



Sentien Printing Factory Co., Ltd.

2024 Annual Report

Website where information is declared and annual report is inquired:

1. <http://mops.twse.com.tw>
2. <http://www.sentien.com.tw>

Printed on June 1, 2025

Notice to readers :

This English-version annual report is a translation of the Chinese version. IF There is any discrepancy between the English and Chinese, the Chinese version shall prevail.

I. Name, title, TEL and e-mail of the Company's spokesperson and deputy spokesperson:

Spokesperson :

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Job title : Assistant Manager

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II. Address and TEL of headquarters, branch and factory:

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III. Name, address, website and TEL of stock transfer agency

Name : China Trust Commercial Bank Agency

Address : 5F, No. 83, Chungking S. Road, Sec. 1, Zhongzheng District, Taipei City

TEL : (02)6636-5566

Website : <https://ecorp.ctbcbank.com/cts/index.jsp>

IV. Names of CPAs for the financial report in the most recent year as well as firm name, address, website and TEL:

Names of CPAs : Terry Su ; Potree Yang

Name of accounting firm:KPMG Taiwan

Address : 68F., No.7, Section 5, Sinyi Road, Sinyi District, Taipei City

TEL : (02)8101-6666

Website : [http : //www.kpmg.com.tw/](http://www.kpmg.com.tw/)

V. Name of the place where overseas securities are listed for trading and method to inquire after the information of such overseas securities: None

VI. Website of the Company : [http : //www.sentien.com.tw/](http://www.sentien.com.tw/)

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One. Letter to Shareholders

Dear Ladies and Gentlemen Shareholders, Good Day:

On behalf of our company and all employees, I extend our warm welcome to the shareholders of Minda Printing Factory Co., Ltd. for taking the time to attend the 114th Annual General Meeting despite your busy schedules. Thank you for your presence and support. Below is a summary report of our company's 113rd fiscal year operating results and future business plans:

I 、Operating Results for 2024

(I) Results of Business Plan

Unit: NTD Thousand				
	Year 2024		Year 2023	
	Amount	%	Amount	%
Revenue	1,169,699	100	1,179,628	100
Gross Profit	463,989	40	454,186	39
Operating Expenses	244,166	21	247,003	21
Non-operating income and expenses	122,533	10	36,080	3
Profit before income tax	342,356	29	243,263	21
Income tax expense	66,323	5	48,099	4
Net profit	276,033	24	195,164	17
Other comprehensive income	388	-	1,244	-
Total comprehensive income	276,421	24	196,408	17

In the past two years, the global economy has faced many challenges, including inflation, interest rate hikes, and geopolitical risks. In addition, the easing of the epidemic has caused NB demand to return to normal levels. However, due to the reduction in the number of IMR applications in NB models, the company's revenue in 2024 will decline slightly compared to 2023; due to proper control of costs and expenses, the operating net profit margin will increase by 1% compared to 2023, and the appreciation of the US dollar will significantly increase the foreign exchange gains of the operating business compared to 2023, and the net profit margin will increase by 7% compared to 2023.

(II) Budget implementation: The Company has not disclosed the financial forecasts for the year of 2024.

(III) Analysis of Financial Revenue and Expenditure and Profitability:

1. Financial revenue and expenditure

Unit: NTD Thousand		
	Year 2024	Year 2023
Net cash generated from operating activities	211,430	216,193
Net cash used in investing activities	(135,324)	(260,803)

Net cash (used in) from financing activities	(134,334)	32,776
Effects of exchange rate changes on balance of cash held in foreign currencies	34	(498)
Net decrease in cash and cash equivalents	(58,194)	(12,332)
Cash and cash equivalents at the beginning of year	86,221	98,553
Cash and cash equivalents at the end of year	28,027	86,221

Analyze:

- (1). Cash inflow from operating activities in 2024 decreased compared to 2023, mainly due to the increase in payments for air pollution control fees.
- (2). Cash outflow from investment activities in 2024 decreased compared with 2023: mainly due to the decrease in AC and PPE acquired in 2024 compared with 2023.
- (3). Cash inflow from financing activities in 2024 decreased compared with 2023: mainly due to the increase in cash dividends paid and short-term loans repaid in 2024 compared with 2023.

2. Profitability analysis

item \ year		Year 2024	Year 2023
Return on Assets (%)		12.16	9.21
Return on equity (%)		15.65	12.32
Ratio to paid-in capital (%)	Operating Income	60.07	56.62
	Net Income before Tax	93.56	66.48
Net Profit Margin(%)		23.59	16.54
Basic Earnings Per Share (NT\$)		7.54	5.33

Analyze:

- (1). The return on assets and return on equity increased: mainly due to the increase in profits in 2024 compared to 2023.
- (2). The ratio of operating profit and pre-tax net profit to paid-in capital increased: mainly due to the increase in profits caused by the reduction of costs and expenses in 2024.
- (3). The increase in net profit margin and earnings per share is mainly due to the increase in foreign exchange gains in 2024 compared to 2023.

