,000 wafers, accounting for approximately 20% of the Taiwan market, and mainly serves well-known vertically integrated manufacturers (IDMs) and IC design companies at home and abroad. Our company has a certain operating scale and corporate image in the industry, providing a reference and learning direction for competitors in the same industry

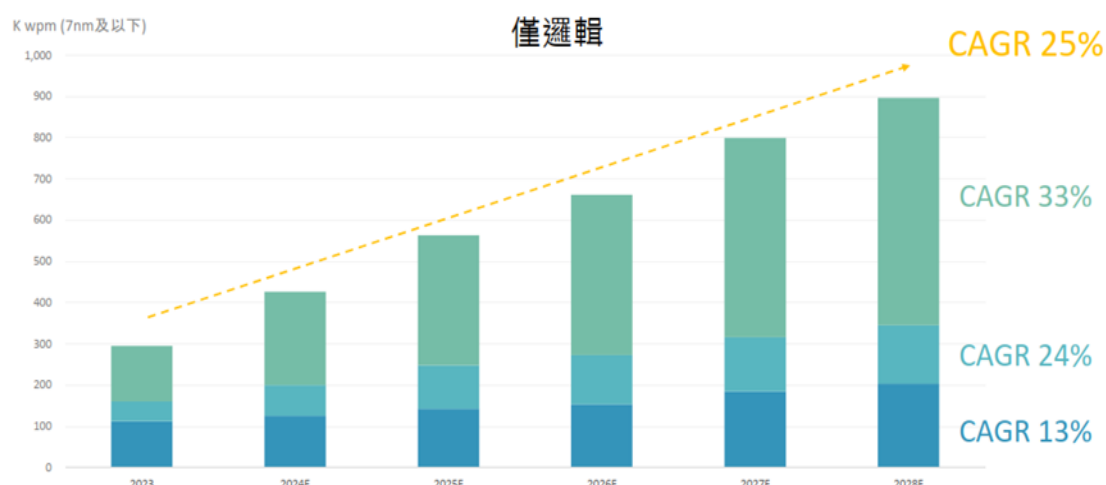
(3) Future market supply and demand and growth prospects:

A. Wafer reclaim foundry services

Wafer reclaim foundry services are inherently regional, with customers primarily being local wafer foundry companies.

As wafer sizes increase, stricter product cleanliness requirements and substantial capital expenditures on equipment create high entry barriers. Except for a few Japanese semiconductor companies that have entered the wafer reclaim business as part of their industrial transformation and emerged as major new competitors, the structural barriers of this industry make it difficult for new entrants. As a result, Taiwan's wafer reclaim industry has developed into an oligopolistic market.

According to data from industry research institutions, the compound annual growth rate (CAGR) of advanced process capacity is projected to reach 25% from 2023 to 2028, primarily driven by rapid growth in three major application areas: AI servers, AI PCs, and smart electric vehicles. These applications not only significantly increase overall wafer demand but also drive rapid growth in demand for advanced nodes below 7nm. For example, the volume of advanced node wafers consumed by AI servers is approximately 3.8 times that of general-purpose servers. This trend has raised both the technological thresholds and capacity requirements for semiconductor manufacturing, further accelerating industry innovation and technological advancement. Looking ahead, with robust market and customer demand, we will continue to plan capital expenditures in a timely manner to meet customer requirements in both quality and quantity.



【Advanced process capacity growth forecast. Source: SEMI, Sumco, and Psi analysis.】

## B. Wafer Thinning Foundry Services

Wafer thinning can effectively reduce the on-resistance (RDS(on)) of power semiconductors, thereby minimizing power losses during conduction and enabling low-power operation. It is a key process technology that enhances device performance. As high-value-added power semiconductors transition toward 12-inch wafers and the demand for high-frequency switching and fast charging in electric vehicles increases rapidly, our company has collaborated with customers to jointly develop 12-inch wafer thinning processes for analog ICs and compound semiconductor (e.g., SiC-based) thinning services to meet growing market demand. In addition, with countries worldwide promoting ESG-driven sustainable development, the power semiconductor device market is expected to continue expanding.

Driver MOS (Dr. MOS) technology integrates the driver IC, high-side MOSFET, and low-side MOSFET into a single, highly integrated device using a quad flat no-lead (QFN) package, enabling more efficient power management. As CPU and GPU power requirements increase, Dr. MOS offers significant advantages over discrete components by reducing parasitic capacitance and inductance, which lowers switching losses and improves efficiency. Furthermore, strong demand from AI servers has driven higher integration of driver ICs and MOSFETs, making Dr. MOS technology increasingly important in wafer thinning applications. Meanwhile, declining production costs for silicon carbide (SiC) have accelerated its adoption, enabling more stable power delivery to CPUs and GPUs while reducing the number of power components required.

According to a study by Yano Research Institute of Japan, the global power semiconductor market (based on vendor shipment volume) is expected to experience steady growth in the coming years. This growth will be driven by demand from home appliances, next-generation vehicles (including EVs and HEVs), renewable energy



equipment, and factory automation.

(4) Competitive advantage

A. High production technology content

Our company has professional technical personnel and continuously improved professional technology, providing semiconductor manufacturers with highly efficient technical services. Our performance in terms of removal rate, flatness, and cleanliness can meet the strict quality control requirements of our customers, not only meeting their quality and production capacity needs but also providing them with cost-saving solutions. Our thinning process technology and high yield in the production process have achieved a production record equivalent to more than 6.5 million 8-inch wafers.

B. Our customers are mostly international well-known semiconductor giants, which enhances market competitiveness.

Our company is located in a highly competitive production center with a high density of 12-inch semiconductor factories, close to the semiconductor industry chain. Our process capabilities have been certified by end customers, and we maintain a close relationship with our customers in both business and production personnel who actively cooperate with customer needs. Our research and development personnel plan ahead for new product applications and establish a new type of supply chain and value chain services for our customers. We are committed to improving product yield and reducing unnecessary costs, successfully surpassing foreign competitors in terms of delivery time, flexibility, and cost advantages. We have gained recognition from international well-known semiconductor customers and have been awarded the Outstanding Supplier Award. Our technical capabilities are highly recognized by international giants, which is one of our company's advantages for future market competition.

C. Multiple patent layout

In addition to continuously enhancing process capabilities and exploring new product applications, our company also maintains a focus on reclaiming wafer processes and patents related to wafer thinning. We have obtained several invention patents and utility model patents, with several invention patents awaiting approval. The strategic deployment of these patents and trade secrets will be key to differentiating our company from competitors and standing out in the industry.

D. Production line automation

In addition to process technology, our company has also introduced a fully automated production line. In addition to maintaining high-quality production, this production line can further improve production efficiency and reduce labor costs. Under mass production, customers will have more competitive space, and it will also be helpful for business expansion.

(5) Favorable and unfavorable factors for future development and response strategies

A. Favorable factors

a. Complete professional division of labor in the domestic semiconductor industry

The Taiwanese semiconductor industry has the advantage of a complete upstream and downstream industry chain, high degree of professional division of labor, significant industry cluster effect, and perfect peripheral support industry. The foundries, packaging, and testing factories all have economies of scale, specialized manufacturing capabilities, flexible production scheduling, world-class service quality, and quick response capabilities, which can provide high-quality and internationally competitive products. This will be a major foundation for future development.

b. The industry and end-market applications to which the products belong will continue to grow in the future

The products served by the company are used in consumer electronics, smart cars, and the Internet of Things (IoT) products. The main product in the consumer electronics market is smartphones, although the growth rate of the smartphone market has slowed down, demand remains high. Handheld mobile devices and other consumer electronics products continue to pursue the characteristics of being light, thin, short, small, and low power consumption, which requires increasingly specialized processes for wafers and sensors. Smart cars will replace traditional cars and become mainstream, and the widespread use of sensors is critical for achieving smart cars. The demand for sensors in the IoT is particularly high, and it is expected that the application areas of the process services provided by the company will become more extensive in the future, and demand will continue to grow.

c. Customers are mostly internationally renowned companies

Most of our customers are globally renowned semiconductor giants. By obtaining ISO9001 and IEQC certifications as guarantees of production quality, we also assist our customers in establishing related product information and providing real-time technical support. We engage in long-term and continuous cooperation with our customers to develop new applications for products, such as the development of new materials, front-end metal processing, and wafer testing. We aim to establish new types of supply chain and value chain services for our customers and maintain a close cooperative relationship with them. We have been awarded the Annual Outstanding Supplier Award by our customers and expect to continue our close cooperation with them, leading to stable business growth.

B. Adverse Factors and Response Strategies

a. The market changes rapidly, and the life cycle of end-use products is short, and competition is fierce.

Semiconductor technology is constantly evolving, and product functionality and specifications are constantly being updated. Rapid market demand changes require the midstream semiconductor manufacturing industry to constantly improve R&D and manufacturing processes to keep up with upstream IC design companies and wafer foundries' new product development process applications and meet the trend of lighter, thinner, shorter, and smaller end products.

Response strategies:

In response to the continuous evolution of the semiconductor industry and its underlying technologies, the Company's competitive advantage lies in the ongoing development of advanced processes and new technologies, the strengthening of strategic partnerships with key customers, and the integration of upstream and downstream industry technologies to provide high value-added foundry services. These efforts support leading global customers in gaining market share. With the steady emergence of markets such as automotive electronics, the Internet of Things (IoT), and artificial intelligence (AI), our major customers have begun diversifying their product portfolios to mitigate operational risks arising from weakening demand for mature products. Looking ahead, by continuing to collaborate with leading international clients and leveraging the Company's diverse foundry capabilities, we aim to broaden the application scope of our services and effectively respond to rapid market changes and increasing industry competition.

b. Risk of R&D talent loss

With the continuous development of the semiconductor industry, the demand for R&D talent from domestic and foreign semiconductor companies has increased, making R&D talent gradually scarce. Experienced R&D personnel often become targets for recruitment by competitors, creating a risk of talent loss.

Response strategy:

The company establishes a mechanism for cultivating technical personnel through the transfer of knowledge from senior technical personnel, sharing of practical experience, case studies, and internal education and training to reduce the impact of personnel turnover. At the same time, the company actively recruits outstanding talent to build a strong R&D team. In addition, the company provides a good working environment and establishes a systematized employee benefit and reward system to enhance employee morale. For R&D personnel, the company requires them to sign confidentiality agreements and appropriately save data related to the technologies they have developed to prevent the risk of technology loss due

to personnel turnover. In addition, the Company continues to promote long-term stock subscription and employee stock ownership trust plans for key talents, and has increased the company's contribution ratio for stock ownership trusts to 50% since December 2024 to strengthen the long-term incentive mechanism and in the future, we can share the Company's operating results with our employees through the issuance of employee stock option certificates, new shares with restricted employee rights, and employee compensation and other tools, in order to increase the centripetal force of our employees.

c. Companies with wafer production experience entering the competitive foundry services market

The emerging mid-end industry that our company belongs to is a focus of attention in the semiconductor upstream and downstream industry chains. These emerging technology methods were originally part of various industry supply chains, resulting in an industry gray area. Both front-end and back-end semiconductor manufacturers want to enter the mid-end process. Back-end testing and packaging companies and printed circuit board manufacturers have also become potential competitors in the emerging embedded die and interposer markets.

Response strategy:

The Company's customers include globally renowned total solution providers in the semiconductor industry. Through joint development projects, the Company has established strong collaborative relationships, enabling it to gain early insight into end-market demand and proactively adjust process technologies. The Company also collaborates with leading global wafer foundries to secure a stable stream of orders and maintain visibility into downstream needs, thereby enabling the early launch of high-quality power devices and reinforcing its position as a market benchmark. With years of experience in contract manufacturing, the Company now offers a comprehensive Total Turnkey Solution, and going forward, will further strengthen customer relationships and assist clients in resolving process and technical challenges.

d. Global supply chain restructuring and intensified technological competition

In 2025, the global economy and semiconductor industry continue to face challenges stemming from the rapid development of generative AI technologies and adjustments in U.S. tariff policies, creating uncertainties in market demand and supply chain stability. With rising geopolitical risks, the United States is accelerating the localization of semiconductor production, prompting global manufacturers to restructure their capacity allocation. The Company is also exposed to potential risks arising from customer production

line shifts and changes in procurement models, which may affect the stability of existing supply nodes and delivery performance.

Response strategies:

Our company's customers are globally renowned Total Solution semiconductor manufacturers. Through joint development with customers, we establish cooperative tacit understanding and can understand end-market demand to adjust process technology in advance. Our company also collaborates with globally renowned wafer foundries to solidify order sources and grasp end demand, leading to the launch of high-quality power components and establishing a benchmark image in the market. Our company has accumulated years of foundry experience and provides Total Turnkey Solutions. In the future, we will strengthen customer relationships and assist customers in solving process and technology problems.

## 2. Important Uses and Manufacturing Processes of Main Products

### (1) Important Uses of Main Products

#### A. Reclaimed Wafer Foundry Services

Reclaimed wafer foundry services and thin dummy wafer foundry services are provided to semiconductor manufacturers for use in testing equipment cleanliness, adjusting and optimizing process parameters, and monitoring processes before large-scale production of IC products. In terms of chemical deposition processes, various thin films (such as oxide films, polysilicon films, and silicon nitride films) are deposited. The electrical and physical properties of these thin films on the test wafers are then measured, and the measurement results are used to adjust and optimize important process parameters for controlling thickness and uniformity. Monitoring the processes of important equipment in the furnace tube area, photoresist area, and metal film area is also crucial. Clearly, control wafers are necessary consumables in the mass manufacturing process to maintain optimal process yield. Using reclaimed wafers can save a lot of wafer material operating costs compared to new test wafers (virgin test wafers).

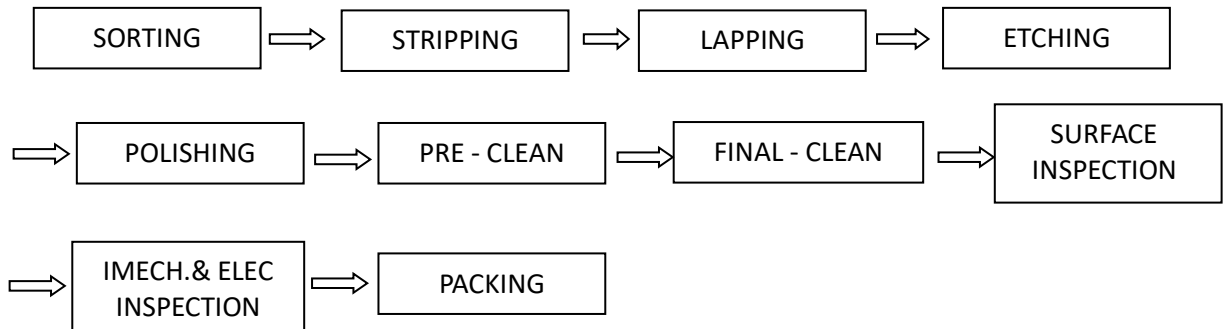
#### B. Wafer Thinning Foundry Services

Wafer thinning foundry services are a critical part of midstream semiconductor manufacturing, comprising several essential process steps. The wafer thinning process mainly focuses on the thinning and backside processing of analog and power semiconductor wafers, enabling these power devices to meet both electrical performance requirements and packaging specifications. It is an indispensable step in power semiconductor manufacturing. Furthermore, wafer thinning is often integrated with related services such as front-side metallization (secondary process), wafer testing, and wafer dicing, and offered as a turnkey foundry solution. This integrated service model not only enhances the breadth and