(IV) Research Development Status:

The global market environment is changing rapidly in 2024. The company continues to deepen technological research and development and enhance competitiveness to meet changing market demands.

Despite the challenges faced by the notebook computer industry, home appliances and non-laptop products continued to maintain steady growth, effectively supporting the company's overall operating performance.

However, global economic uncertainties still exist, including geopolitical risks (Russia-Ukraine, Israel-Palestine conflicts), inflationary pressure, ESG trends and regionalization of supply chains, making market competition more intense.

Therefore, the company adjusted its R&D strategy, shifting its focus to high value-added

laptop products and expanding into home appliances and automotive products in non-laptop fields, with particular emphasis on the application of environmentally friendly materials that meet ESG standards (low VOC and water-based ink materials), while strengthening supply chain management to ensure stable production.

Since 2024, the R&D team has continued to invest resources in the development and mass production of new materials and new products.

During 2023-2024, the company successfully developed and launched:

- Antibacterial, antiviral functional films.
- Optimize foggy films and high-fog films.
- Various embossed films.
- Anti-fingerprint films.
- Deep coating films.
- Low VOC ink materials and benzene-free and ketone-free materials.
- INS-H and INS-P series special films for automotive interior parts.

Based on these R&D results and technological breakthroughs, the company plans to further expand its product line between 2024 and 2025, using the rich experience accumulated in the notebook field to develop more unique materials for application in home appliances, thereby comprehensively enhancing its market competitiveness.

In the future, the company will focus on the following important technology research and development:

1. Ultra-high ductility hardened layer material: suitable for home appliances, automotive products, and can be extended to high-encapsulation notebook products, significantly improving durability and design flexibility.
2. Appearance design technology: Focus on the research and development of various bright fog patterns, embossed patterns and anti-fingerprint appearance technologies to meet the high-end market's demand for metallic texture and anti-fingerprint visual effects.
3. Self-healing hardening film: Utilizes the softness of the material to transform the coverage from general angles into deep and high-angle coverage, enhancing product competitiveness and market appeal.
4. Metal material printing technology: creating a new product line to make film applications more diversified.
5. Home appliances and automotive interior materials: Focus on developing diversified options such as light-transmitting films, window printing, embossed (light) films and special bright matte films to enhance the uniqueness and high-end texture of home appliances and automotive interior materials.

The company's R&D team firmly believes that by continuously developing high value-added products and innovative technologies, the company's products will maintain their leading edge in the market and create greater value in the challenging environment of the future.

II · Summary of Business Plan for 2025

(I). Business Policy:

1. Talent development and employee care.
2. Quality management and production optimization.
3. Product innovation and diversification.
4. Cost control and efficiency improvement.

5. Market expansion and brand development.
6. Financial soundness and risk management.
7. Sustainable development and social responsibility.
8. Corporate governance and internal controls.

(II). Sales Volume Forecast and Its Basis

With the rapid development of artificial intelligence technology, AI applications are profoundly changing all walks of life, and the NB industry has therefore ushered in new development opportunities. Customers from various brands have invested in the research and development of AI PCs. For example, Brand A has launched an AI PC equipped with NPU, which focuses on machine learning and image processing functions, allowing users to experience the powerful computing power of AI locally; Brand B has launched a cloud AI PC that emphasizes cloud computing and data analysis capabilities, allowing users to enjoy AI services anytime and anywhere.

AI PC has a wide range of application scenarios, including content creation, gaming entertainment, office collaboration, etc.

For example, AI PCs can help designers complete image processing more quickly, allow players to have a more intelligent experience in games, and provide office workers with a more convenient smart assistant. Although the development of AI PC still faces challenges such as technology maturity, cost, and consumer acceptance, it will undoubtedly be one of the important development directions of the NB industry in the future.

In addition to the NB industry, the company continues to work in the automotive, home appliance and other non-NB industries, and has indeed successfully promoted some products.

In the automotive industry, with the development of automotive intelligence and networking, the demand for automotive electronic products continues to grow. In addition to opportunities in interior parts, the company has also added business in the electronics field in the automotive industry.

In the home appliance industry, the company has also successfully launched smart home appliances such as air conditioners, sweepers and mops with home appliance brands.

With the rapid development of the smart home market, more and more families are beginning to use smart home products, and the company's business in the smart home field will also usher in more development opportunities.

In the face of the rapid development of AI technology and increasingly fierce market competition, the company will continue to increase its R&D investment and continuously launch competitive products and services.

In terms of AI applications, the company will closely monitor market trends, deeply understand customer needs, and continuously improve the performance and application experience of AI PCs.

At the same time, the company will actively expand the application of AI technology in other fields, such as intelligent manufacturing, smart medical care, etc. In terms of non-NB business, the company will continue to deepen its presence in industries such as automobiles and home appliances, expand its customer base, accelerate product development, and strive to achieve greater

success in various industries.

The company will always adhere to the business philosophy of "innovation, quality, and service" and work hand in hand with our customers to create a better future.

(III). Important production and marketing policies

Actively participate in environmental protection initiatives and promote green production.

In the face of the challenges of global climate change, our company actively responds to the international trend of net-zero carbon emissions, participates in the Taiwan Climate Coalition (TCP), and works with leading companies in various industries to promote Taiwan's carbon reduction actions.

The company is well aware that achieving the net zero carbon emissions goal requires practical action, so it continues to develop more environmentally friendly production processes.

The spray-free method is an environmentally friendly technology that our company focuses on promoting. Compared with the traditional spray painting method, it has the advantages of lower VOC emissions and less energy consumption.

The company actively promotes the spray-free process to brand customers, encouraging them to consider adopting this process at the early stage of product development in order to comply with their environmental protection policies.

In addition, the company is also focusing on the development of printed films and actively exploring the use of recycled materials for production, hoping to reduce the impact on the environment throughout the product's life cycle.

Introducing a carbon inventory mechanism to quantify carbon reduction effectiveness

To have a more comprehensive understanding of its own carbon emissions and effectively promote carbon reduction, the company has introduced a carbon inventory mechanism.

Through carbon inventory, the Company was able to identify the main sources of carbon emissions and develop targeted carbon reduction measures.

The Company will publish carbon inventory results regularly and accept independent verification by a third party to ensure the accuracy and reliability of the data.

At the same time, the company will continue to adjust and improve its carbon reduction strategy based on the results of the carbon inventory and strive to achieve carbon reduction targets in all aspects.

In the future, the company will continue to uphold the concept of "environmental protection, innovation, and sustainability" to provide customers with more environmentally friendly and higher-quality products and services and jointly contribute to the sustainable development of the earth.

III 、Future Development Strategy

Deeply cultivate thin film technology and expand diversified applications

Our company has been deeply engaged in thin film printing technology for many years, continuously improving technology and developing diversified products to meet customer needs and increase product value.

Looking ahead to 2025, the company will continue to improve printing quality and efficiency, develop more film materials with special functions, such as wear resistance, scratch resistance, anti-fingerprint, etc., and actively expand the application of film technology in the fields of automobiles, home appliances, medical care, wearable devices, etc., hoping to establish cooperative relationships with brand customers in various industries.

Strengthen R&D and design and expand cross-industry cooperation

To enhance core competitiveness, the company will continue to strengthen its R&D and design capabilities, not only mastering key material technologies, but also continuously innovating in product design to provide customers with more valuable solutions.

By integrating material research and development, product design, production and manufacturing, we provide customers with comprehensive services from product concept design to mass production, and become a trusted partner of customers.

In addition, the company will expand cross-industry cooperation, jointly develop innovative products with brand customers in different industries, expand business scope, enhance brand awareness and influence, and achieve a win-win situation with customers.

IV 、The Company's development strategies in the future will be influenced by the external competitive environment, regulatory environment and overall business environment

Looking ahead to 2025, the global political and economic landscape continues to evolve, and the interweaving of multiple factors such as geopolitical risks, trade protectionism, and climate change has posed unprecedented challenges to the global supply chain.

Governments around the world have introduced industrial policies to encourage companies to return or relocate their production bases to friendly countries, and the global supply chain is showing a trend of regionalization and decentralization.

Enterprises must pay close attention to changes in the international situation, carefully assess supply chain risks, and formulate response strategies as early as possible to ensure the steady development of the enterprise.

In the process of reshaping the global supply chain, regionalized supply chain has gradually become the mainstream model.

Companies no longer simply pursue cost advantages, but instead pay more attention to the stability, reliability and resilience of the supply chain.

With its geographical advantages, abundant labor resources, and gradually improved infrastructure, Southeast Asia has attracted a large amount of foreign investment and has become an important node in the global supply chain.

It is expected that in the next few years, Southeast Asia's position in the global supply chain will continue to improve and become an important base for companies to layout the global market.

The IMR process promoted by our company has the advantages of modular design and highly automated production lines, making it an ideal choice for factories to quickly relocate their production bases.

In the face of changes in the global supply chain landscape, the company will continue to improve the technical level of the IMR process and strengthen technical support and services to

customers to help customers flexibly respond to various challenges.