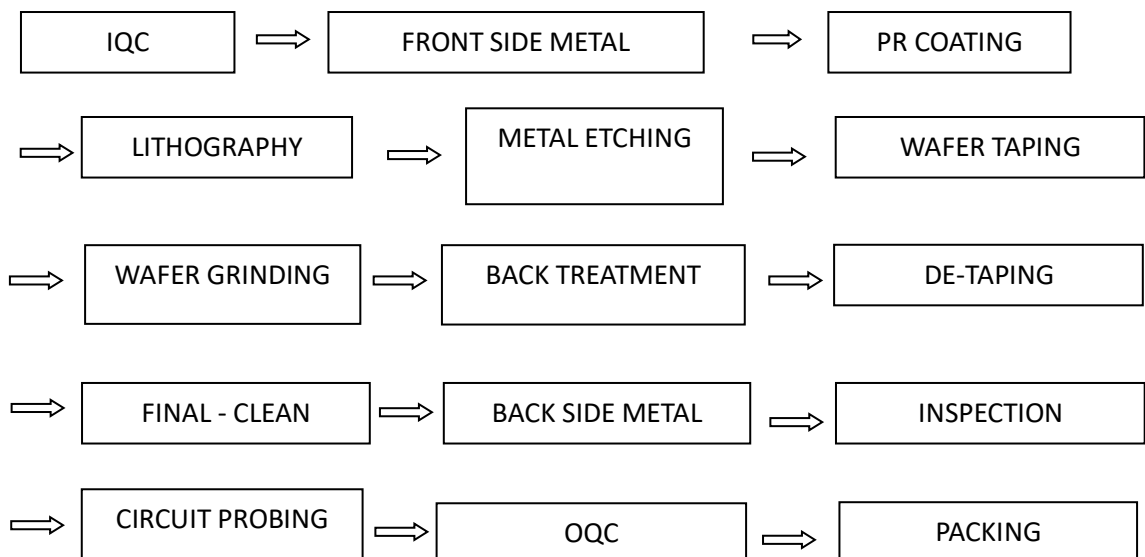
depth of customer service but also simplifies the customer's product processing supply chain, improves product quality and delivery lead time, and ultimately supports customer satisfaction.

## (2) Process Flow

### A. Wafer Reclaim Process



### B. Wafer Thinning Process



## 3. The Supply Status of the Main Raw Materials

The main raw materials of the products of the Company is slurry, Sputtering Target, 12" PAD and 8" Tape etc. Purchasing policy is a comprehensive evaluation of factors such as supplier quality, price, delivery and coordination. In addition to continuing to establish good relationships with existing suppliers, and in the meantime, actively seek other excellent suppliers. Among the procurement targets of the Company, there is no large-scale purchase from a single supplier, and its proportion is still scattered. Therefore, there is no risk of concentrated purchases or unstable sources of supply.

Main materials	Supplier name	Supply situation
Slurry	A Company	good
Slurry	B Company	good
Sputtering Target	C Company	good
12" PAD	D Company	good
8" Tape	E Company	good

4. Name of clients who have accounted for 10% or more of the annual purchase (sales) in either of the last two years; the amount and ratio of such purchase (sales); the reason for changes

(1) Net purchase accounted for 10% or more of the annual purchase

Unit: NT\$ thousand ; %

Item	2023				2024			
	Company	Amount	Ratio to net annual purchase(%)	Relationship with the Issuer	Company	Amount	Ratio to net annual purchase(%)	Relationship with the Issuer
1	AA Company	73,013	9.68	None	AA Company	75,694	11.19	None
2	BB Company	79,063	10.48	None	BB Company	41,575	6.14	None
3	Others	602,202	79.84	-	Others	559,342	82.67	-
	Net purchase	754,278	100.00		Net purchase	676,611	100.00	
Reasons for changes : The changes in procurement are primarily influenced by variations in market conditions and differences in customer product demands.								

(2) Net sales accounted for 10% or more of the annual sales

Unit: NT\$ thousand ; %

Item	2023				2024			
	Company	Amount	Ratio to net annual sales(%)	Relationship with the Issuer	Company	Amount	Ratio to net annual sales(%)	Relationship with the Issuer
1	AA Company	2,295,638	68.99	None	AA Company	2,486,982	70.02	None
3	Others	1,032,062	31.01	-	Others	1,064,625	29.98	-
	Net sales	3,327,700	100.00		Net sales	3,551,607	100.00	
Reasons for changes : The changes in sales are primarily driven by variations in market conditions and the individual business needs and performance of specific customers.								

iii. Human Resources

Unit: person

Year		2023	2024	2025 as of March 31
Number of employees (persons)	Direct Staff	450	452	469
	Indirect Staff	412	375	374
	Total	862	827	843
Average Age		36.95	37.32	37.24
Average Seniority (years)		4.87	5.38	5.36
Education %	Doctors	1.04	1.09	1.07
	Masters	11.83	11.97	11.51

Year		2023	2024	2025 as of March 31
	Bachelor's Degree	62.30	70.86	71.17
	Senior high schools and below	24.83	16.08	16.25
	Total	100.00	100.00	100.0

iv. Environmental Protection Expenditures

1. The loss (including indemnity) caused by pollution to the environment, the total amount of penalty in the last years to the day this report was printed, and disclose the policy in response (including corrective action plan) to the situation and possible spending (including the loss deriving from the failure to take action in response to the situation, penalty, and the estimated amount of indemnity. If it is not possible to make reasonable estimation, explain with evidence):

Company Name	Incident	Countermeasures and improvements
Phoenix Silicon International Corporation	<ol style="list-style-type: none"> <li>1.Date of Disposition: June 28, 2024</li> <li>2.Disposition Reference Number:No. 1130096481, issued by the Environmental Protection Bureau</li> <li>3.Violated Regulation: Article 24, Paragraph 2 of the Air Pollution Control Act</li> <li>4.Details of Violation: On September 28, 2023, during a review of the scrubber liquid flow rate operation records, it was found that the flow rate did not comply with the approved range specified in the Company's stationary pollution source operation permit for the integrated circuit manufacturing process.</li> <li>5.Disposition Details: A fine of NT\$100,000 and mandatory participation in an environmental education course.</li> </ol>	Facility monitoring computers are deployed in parallel at key monitoring points, with early warning functions added.
Phoenix Silicon International Corporation	<ol style="list-style-type: none"> <li>1. Date of Disposition: August 16, 2024</li> <li>2. Disposition Reference Number: No. 1130095674, Issued by the Environmental Protection Bureau of Taichung City Government</li> <li>3. Violated Regulation: Article 31, Paragraph 1, Subparagraphs 1 and 2 of the Waste Disposal Act</li> <li>4. Details of Violation: During an inspection conducted at the Zhonggang Plant on May 29, 2024, it was found that: The production volume of non-hazardous mixed waste liquids from December 2023 to February 2024 exceeded the maximum monthly generation volume specified in the waste clearance plan by more than 10%. Additionally, for mixed waste containing toxic heavy metals exceeding the leaching standards, the production volumes for September, November, and December 2023, after deducting the reported quantities in waste manifests, did not comply with the permitted storage limits.</li> <li>5. Disposition Details: A fine of NT\$66,000 and mandatory participation in an environmental education course.</li> </ol>	Establish a waste generation statistics form. After each batch of waste is removed, the disposal agency completes the declaration form. The weight is then recorded in the statistics table and submitted after supervisor review.



## v. Labor Relations

### 1. Employee Benefits, Training, Education, Retirement Policy, Executions and Labor Negotiations and Measures to Protect Employee Rights.

#### (1) Employee Welfare Policies:

- A. The Company provides stable and growing salary packages, promotion procedures, and employee reward systems to recognize the contributions and efforts of all employees.
- B. In addition to basic benefits such as labor insurance, health insurance, group insurance, and retirement payments, the Company also offers various welfare measures, including year-end bonuses, birthday and holiday gifts, annual parties, support for weddings and funerals, scholarship subsidies, childbirth subsidies, free indoor parking, an employee cafeteria (providing lunch, dinner, and late-night meals) with meal subsidies, free self-service beverage machines, and employee dormitories, striving to create a comprehensive life support system.
- C. The Company implements flexible working hours and lunch break systems, and promotes a precision time tracking policy, where leave and overtime are calculated by the minute, balancing the protection of employee rights with work efficiency.
- D. The Company offers diverse voluntary benefits such as departmental gatherings and deferred annual leave, enhancing employee engagement and satisfaction, and fostering a friendly workplace environment.
- E. The Company promotes an employee stock ownership trust plan, and from December 2024, increased the company's contribution ratio to 50%, in order to strengthen long-term incentive mechanisms, enhance employees' sense of belonging, and further unite organizational cohesion and overall competitiveness.