In addition, the company will also actively expand cooperation with companies in Southeast Asia to find more development opportunities.

For example, the company can establish cooperative relationships with local suppliers in Southeast Asia to jointly develop products that meet local market needs, or set up production bases in Southeast Asia to be closer to serving local customers.

As the world pays more and more attention to environmental protection, governments around the world have introduced stricter environmental regulations, and companies' environmental protection costs have also increased accordingly. Green production has become an inevitable trend in enterprise development.

The company will continue to invest in the research and development and application of environmental protection technologies, improve the green level of the production process, and actively participate in carbon inventory and carbon emission reduction actions, striving to be at the forefront of environmental protection.

For example, the company can introduce more energy-efficient production equipment, optimize production processes, reduce energy consumption and waste emissions, or use more environmentally friendly raw materials to reduce the carbon footprint of its products.

In addition, the company can also cooperate with upstream and downstream companies in the supply chain to jointly promote the construction of a green supply chain and achieve the company's sustainable development goals.

At the same time, the company will also pay close attention to changes in environmental protection laws and regulations in various countries, ensure that production and operation activities comply with relevant laws and regulations, and actively fulfill the corporate environmental responsibilities.

The company will uphold the consistent principles of diligence, integrity, profit sharing and sustainable operation, and work together with all employees to create new heights in the industry!

Chairman : JHANG-SHAN, HUANG

President : JHAN-LONG, HUANG

Finance Supervisor: : YU-HUI, WU

Two. The corporate governance report

I. Information on directors, the President, Vice Presidents, and the heads of various departments and their remuneration:

(I). Directors:

1. Information on directors

Date:April 26, 2025																			
Job title	Nationality or place of registration	Name	Gender, age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree		
							No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio			Job title	Name	Relationship
Director	TW	YI SIN Investment Co., Ltd.	Male 61~70	2023.6.27	3years	2011.6.22	4,112,400	11.24	4,112,400	11.24	0	0	0	0	Bachelor degree in Chemistry from National Sun Yat-sen University	Chairman of Sentien Printing Factory Co., Ltd. Chairman of YONG EN Investment Co., Ltd. Chairman of YI SIN Investment Co., Ltd.	CEO	JHAN-LONG, HUANG	Brothers
		Representative : JHANG-SHAN, HUANG					1,536,850	4.20	1,376,850	3.76	1,704,570	4.66	7,149,400	19.54			Management Manager Special Assistant of GM Special Assistant of GM	LIN JING-LIANG, XIU-MAN, YANG YI-XIN, HUANG	spouse relatives by marriage children
Director	TW	SHAO WEI Investment Co., Ltd.	Male 51~60	2023.6.27	3years	2009.11.13	4,112,400	11.24	4,112,400	11.24	0	0	0	0	Bachelor degree in Electronic Engineering from from Kun Shan University Director of Senzhan Enterprise Co., Ltd.	President of Sentien Printing Factory Co., Ltd. Chairman of YOU SHENG Investment Co., Ltd. Chairman of SHAO WEI Investment Co., Ltd.	Chairman	JHANG-SHAN, HUANG	Brothers
		Representative : JHAN-LONG, HUANG					1,213,880	3.32	975,650	2.67	1,578,690	4.31	7,149,400	19.54			Management Manager Special Assistant of GM	LIN JING-LIANG, XIU-MAN, YANG	relatives by marriage spouse
Director	TW	JUN - XIONG, CHEN	Male 51~60	2023.6.27	3years	2009.4.17 (Note)	100,960	0.28	100,960	0.28	0	0	0	0	Bachelor degree in Civil Engineering from Chung Yuan Christian University Team leader of NEW ASIA CONSTRUCTION & DEVELOPMENT CORP.	Assistant Manager of Sentien Printing Factory Co., Ltd.	None.		
Independent Director	TW	HUEI - LING, FANG	Female 61~70	2023.6.27	3years	2017.6.26	2,000	0.01	2,000	0.01	0	0	0	0	Bachelor degree in Accounting from National Cheng Kung University CPA, KPMG TAIWAN. Department of Accounting and Information Systems, National Taiwan University of Science and Technology/Assistant Professor	Independent Director & Member of Remuneration Committee, LFA CO.,LTD. Independent Director & Member of Remuneration Committee, Sheh Fung Screws Co., LTD. Independent Director & Member of Remuneration Committee, JUNG SHING WIRE CO., LTD.	None.		
Independent Director	TW	LING - LING, LEE	Female 51~60	2023.6.27	3years	2017.6.23	0	0	0	0	0	0	0	0	Master of Law, National Taiwan University Executive Supervisor of The Taiwan Bar Association. President of Legal Aid Foundation Kaohsiung Branch.	Partner-in-Charge, Ling-Yun Attorneys-At-Law Independent Director & Member of Remuneration Committee, China Steel Corporation	None.		
Independent Director	TW	JIA - BIN, CHEN	Male 51~60	2023.6.27	3years	2017.6.23	10,000	0.03	10,000	0.03	0	0	0	0	PhD in Finance, University of Kentucky Professor of National Chung Hsing University Department of Business and Professional Master Program of Agricultural Business Management. CEO of National Chung Hsing University Executive Master of Business Administration	Professor of National Chung Hsing University Department of Business Administration	None.		