#### (2) Employee Education and Training:

The Company provides diverse training courses, various professional on-the-job education, and personal development programs, including new employee training, team-building activities, on-the-job training courses, labor safety and health education, professional courses, as well as various external training programs related to job duties. In 2024, the Company promoted an English proficiency enhancement program by procuring a professional English learning platform, which was made available to employees at no cost, fully covered by the Company, aiming to cultivate talents with both professional competence and a spirit of challenge.

#### (3) Retirement System and Implementation:

The Company has established a defined benefit retirement plan in accordance with the Labor Standards Act, contributing 4% of the total monthly salary of employees under the old system to a retirement reserve fund, which is deposited in a dedicated account at Taiwan Bank under the name of the Labor Retirement Reserve Supervisory

Committee. The balance of this account is regularly reviewed to ensure it is sufficient to meet the retirement benefit obligations for employees under the old system, thereby safeguarding their retirement rights.

Since the implementation of the Labor Pension Act (New Pension System), the Company has complied with relevant regulations by contributing 6% of each new employee's monthly salary to their individual pension accounts. To further enhance employees' retirement security, starting from July 1, 2024, the Company has increased its contribution rate from the statutory 6% to 7% for employees who voluntarily contribute 6% of their salary, resulting in a total contribution rate of 13%. In a continued effort to optimize the pension system, the Company will further raise its employer contribution rate to 8% starting April 1, 2025, bringing the total contribution to 14%. This initiative reflects the Company's strong commitment to employee well-being and demonstrates its dedication to long-term talent development and sustainable workforce care.

(4) Labor-Management coordination

The rules and regulations of the Company were instituted in accordance with the Labor Standard Act. Labor-Management conference is held at regular intervals under the Regulations Governing Labor-Management Conferences. The Labor-Management relation of the Company has long been harmonious with through channels for communications. Discussion would be held in the Labor-Management Conference and the Employee Welfare Committee on matters related to the benefits on both sides. Communication of this kind helps to improve mutual understanding of the needs and expectation. All of the Company share the common value of coexistence and mutual prosperity and create a better future of the Company in joint effort.

(5) Employee Rights Protection Measures:

The company has established a comprehensive management system that specifies the rights, obligations, and welfare benefits of employees and periodically reviews and revises welfare contents to protect the rights and interests of all employees.

(6) Employee Rights Protection Measures:

A. Measures

- (a) Conduct regular employee health examinations and implement tiered follow-up management.
- (b) Establish an on-site medical room, staffed with one full-time occupational health nurse, and arrange monthly on-site services by a board-certified occupational medicine physician.
- (c) Organize health promotion seminars and activities.
- (d) Disseminate health knowledge on a monthly basis.
- (e) Implement a Maternal Health Protection Program to prevent workplace environment and job-related risks from affecting pregnant employees and their fetuses.

- (f) Implement an Overwork Hazard Prevention Program to reduce the risk of cerebrovascular and cardiovascular diseases caused by extended working hours, night shifts, and rotating shifts.
- (g) Implement an Ergonomic Hazard Prevention Program to mitigate the risk of musculoskeletal occupational diseases.

#### B. Implementation Status

- (a) In 2024, a total of 795 employees participated in the general health examination, with a participation rate of 98.2%. Sixty employees participated in special health examinations for operations with specific health hazards, achieving a 100% participation rate. A total of 196 high-risk employees, classified through health management assessments, received follow-up education and guidance from healthcare personnel.
- (b) In 2024, the occupational health nurse provided a total of 379 health-related services. The occupational physician conducted 12 on-site service sessions, offering health consultations and health education services to 149 employees.
- (c) In 2024, seven physical/online health seminars were held, with a total attendance of 137 participants. These seminars aimed to deliver accurate health knowledge, promote disease prevention awareness, and enhance employees' health literacy. Two health promotion activities were organized: a weight loss program and a walking challenge, with 178 total participants. The weight loss program achieved a cumulative weight reduction of 290 kilograms, while the walking challenge recorded a cumulative 80,177,592 steps, equivalent to a reduction of approximately 14,400 kilograms in carbon emissions. These activities contributed to reducing obesity rates, increasing physical activity, decreasing sedentary behavior, and lowering the risk of chronic diseases among employees.
- (d) Health-related information and event announcements were shared via the Company's internal website and email, with a total of 70 messages issued in 2024.
- (e) Under the Maternal Health Protection Program, six employees underwent assessments and management during 2024, achieving a 100% completion rate. Two employees returned to work within one year postpartum, with a 100% follow-up evaluation completion rate.
- (f) Under the Overwork Hazard Prevention Program, 792 employees were assessed in 2024. Sixty-two were identified as medium risk and four as high risk. High-risk individuals were referred for consultations with occupational physicians and received follow-up monitoring of their physical and mental health conditions.
- (g) Under the Ergonomic Hazard Prevention Program, 792 employees were assessed in 2024. Thirty-six employees were suspected of having ergonomic-related issues. Healthcare personnel monitored musculoskeletal discomfort symptoms and coordinated with occupational safety personnel and unit supervisors to conduct workplace hazard evaluations to prevent occupational musculoskeletal disorders.

#### (7) Work environment and employee personal safety protection measures

A. The Company recognizes the importance of workplace environment and the protection of employee safety, and places great emphasis on the effectiveness of related safety measures. In addition to adopting the ISO 14001 Environmental Management System and the ISO 45001 Occupational Health and Safety Management System, the Company also complies with ISO requirements and relevant regulations established by the Science Park Administration. A systematic management approach has been implemented, achieving significant results in control and risk mitigation. The main objectives and management plans are summarized as follows:

Item	Target	Program	Presentation	Implementation situation
1	Pass fire safety inspection	According to fire inspection related measures	Fire facilities, fire lines and regular safety inspections.	Equipped with qualified fire protection facilities, making signs and advocacy
2	Installation of leakage protection devices to protect electrical pipelines.	Power safety management program	According to the OPSE-014 power safety management program.	1. No personal electrical appliances are allowed in the factory. 2. It is prohibited to connect extension cables in the factory.
3	The product properties are in compliance with environmental protection specifications, ensuring that no impurities such as organic solvents and non-environmental materials are added during the test	Product property control	During the test, it is not allowed to change raw materials, auxiliary materials, tools or equipment, and it is forbidden to add impurities such as organic solvents. The components that the maintenance personnel need to replace must meet the same suppliers used in the environmental protection materials regulations, and the product names and specifications of the same batch must be replaced or replaced by non-environment materials for private use.	Compliant with ISO 9001.
4	Bright working environment and fire safety inspection facilities	Control of the work environment	Lighting equipment and fire extinguishers should be sufficient. If they are inadequate or damaged, they should be replaced immediately. Regular inspections should be performed once a month	It complies with the ISO 45001 standard and passed the audit of the fire control authority.
5	Environmental	Pollution	The plant has a fixed	Meets ISO 14001

Item	Target	Program	Presentation	Implementation situation
	permits obtained	projects have obtained environmental permits	pollution source prevention permit, a water pollution prevention permit, and a letter of approval for the waste cleaning plan.	specifications
6	Operating environment meets regulatory standards	Working environment detection	Every 6 months, the operation environment monitoring is performed to ensure that the operation environment control factors meet regulatory standards	Comply with Occupational Safety and Health Law
7	Implement the prevention of fires, earthquakes and other disasters to protect human lives and reduce the chance of disasters in an all-round way	Fire protection plan	According to the fire protection law, the necessary matters of fire prevention shall be implemented, and the purpose of preventing fire, earthquake and other disasters shall be implemented.	Hsinchu City Fire Bureau inspection and approval.
8	Business Continuity Plan	establish business continuity plan	Establish BCP based on risk indicators in the factory	Based on internal risk indicators, run BCP drills every two years, reviewed by executives.
9	Contractor's operation is harmless	Contracted Safety Management	Operate according to the OPSE-005 safety and health management procedures for contractors to effectively manage contracting operations and ensure operational safety.	Comply with Occupational Safety and Health Law.
10	Proper use of protective gear	establish protective gear using SOP	Operate according to the OPSE-003 protective gear management program in the factory to provide operator safety protection	Comply with ISO 45001 and Occupational Safety and Health Law.
11	Equipment Safety Management	Establish a safety specification review process	In accordance with the in-house OPSE-012 Equipment Relocation Safety Inspection Procedure, the required safety mechanisms for equipment must be incorporated into the mandatory evaluation	Comply with ISO 45001 and Occupational Safety and Health Law.