Job title	Nationality or place of registration	Name	Gender, age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Zot
							No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio			Job title	Name	Relationship	
Independent Director	TW	Y U - C H E N G , C H E N	Male 61~70	2023.6.27	3years	2009.11.13 (Note)	0	0	0	0	0	0	0	0	Ph.D. In Accounting, National Chengchi University Professor & Chairperson, Department of Finance, National Chung Hsing University Chairperson, Department of Accounting, Providence University Independent Director, Tachia Yung Ho Machine Industry Co., Ltd. Independent Director, Da Fon Environmental Technology Co., Ltd. Independent Director, Grand Bills Finance Corp.	Professor, Department of Finance, National Chung Hsing University Independent Director & Member of Remuneration Committee, Taiwan Sakura Corporation Independent Director & Member of Remuneration Committee, Sunspring Metal Corp.	None.			
Note 1: Mr. Chen Jun-xiong was terminated on 2010/08/05 due to transfer of shares exceeding the legal limit; he was re-elected as a natural person director on 103/06/26 and has been re-elected since then. Note 2: Independent Director Chen Yu-cheng stepped down on 2020/06/23 and was re-elected on 2023/06/27 after a general re-election.																				

2. Major shareholders of institutional shareholders :

Apr. 26, 2025

Name of institutional shareholder	Major shareholders of institutional shareholders	
YI SIN Investment Co., Ltd.	1. JING-LIANG, LIN	37.95%
	2. JHANG-SHAN, HUANG	29.83%
	3. YI-TING, HUANG	16.11%
	4. YI-XIN, HUANG	16.11%
SHAO WEI Investment Co., Ltd.	1. SHAO-WEI, HUANG	24.73%
	2. LIN-YUAN, HUANG	24.73%
	3. SU-HUA, YANG	11.41%
	4. JHAN-LONG, HUANG	10.50%
	5. XIU-QING, YANG	10.07%
	6. XIU-MAN, YANG	7.15%
	7. JIA-XIANG, WU	4.70%
	8. JIA-WEI, WU	3.36%
	9. JING-GUO, WU	3.36%

3. Disclosure of information on directors' professional qualifications and the independence of independent directors:

Qualification Name	Professional qualifications and experience	Independence	No. of other public companies at which the person concurrently serves as an independent director
Representative of YI SIN Investment Co., Ltd.: JHANG-SHAN, HUANG	Graduated from the Department of Chemistry of National Sun Yat-sen University, he is currently the Chairman of the Board of Directors of the Company, the Chairman of the Board of Directors of Wing Yan Investment (Stock) Company and Yee Hin Investment (Stock) Company. He has more than five years of experience in commercial, financial and corporate business, and has devoted himself to the printing industry for nearly 40 years, with the ability of professional leadership, marketing, operational management and strategic planning.	N/A	0
Representative of SHAO WEI Investment Co., Ltd.: JHAN-LONG, HUANG	Graduated from Kun Shan University of Science and Technology with a Bachelor's Degree in Electrical Engineering, he is currently the General Manager of the Company, Chairman of Eu Sheng Investment (Stocks) Inc. and Shao Wei Investment (Stocks) Inc. and has more than five years of experience in business, finance, and corporate operations, with an international outlook, globalized and professional market competitiveness judgment, and innovative leadership skills.	N/A	0
JUN-XIONG, CHEN	Graduated from the Department of Civil Engineering of Chung Yuan Christian University, he was the team leader of New Asia Construction (Stock) Company and is now the assistant manager of the Company. He has more than	N/A	0