Item	Target	Program	Presentation	Implementation situation
			criteria at the time of equipment procurement. Before the equipment is put into use upon arrival at the facility, it must undergo a safety inspection by relevant departments and obtain approval prior to activation.	

#### B. Safety environment

The Company conducts annual fire safety inspections at its facilities. Any non-compliance issues identified are rectified within the same year to ensure compliance with regulatory requirements. Building safety inspections are carried out every two years, and inspection records are duly submitted for reporting purposes. In addition, the Company's fire protection engineers perform monthly self-inspections of fire safety systems. Employees also participate in internal fire safety training and emergency response drills to familiarize themselves with evacuation routes and enhance their emergency response capabilities. Furthermore, the Company conducts occupational environment monitoring every six months to ensure that exposure to workplace pollutants remains within legally permissible limits.

#### C. Comprehensive security guarantee

The company's operating environment planning and design take safety as the first consideration and comply with relevant laws and regulations to protect the personal safety of employees. Regular fire safety inspections and a "fire manager" to plan the fire safety operations of our factory. Our insurance covers "fire and public accident insurance" to protect company property and equipment; employees participate in "group insurance" to provide life protection and Medical quality, including medical insurance such as life insurance, accident insurance, and hospitalization insurance; resident security personnel regularly inspect the perimeter environment of the factory area; infrared sensors are set on the perimeter of the factory area, which will be triggered when outsiders enter the factory through abnormal channels. Alarm, security personnel will immediately track to ensure the safety of plant personnel.

#### (8) Employee Code of Conduct:

To ensure that employees at all levels understand ethical concepts, rights, obligations, and behavioral guidelines, the company has developed related regulations and provisions for employees to follow. Relevant regulations are summarized as follows:

A. Authority delegation and hierarchical responsibility rules:

To improve work efficiency, strengthen hierarchical responsibility management, and effectively regulate the powers of employees at all levels in their work.

B. Departmental organizational structure and job responsibilities:

Clearly define the organizational functions of each unit and the scope of responsibilities of each job.

C. Compilation of employee manuals to assist all colleagues in understanding relevant regulations and provisions

a. New Employee Training Program: To help new employees quickly overcome unfamiliarity with the new environment after joining, and to familiarize them with the Company's organization, culture, work environment, and personnel, experienced colleagues are assigned as Mentors. This is complemented by meal subsidies to support new employees in settling in both mentally and physically in a short period, enhancing productivity, and reducing turnover among new hire

b. Code of Ethics: To enhance the behavioral literacy, professional ethics, and professional capabilities of all employees and pursue the interests of the company within the legal scope. Each employee has the responsibility to prevent the reduction or loss of company interests and has an obligation to maintain the company's reputation to ensure the sustainable growth and development of the company..

c. Work Rules: Clearly define various labor conditions, personnel management regulations, etc., for employees to follow.

d. Employee Attendance and Leave Management: A comprehensive attendance and leave system is established to promote good work discipline among employees. Office staff follow a flexible working hours system, balancing work efficiency with employee autonomy, thereby enhancing the flexibility of working hours and overall workplace satisfaction. Leave and overtime are calculated in minutes as the smallest unit to improve the accuracy of time tracking and ensure the protection of employee rights

e. Reward and punishment regulations: Provide rewards or penalties for employee behaviors or actions that result in gains or losses to the company's operations.

f. Employee performance Evaluation: Employees are evaluated quarterly based on their work results and performance. The assessment results serve as the basis for salary adjustments, promotions, bonus distributions, and the planning of training programs.

2. List the losses suffered due to labor disputes in the most recent year and up to the date of publication of the annual report (including labor inspection results that violate the Labor Standards Act, and the date of punishment, the name of the punishment, the violation of laws and regulations, the content of violations of laws and regulations, and the content of punishment should be listed), And disclose the estimated amount and countermeasures that may occur at

present and in the future. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be explained:

(1) Losses Arising from Labor Disputes:

There were no incidents of fines paid due to violations of regulations during fiscal year 2024 and up to the date of publication of this annual report.

(2) Estimated Potential Liabilities and Response Measures: The Company continuously ensures compliance with the Taiwan Labor Standards Act and related regulations by implementing management mechanisms to prevent oversights. Efforts are made to strengthen communication between labor and management and to conduct exit interviews with departing employees. Additionally, employees are encouraged to raise concerns or inquiries through various internal communication channels to promote two-way dialogue. Through active participation and open communication between labor and management, the Company expects to effectively reduce the occurrence of labor disputes and avoid potential expenditures.

vi. Information and Communications Security Management

1. Information Security Risk Management Framework

PSI has established an IT Security Committee, led by the General Manager, with the Legal Room and IT Department. The committee is comprised of three subgroups: the Information Security Team, the Emergency Response Team, and the Information Security Audit Team, with a total of 28 members. On August 3, 2023, PSI appointed Ms. Annie Chen, the Chief Legal Officer, as the Chief Information Security Officer (CISO) of PSI., with one Information Security Manager and one Information Security Staff member.

The committee is responsible for planning, monitoring, and managing information security policies and systems. It collaborates with the company's information technology and related information security units, including but not limited to the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC), to strengthen Information Security protection and management mechanisms.

The Information Security Team holds regular monthly meetings to review and decide on the implementation status of important information security and information protection policies and plans. Each year, the Chief Information Security Officer (CISO) reports to the IT Security Committee on information security risk management, global Information Security risk trends, company information security policies, plans, and execution results. Additionally, at least once a year, the CISO reports the effectiveness of information security regulations and risk control measures to the board of directors. In 2024, a total of 11 information security meetings were held, and on November 8, 2024, a report on information security implementation was presented to the board to ensure the achievement of PSI's information security policy objectives.

2. Information Security Policy



Information security and the protection of confidential information are PSI's commitments to its customers, shareholders, and partners. To strengthen Information Security protection and management mechanisms, PSI has established a Chief Information Security Officer (CISO) and a dedicated information security organization, allocating professional personnel and resources. The company has set clear information security policies, management procedures, and regulations, and issued an "Information Security Declaration" to demonstrate its determination to safeguard information security and promote its Information Security goals—maintaining PSI's market competitiveness and protecting the interests of customers and partners.

### 3. Specific Management Plan for Information and Communication Security

#### (1) Computer Information Security Management

For the control of system development, acquisition and maintenance, information system processing, computer equipment and system software, network system security, etc., ensure that all operations comply with information security and regulatory requirements. Additionally, conduct annual system vulnerability scans, assessments, and patches.

#### (2) Personal Information and Confidential Information Management

- A. In accordance with the company's "Personal Data Protection Management Policy" and "Confidential Information Management Policy," strict controls are implemented for the custody, transmission, and maintenance of personal data to safeguard the company's operational security and interests, while strengthening the management of the company's competitive advantage, core technologies, and business information. The Legal Room is responsible for the formulation and coordination of personal data and confidential information management, with each department within the company cooperating with the respective responsible units to promote and implement the management system.
- B. During new employee training or management policy briefings, efforts are made to strengthen awareness and explanation to employees.
- C. In June 2024, a "Personal Data Protection Act Awareness" training course was held, with a total of 655 participants, totaling 655 training hours. All participants achieved a 100% pass rate in the training test.

#### (3) The overall planning of information systems, the establishment and maintenance of hardware and software, database backup and restoration drills, as well as security protection and control of systems are well controlled. Server virtualization has been implemented to reduce the number of physical servers, achieving environmental protection and energy saving, and reducing maintenance costs. It also strengthens disaster prevention, information security, monitoring, notification mechanisms, anomaly management, and backup.

#### (4) Implemented 3 hours of Information Security training and regularly conducted disaster recovery drills and social engineering exercises to enhance Information Security awareness and emergency response capabilities.

(5) Our company has joined the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) and the Taiwan Chief Information Security Officer (CISO) Alliance to receive real-time Information Security intelligence and respond accordingly. In 2024, we obtained 172 pieces of threat intelligence, all of which were confirmed and addressed.

(6) Our company has obtained the ISO 27001:2022 international information security management certification. The certification scope covers IT operations-related MES, SAP, and BPM information systems, as well as data centers (INCLUDING HSINCHU & CHUNGKANG SITE) for information security management activities. The certification is valid from September 25, 2023, to September 24, 2026.

#### 4. Investment in Information and Communication Security Resources

##### (1) Endpoint protection

- A. Control employees from sending confidential company information via email content or attaching confidential electronic documents to inappropriate external parties.
- B. Control employees from transmitting confidential electronic documents through internet behavior, file transfer software, or instant messaging software.
- C. Control employees from copying confidential documents using personal computer peripherals (USB, Bluetooth, etc.).
- D. Control employees from printing confidential documents using printers/office equipment input/output devices .
- E. Control third-party confidential data and strictly prohibit the use of unauthorized software (including intellectual property rights), and conduct comprehensive promotion and verification.
- F. Keep complete records of operations (including reading, storing, retrieving, and printing) to protect the company's rights.

##### (2) Print Protection

- A. Control the confidentiality of printing, copying, scanning, faxing, and other operations: An information security system has been introduced for office equipment. All printing, copying, scanning, faxing, and other operations must be controlled by colleagues swiping their identification cards to confirm their qualifications before execution. This has solved the problem of confidential documents being mistakenly taken or read by others.
- B. Centrally control the confidentiality of printing, copying, scanning, faxing, and other operations and remove all printers and fax machines owned by each department to address the loophole of difficult tracking of confidential information.
- C. Prevent printing waste: Reduce resource consumption caused by misprints and errors.
- D. Control the printing volume: Manage the number of printed pages and print details.

(3) Policy Advocacy

- A. Regularly review the information security policy to comply with the reasonable confidentiality measures required by the Trade Secrets Act.
- B. Irregularly, Information Security and business secrets are promoted through current news articles on the company's internal website bulletin board. In 2024, a total of 12 articles were published.

5. For the current and previous fiscal year up to the date of printing of this annual report, if there were any significant losses, potential impacts, and corresponding measures due to major cybersecurity incidents that cannot be reasonably estimated, it should be stated that such inability to make reasonable estimates exists: None.

vii. Important Contracts

Agreement	Counterparty	Period	Major Contents	Restrictions
Land Lease Agreement	Hsinchu Science Park Administration	2019/08/01~ 2036/11/30	Land lease contract No. 6,8, Li-Hsin Road	Limited to purpose use
Land Lease Agreement	Hsinchu Science Park Administration	2020/01/21~ 2027/12/31	Land lease contract No. 12-2, Creation 4th Road	Limited to purpose use
Land Lease Agreement	Chungkang Branch, Export Processing Zone Administration, MOEA	2021/11/01~ 2031/10/30	Land lease contract No. 2, Jianqi Road, Wuchi District, Taichung, Taiwan	Limited to purpose use
Syndicated Credit Agreement	Land Bank and another 6 banks	2022/03/02~ 2029/04/15	Credit line for the purchase of plant, machinery and equipment and working capital totaling NT\$3 billion	Financial ratios, etc.
Plant Lease Agreement	Phoenix Battery Corporation	2022/07/01~2025/06/ 30	Plant Lease contract of 3rd floor of No. 8, Li-Hsin Road	Early termination of contract

## V. Review and analysis of financial conditions and performance and risk issues

### i. Analysis of Financial Status

#### Comparative Analysis of Financial Position

Unit: NT\$ thousand ; %

Item \ Year	2024	2023	Different		
			Amount	%	Remark
Current assets	2,412,944	2,768,419	(355,475)	(12.84)	
Property, plant, and equipment	6,517,118	5,849,745	667,373	11.41	
Intangible assets	20,269	30,468	(10,199)	(33.47)	(1)
Other assets	608,929	535,370	73,559	13.74	
<b>Total assets</b>	<b>9,559,260</b>	<b>9,184,002</b>	<b>375,258</b>	<b>4.09</b>	
Current liabilities	1,914,773	1,167,499	747,274	64.01	(2)
Non-current liabilities	3,527,881	4,081,069	(553,188)	(13.55)	
<b>Total liabilities</b>	<b>5,442,654</b>	<b>5,248,568</b>	<b>194,086</b>	<b>3.70</b>	
Share capital	1,726,280	1,726,280	0	0.00	
Capital reserve	1,380,185	1,449,236	(69,051)	(4.76)	
Retained earnings	1,010,141	759,918	250,223	32.93	(3)
<b>Equity attributable to owners of the parent company</b>	<b>4,116,606</b>	<b>3,935,434</b>	<b>181,172</b>	<b>4.60</b>	
Non-controlling interest	0	0	0	0	
<b>Total equity</b>	<b>4,116,606</b>	<b>3,935,434</b>	<b>181,172</b>	<b>4.60</b>	
1. Explanation of Major Changes (Changes exceeding 20% and amounting to more than NT\$10 million): (1) Decrease in Intangible Assets: Primarily due to the amortization of computer software. (2) Increase in Current Liabilities: Mainly due to the reclassification of syndicated long-term loans to current portion of long-term loans and an increase in accounts payable for equipment. (3) Increase in Retained Earnings: Primarily attributable to the increase in net income for the current period. 2. Future Response Plans for Material Impacts: None					

## ii. Analysis of Operating Results

### 1.Comparative analysis of financial performance

Unit: NT\$ thousand ; %

Item \ Year	2024	2023	Increased (decreased) amount	Change ratio (%)	Remark
Operating revenue	3,551,607	3,327,700	223,907	6.73	
Operating cost	2,528,305	2,571,184	(42,879)	(1.67)	
Gross profit	1,023,302	756,516	266,786	35.27	(1)
Operating expenses	488,629	527,095	(38,466)	(7.30)	
Operating income	534,673	229,421	305,252	133.05	(2)
Non-operating income and expenses	24,272	120,616	(96,344)	(79.88)	(3)
Income before tax	558,945	350,037	208,908	59.68	(2)
Income tax expense	67,043	38,043	29,000	76.23	(4)
Net income	491,902	311,994	179,908	57.66	(2)
Loss from discontinued operations	0	0	0	0	
Other comprehensive income	0	1,851	(1,851)	(100.00)	
Total comprehensive income	491,902	313,845	178,057	56.73	(2)
<p>Explanation of Major Changes (Changes exceeding 20% and amounting to more than NT\$10 million):</p> <p>(1) Increase in Gross Profit: Primarily attributable to higher sales volume and capacity expansion in response to market demand, optimized product mix, and effective control of operating costs and expenses, leading to an increase in gross profit.</p> <p>(2) Increase in Operating Income, Income Before Tax, Net Income from Continuing Operations, and Total Comprehensive Income for the Period: Mainly due to the increase in gross profit, which in turn led to higher operating income, income before tax, net income from continuing operations, and total comprehensive income for the period.</p> <p>(3) Decrease in Non-Operating Income and Expenses: Primarily due to a decrease in gains from financial assets measured at fair value through profit or loss.</p> <p>(4) Income Tax Expense: Slight increase in income tax expense mainly due to higher net income for the period.</p>					

## 2.The analysis of operating gross profit changes

Unit: NT\$ thousand

	The increased/decreased number of changes of the initial and later period	Reason for difference			
		Price difference	Cost difference	Sales difference	Quantity difference
Gross profit	266,786	(131,390)	295,807	18,276	84,093
Remark	1. Unfavorable Price Variance:Primarily due to adjustments in product mix and selling prices in response to market demand. 2. Favorable Cost Variance:Mainly attributable to increased production capacity, optimized product mix, and effective control of operating costs and expenses. 3. Favorable Volume Variance:Primarily due to an increase in sales volume driven by higher customer demand.				