	five years of working experience in business, finance and the company's business requirements, and specializes in marketing strategy and business promotion with extensive experience.		
HUEI-LING, FANG	Ms. Fang Hui-Ling has over 20 years of experience as a practicing attorney at Anhou Chien Yeh & Associates, Inc. and has also served as an assistant professor at the Department of Accounting and Information Technology of the National Taiwan University of Science and Technology for approximately 8 years, where she taught accounting and tax-related courses. Currently, Ms. Fang serves as an independent director of Eagle Eyes Traffic Control Technology (Stocks), Winstar Electric Wire Industries (Stocks) and Shifeng Screws (Stocks), and is qualified as a certified public accountant in Taiwan. She has not been involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	All of the Company's independent directors have complied with the requirements of Article 3, Paragraph 1, Item 1~8 of the "Regulations Governing the Establishment of Independent Directors of Public Companies and Matters to be Observed".	3
LING-LING, LEE	Ms. Li Ling-Ling holds a master's degree in law from National Taiwan University and has nearly 30 years of experience in legal practice. She was the chairman of Kaohsiung Bar Association and the executive director of the Legal Aid Foundation of the Consortium, and is currently the executive supervisor of the National Lawyers Guild, a director of the Legal Aid Foundation of the Consortium, and an independent director of Zhonghong Iron & Steel (Stock) Company. Ms. Li is qualified as an attorney in Taiwan and specializes in the field of legal profession and assists the Company in legal related matters. She has not been involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	All of the Company's independent directors have complied with the requirements of Article 3, Paragraph 1, Item 1~8 of the "Regulations Governing the Establishment of Independent Directors of Public Companies and Matters to be Observed".	1
JIA-BIN, CHEN	Mr. Chen holds a doctorate degree in finance and a master's degree in business administration from the University of Kentucky in the United States of America. He has been a full-time professor of the Department of Business Administration of National Chung Hsing University for more than 20 years and has served as the executive director of the EMBA of the School of Management, the chairman of the Department of Business Administration and the dean of the College of Innovative Industries of the University. He is professionally qualified in finance and business administration and specializes in financial planning and business operation professional affairs. He has not been involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	All of the Company's independent directors have complied with the requirements of Article 3, Paragraph 1, Item 1~8 of the "Regulations Governing the Establishment of Independent Directors of Public Companies and Matters to be Observed".	0
YU-CHENG, CHEN	Mr. Chen holds a Ph.D. from the Graduate School of Accounting, National Chengchi University and has been a professor at the Department of Finance and Economics, National Chung Hsing University for more than 20 years. Mr. Chen specializes in accounting and financial analysis, business operations, etc., and possesses a wealth of expertise in payroll management, corporate growth and related investments, which is highly beneficial to the Company's future operational layout and financial planning. He has not been involved in any of the circumstances	All of the Company's independent directors have complied with the requirements of Article 3, Paragraph 1, Item 1~8 of the "Regulations Governing the Establishment of Independent Directors of Public Companies	2

	described in the subparagraphs of Article 30 of the Company Act.	and Matters to be Observed”.	
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4. Board diversity and independence:

a. Board diversity indicators:

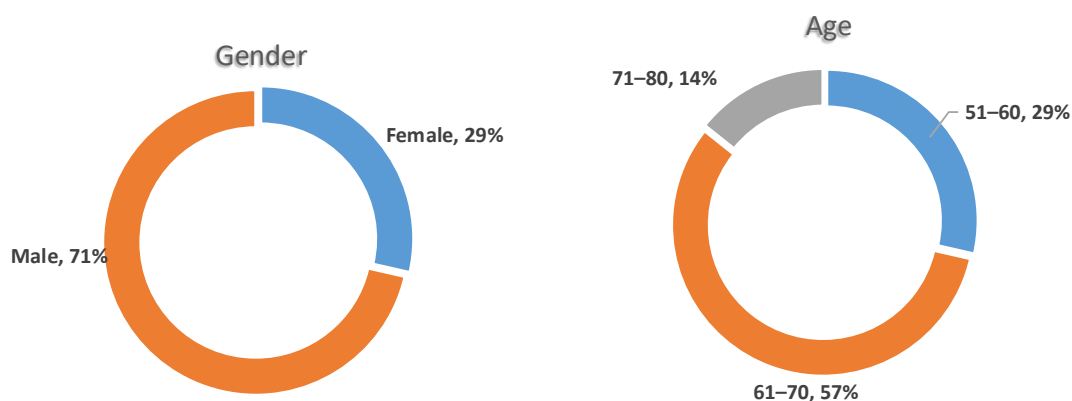
At the 5th meeting of the 10th session of the Board of Directors held on June 20, 2012, the Company adopted the “Corporate Governance Code”, which sets forth a diversified approach in Chapter 3, “Strengthening the Functions of the Board of Directors”. The nomination and selection of members of the Board of Directors of the Company is in accordance with the Company's Articles of Incorporation and adopts the nomination system of candidates. In addition to evaluating the academic qualifications of each candidate, the Company also takes into account the opinions of stakeholders and complies with the “Regulations Governing the Election of Directors” and the “Corporate Governance Guidelines” in order to ensure that the members of the Board of Directors are diversified and independent.