## 3.Potential Impact on Future Financial and Business Operations and Response Plans:

The Company's operating scales continue to grow, and its financial structure is sound to meet the needs of future operation growth.

### iii. Analysis of Cash Flow:

#### 1. Analysis of cash flow changes for the most two year

Unit: %

Item \ Year	2024	2023	Increased (decreased) ratio (%)
Cash flow ratio	77.89	58.81	32.44
Cash flow adequacy Ratio	49.33	40.85	20.76
Cash reinvestment ratio	11.04	3.70	198.38
Reason for increased or decreased: Primarily due to the increase in net cash flows from operating activities in 2024.			

#### 2. Analysis of cash flow for the coming year

Unit: NT\$ thousand

Cash Balance at the period beginning	Net Cash Provided by Operating Activities in the period	Net Cash Used in Financing Activities in the Period	Cash Balance at the Period end	Remedy for Liquidity Shortfall	
				Investment Plan	Financing Plan
1,287,357	1,796,752	(2,104,737)	979,372	-	-
(1) Analysis of changes in cash flow this year: A.Inflow of operating activities: Mainly derived from operating profit after excluding depreciation and amortization expenses. B.Outflows from investment and financing activities: Primarily due to increased cash outflows resulting from the purchase of additional equipment for business expansion and the repayment of medium- and long-term loans. (2) Remedial measures and liquidity analysis for estimated cash shortage: The absence of a cash shortage situation.					

iv. Major Capital Expenditure Items influence on Financial Business

1. Utilization of major capital expenditures and sources of funds

In 2024, the Company's major capital expenditure was primarily for the purchase of machinery and equipment to expand the production capacity of reclaimed wafers. The total amount of equipment purchased was NT\$1,344,140 thousand, funded mainly through internal resources and proceeds from cash capital increases.

This capital expenditure contributed to a 12.2% year-over-year increase in total reclaimed wafer output in 2024 compared to 2023.

Furthermore, the Company carefully evaluates its financial position and the expected returns before implementing any capital expenditure plans, ensuring that such expenditures will not have an adverse impact on its financial condition or operations.

2. The anticipated benefits: expanding business in domestic and overseas markets, increasing productivity and product quality, and enhancing the future competitiveness of the Company.

v. Recent Reinvestment Policy, Major Reasons for Profits or Losses, Improvement Plan and Investment Plan for the Following Year.

1. Reinvestment policy:

To focus on the development of its core businesses, the Company completed the full disposal of its equity holdings in Sunyang Battery Co., Ltd. By the end of 2023.

The Company's investment policy aims to strengthen core capabilities, expand business operations, and enhance long-term shareholder value. Potential investment targets and market opportunities are carefully evaluated.

The Company focuses its investments on areas that have a high degree of synergy with its core technologies, products, or markets, prioritizing investments that can reinforce its competitive advantages, expand its presence across the industry value chain, accelerate the adoption of new technologies and applications, and support the optimization of its domestic and international capacity allocation as well as the resilience of its global supply chain.

2. Major reasons for reinvestment profits or losses, improvement plans and investment plan for the following year: None.

3. Investment plan in the year ahead: None.

vi. Analyze and assess the following risks in the most recent year up to the publication date of the Annual Report.

1. Effect of interest Rate, exchange rate changes and inflation on the Company's profit / losses and countermeasures:

(1) Effect of interest rate changes on the Company's profit and loss and future countermeasures.

The interest expenses on borrowings from financial institutions incurred by the Company and its subsidiaries amounted to NT\$55,988 thousand in 2023 and NT\$53,452 thousand in 2024, representing 15.99% and 9.56% of income before tax, respectively. The interest expenses primarily arose from bank borrowings to meet working capital requirements. Changes in overall interest rates have had a material impact on the Company's profitability. At the end of 2023, the Company repaid a portion of its bank borrowings. However, due to an increase in benchmark interest rates by the central bank in 2024, the average borrowing rates rose, resulting in only a slight 4.5% decrease in overall interest expenses compared to the previous year. Nevertheless, the significant growth in income before tax in 2024 led to a notable decline in the ratio of interest expenses to income before tax.

The Company regularly evaluates the bank borrowing rate and maintains good relationships with banks in order to obtain a more favorable borrowing rate to reduce interest expenses. In addition, we have been able to obtain interest subsidies from the government to effectively reduce borrowing costs.

The Company also observes the impact of changes in financial market interest rates on the company's funds at any time, with a view to take any required measure. All correspondent financial institutions with the Company are institutions with certain appraisal and scale at home and abroad in order to obtain stable and safe capital investment returns.

(2) Effect of exchange rate changes on the Company's profit and loss and future countermeasures

The Company's sales are primarily denominated in U.S. dollars, while its purchases are mainly denominated in New Taiwan dollars (NTD). Foreign exchange gains amounted to NT\$1,528 thousand in 2023 and NT\$37,922 thousand in 2024, representing 0.67% and 7.09% of operating income, respectively.

This indicates that fluctuations in exchange rates have a certain degree of impact on the Company's profitability. The significant increase in foreign exchange gains in 2024 compared to 2023 was primarily due to the substantial depreciation of the New Taiwan dollar.

The company regularly evaluates exchange rate fluctuations in accordance with its "Procedures for acquiring or disposing of assets" and "Procedures for dealing with derivative commodities." It utilizes spot and forward foreign exchange transactions at appropriate times to hedge against risks, aiming to minimize the impact of exchange rate changes on the company's profit. Additionally, the company maintains close relationships with financial institutions, continuously monitors exchange rate fluctuations, fully understands international exchange rate trends and changes, and proactively responds to the effects of exchange rate fluctuations. Furthermore, the company adjusts its foreign currency positions based on actual capital needs, pays accounts payable with sales income in the same currency



whenever possible, and utilizes automatic hedging features to mitigate exchange rate risks.

(3) Effect of inflation on the Company's profit and loss and future countermeasures

Although the inflation rate has surpassed the 2.18% threshold for three consecutive years, the Company's profitability has not been materially affected by inflation as of the date of this annual report.

The company and its subsidiaries keep track of any price fluctuation at upstream material market and keep good relationships with suppliers. In the future, we will continue to closely observe the changes in the price index, study the impact of inflation on the Company, and adjust the raw materials inventory in a timely manner to respond to any pressure caused by inflation. In addition, according to the changes in the market price of materials. When the preset tolerance range is exceeded, the Company will actively request suppliers to adjust to avoid a major impact on the Company due to inflation.

2. Risks Associated with High-risk/High-leveraged Investment; Lending, Endorsements, and Guarantees for Other Parties; and Financial Derivative Transactions, major reasons for profit and losses and countermeasures:

(1) The Company has always insisted on the principle of focusing on the industry and pragmatic operation. The financial policy is based on the principle of conservatism, and does not engage in high-risk, high-leverage investment businesses. If the derivative commodity exchanges are engaged, it is mainly to adhere to the principle of conservatism and stability, and to avoid the risk of real foreign exchange fluctuations. Due to it mainly belongs to the nature of risk aversion, the related risks are still limited

(2) The Company has established the operation procedures such as "Management of Loans to Others", "Procedures for Endorsement and Guarantee", "Procedures for Acquisition or Disposal of Assets" and "Procedures for Financial Derivatives Transactions". As the basis for the company to engage in related operations.