Pursuant to Article 20, Section 4 of the Company's Corporate Governance Code, it is desirable for directors to possess the knowledge, skills, and qualities necessary for the performance of their duties. In order to achieve the desired objectives of corporate governance, the Board of Directors should possess the following overall competencies:

1. operational judgment.
2. accounting and financial analysis skills.
3. business management skills.
4. crisis management skills.
5. industry knowledge.
6. international market view.
- 7 Leadership skills.
8. decision-making ability.

The 14th Board of Directors consists of 7 directors, including 3 general directors, 4 independent directors, and 29% of the directors are employees. The members of the Board of Directors have extensive experience and expertise in the fields of finance and accounting, law, and management, etc. Among the 4 independent directors, Ms. Fong Hui-Ling, an independent director, has more than 20 years of experience in practicing in a large accounting firm, and Ms. Lee Ling-Ling, an independent director, has 30 years of experience in practicing in a legal firm, and has served as Chairman of the Kaohsiung Bar Association, Chairman of the Legal Aid Corporation Legal Aid Corporation, and President of the Kaohsiung Bar Association. She was the chairman of the Kaohsiung Bar Association, a director of the Legal Aid Foundation, and the chairman of the Kaohsiung Evening Women's Association, and is currently the chairman of the National Lawyers Guild, an arbitrator of the Commercial Arbitration Association of the Republic of China, and a

supervisor of the Taiwan Association of Legal Tso's. Mr. Chen Chia-Bin is a professor at the Department of Business Administration of the National Chung-Hsing University, and Mr. Chen Yucheng is a professor at the Department of Finance and Economics of the National Chung-Hsing University. Mr. Huang Changshan, Chairman of the Board of Directors, Mr. Huang Chin-Lung, and Mr. Chen Chun-Hsiung, Directors, have served in important management positions of the Company for many years and possess professional skills in marketing, technology, business management, industry knowledge and operational judgment. In addition, the Company also emphasizes gender equality in the composition of its board of directors. Currently, among the seven directors, two are female directors, accounting for 29% of the total.



Diversity Policy and Implementation

In order to strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, the Company adjusted the “Policy on Diversity of Board Membership” in Article 20, Section 3 of the revised Corporate Governance Code in 2019. The policy states that: Diversity should be taken into consideration in the composition of the Board of Directors, and that the composition of the Board of Directors should include, but not limited to, criteria on the following two major aspects: i. Basic qualifications and values: gender, age, nationality and culture, etc. ii, In addition to the fact that the number of directors who are also managers of the Company should not exceed one-third of the total number of directors, the Company should also formulate an appropriate diversity policy with respect to its own operation, business model, and development needs, which should include, but not be limited to, the following two major criteria:

I. Basic Qualifications and Values: Sex, age, nationality, and culture.

Professional knowledge and skills: professional background (e.g., law, accounting, industry, finance, marketing or technology), professional skills and industry experience.

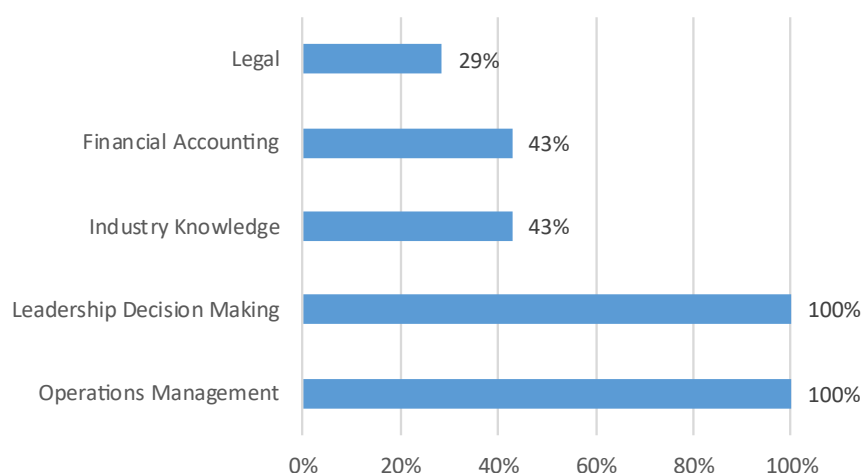
The nomination and selection of the members of the Board of Directors of the Company follows the provisions of the Company's Articles of Incorporation, adopts the candidate nomination system, evaluates the academic qualifications of each candidate, and complies with the diversity policy set forth in the “Regulations Governing the Election of Directors” and the “Corporate Governance Guidelines” to ensure the diversity and independence of the professional and industrial experiences

of the members of the Board of Directors.