(3) As of the date of publication of the annual report of the Company, there is no endorsement or guarantee for others.

3. Future Research & Development Projects and Corresponding Budget:

(1) Future R & D plan

The Company's product and technology development has always been matching with customers and market needs, and pay close attention to future industry trends and development. To develop products and technologies will have market growth and future potential. The future product development plans are listed as follows :

A. 12-inch, 15nm recycled wafer technology development.

B. 12-inch, advanced technology development of recycled wafer with low copper

content (polishing and cleaning process).

- C. 12-inch, high flatness test wafer development.
- D. 12-inch, silicon carrier wafer development.
- E. Grinding, etching and metal sputter processes development for 6 / 8-inch Wide Band Gap device wafers (GaN, SiC, etc.).
- F. 12" MOSFET wafer BGBM process development.
- G. Point of care diagnostic system: Mono/ multiple protein chips.
- H. Point of care diagnosis chip: Nucleic acid chip.
- I. The customized biochip design and manufacture service.

(2) Expected R & D expenses

The Company's estimated expenses for R & D is gradually invested according to the progress of new product and new technology development, and continues to invest in research and development funds depending on market changes and R & D progress of new products. With the growth of turnover in the future, the annual investment will be approximately 5% ~ 10% is used as research and development funds to expand the Company's operating scale and increase its competitiveness.

4. Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response.

The company and its subsidiaries attach importance to important domestic and foreign policy and legal changes, consult with lawyers, accountants and other units, and plan appropriate response measures to comply with the law and reduce the impact on the company. Therefore, policy and legal changes are not significant to the company's finances and business.

5. Effect on the Company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response.

The semiconductor industry is affected by the economic cycle and rapid changes in product demand. In addition to continuously investing in research and development funds each year to develop advanced processes and new technologies, the company also reduces costs and develops application markets to respond to technological changes and industrial changes.

Risk assessment and response measures for information security:

(1) Information technology security risks and management measures

The Company has established comprehensive network and computer-related security measures, but cannot guarantee that its computer systems, which are essential for the operation and accounting functions of the Company, can completely avoid network attacks from any third parties. These network attacks

illegally invade the Company's internal network system and carry out activities that damage the Company's operations and reputation, among other things. In the event of a serious network attack, the Company's system may lose important data and the production line may come to a halt. The Company ensures the appropriateness and effectiveness of its information security regulations and procedures through continuous review and assessment, but cannot guarantee that the Company will not be affected by new risks and attacks in the ever-changing information security threats. Network attacks may also attempt to steal the Company's trade secrets and other confidential information, such as proprietary information of customers or other stakeholders and personal information of the Company's employees.

Malicious hackers may attempt to infiltrate the company's network system with computer viruses, destructive software, or ransomware in order to disrupt the company's operations, extort or ransom the company, gain control of the computer system, or spy on confidential information. These attacks could result in the company having to compensate customers for losses due to delayed or interrupted orders, incurring substantial costs to implement remediation and improvement measures to strengthen the company's network security system, or becoming involved in legal cases or regulatory investigations resulting from the leakage of confidential information from the company's employees, customers, or third parties with confidentiality obligations.

To prevent and reduce the damage caused by the aforementioned malicious cyber attacks, our company will implement relevant improvement measures and continuously update them. For example, we will establish a mechanism to scan machines for viruses upon entry to prevent machines containing malicious software from entering the company; strengthen network firewalls and network controls to prevent computer viruses from spreading across machines and factory areas; establish endpoint antivirus measures based on the computer type; and strengthen the detection of phishing emails. Although our company continues to strengthen its information security protection measures, we cannot guarantee that we will be immune to malware and hacker attacks. However, we will do our utmost to defend all rights and interests.

## (2) Significant Information Security Incidents

Please indicate the losses and potential impacts suffered due to significant information security incidents in the current fiscal year and up to the date of printing of the annual report: None.

## 6. Impact of Changes in Company Image on Crisis Management and Countermeasures

The Company insists on the enterprise spirit of stable operation and maintains a consistent excellent corporate image, and through strict internal control and crisis management mechanisms, effectively takes precautionary measures and ensures the sustainable operation of the enterprise.

#### 7. Expected Benefits and Possible Risks Associated With any Merger and Acquisitions

The company has no merger or acquisition plans in the most recent fiscal year up to the date of the annual report printing. However, should there be any such plans in the future, they will be handled in accordance with relevant laws and regulations, as well as the company's established management procedures, to ensure the protection of the company's interests and shareholders' rights.

#### 8. Expected Benefits and Possible Risks Associated with any Plant Expansion:

To meet future operational needs and support long-term development plans, the Company acquired a facility in the Taichung Port Technology Industrial Park in 2021 for capacity expansion purposes. The second-phase production line was fully launched in 2024, achieving a monthly capacity of 240,000 wafers. In order to enhance operational performance and achieve the goals of sustainable growth and continuous expansion, and in response to increasing customer demand, the Company plans to commence the third-phase production line expansion by the end of 2025 to accommodate the steadily rising market demand. The investment risk associated with this expansion project is considered limited with respect to the Company's financial and business operations.

#### 9. Risks Associated with any Consolidation of Sales or Purchasing Operations:

##### (1) Purchase

The Company's major raw materials include coarse slurry, fine slurry, sputtering targets, 12-inch polishing pads, and 8-inch tapes. Its procurement policy comprehensively evaluates suppliers based on quality, pricing, delivery schedules, and level of cooperation. In addition to maintaining strong relationships with existing suppliers, the Company actively seeks and develops new qualified suppliers. Procurement is diversified without significant reliance on any single supplier; therefore, there is no substantial risk of procurement concentration or supply instability.

##### (2) Sales

The Company primarily engages in one of the processes within the semiconductor foundry production chain, and its customers are mainly semiconductor manufacturers. As the foundry industry is an oligopolistic market, the Company's sales are relatively concentrated. In 2023 and 2024, sales to the Company's largest customer accounted for 68.99% and 70.02% of total net revenue, respectively. In addition to focusing on the manufacturing and development of semiconductor process services to strengthen product competitiveness and actively maintaining relationships with key customers, the Company is also committed to enhancing its process capabilities, assisting customers in new product development, and proactively engaging with other semiconductor manufacturers to expand its business footprint.

#### 10. Effect and Risk of Significant Share Transfers or Changes in Ownership, Including Key

Contractual Agreements, by Directors, Supervisors, or Top Ten Shareholders, and Countermeasures: None

11. Impact of Change in Management and its Potential Risks: None.

12. Litigation or Non-litigation Matters :

(1) Ming-che Li (李明澈) reproduced and utilized PSI's trade secrets without PSI's authorization, it's enough to enable IST to shorten their time in researching and developing BGBM process, reduce manpower and material resources ,and seize the product market to engage in unfair competition, thus gaining benefits. Therefore, The Taiwan Hsinchu District Prosecutors Office had rendered an Indictment to above persons in accordance with Article 13-1(1)(2) and Article 13-4 of the Trade Secrets Act. It's now on trial by Taiwan Hsinchu District Court.

(2) For the above persons' infringement of PSI's trade secrets , resulting in PSI's damages, PSI filed an Ancillary Civil Action with the Taiwan Hsinchu District Court, claiming compensation for our loss in the amount of NT\$5,636,098,000 against the above persons, Kuo-chu Liu (劉國儒) and the related person.

(3) The Company is currently involved in a case requesting confirmation of an employment relationship, which is under review by the Hsinchu District Court in Taiwan.

13. Other major risks and countermeasures:None.

vii. Other Major Events: None.

## VI.Special Disclosure

- i. Profiles of the affiliates : None.
- ii. Private Placement Securities in the Most Recent Years: None.
- iii. Other Necessary Supplement: : None.

## VII.Any Events that Had Significant Impacts

Any Events And as of the Date of this Annual Report that Had Significant Impacts on Shareholders' Rights mor Security Prices as Stated in Item 3 Paragraph 2 of Article 36 of Securities and Exchange Law of Taiwan: None.