The specific management objectives and achievements of the policy on diversity in the composition of the Board of Directors are set forth below:

Management Objectives	Status of Achievement
Emphasize gender equality in the composition of the Board of Directors, with a target ratio of one-third or more of the seats held by directors of either gender.	Not yet achieved (2 female directors, accounting for 29% of the total number of directors, which is expected to be achieved after the next re-election of directors)
An independent director may not serve for more than three consecutive terms in order to maintain his or her independence.	Achieved
Emphasis on operational judgment, business management and crisis management capabilities, with at least two-thirds of the board members possessing the relevant core competencies.	Achieved

Core diversified projects



Diversity scenarios <
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FANG															
Independent Director: LING-LING, LEE	TW	Female			✓				✓		✓	✓			✓
Independent Director: JIA-BIN, CHEN	TW	Male				✓			✓		✓	✓		✓	
Independent Director: YU-CHENG, CHEN	TW	Male				✓		✓			✓	✓		✓	

- If any gender board member seat of a listed or stock exchange company does not reach one-third, state the reason and the planned measures to enhance the implementation of gender diversity on the board: Taiwan started relatively late in its policies on gender equality and board diversity, although there has been gradual improvement, more systematic measures and resource investment are needed to narrow the gender ratio gap. The company has actively sought and attracted female talents with professional capabilities to join the board and created a diverse, inclusive, and gender-equal decision-making environment to enhance the appeal to female professionals, with the goal expected to be achieved after the next board member election.

b. Board Independence

There are 4 independent directors, accounting for about 57% of the board. All 4 independent directors are free from the circumstances stipulated in Article 26, Paragraph 3 and 4 of the Securities and Exchange Transactions Act. There are no spousal or first-degree relative relationships among the 7 board members. Additionally, to ensure independent directors can exercise their duties objectively and avoid reduced independence due to long tenure, the term of independent directors is set not to be continuously exceeding 3 terms. Currently, the terms of all 4 independent directors have not been continuously exceeding 3 terms.

(II). Information on the President, Vice Presidents, and the heads of various departments and branches:

Apr. 26, 2025; unit: shares

Job title	Nation ality	Name	Gen der	Date of appointment to position	Shareholding		Shareholding of spouse or minor children		Shareholding by nominee arrangement		Major education and experience	Concurrent positions other companies	Spouse or relatives within second degree of kinship who are other managers			Re mar ks
					Number of shares/Shareholding		Number of shares/Shareholding		Number of shares/Shareholding				Job title/Name/Relations			
CEO and Governance Officer	TW	JHAN- LONG, HUANG	Male	1988.10.01	975,650	2.67	1,578,690	4.31	7,149,400	19.54	Kunshan University of Science and Technology, Department of Electronic Engineering President of Sonen Corporation	Chairman of YOU SHENG Investment Co., Ltd. Chairman of SHAO WEI Investment Co., Ltd.	Management Manager Special Assistant of GM	JING- LIANG, LIN XIU-MAN, YANG	Relatives by marriage Spouse	
Special Assistant of GM	TW	XIU-MAN, YANG	Fem ale	2008.12.01	1,578,690	4.31	975,650	2.67	0	0	Nan Ying Commercial and Industrial Accounting Department Lian Tai Decorative Enterprise Co., Ltd. Accountant and Business	Supervisor of YOU SHENG Investment Co., Ltd. Supervisor of SHAO WEI Investment Co., Ltd.	CEO Management Manager	JHAN- LONG, HUANG JING- LIANG, LIN	Spouse Relatives by marriage	
Assistant Manager & Security Room	TW	JUN- XIONG,CH EN	Male	2009.10.01	85,960	0.23	0	0	0	0	Bachelor degree in Civil Engineering from Chung Yuan Christian University Team leader of NEW ASIA CONSTRUCTION & DEVELOPMENT CORP.	None.	None.	None.	None.	
Manufacturing Department Manager	TW	TZU-CHIN, WEI	Male	2009.10.01	0	0	0	0	0	0	Department of Mechanical Engineering, National Formosa University	None.	None.	None.	None.	
Manager of Management Department	TW	CHING- LIANG, LIN	Fem ale	2012.01.01	1,632,630	4.46	1,304,910	3.57	0	0	National Kaohsiung Normal University Department of Mathematics Junior High School Teacher	Supervisor of YONG EN Investment Co., Ltd. Supervisor of YI SIN Investment Co., Ltd.	CEO Special Assistant of GM	JHAN- LONG, HUANG XIU-MAN, YANG	Relatives by marriage Relatives by marriage	
Finance Department Manager	TW	YU-HUI, WU	Fem ale	2011.03.01	0	0	0	0	0	0	National Cheng Kung University, Department of Accounting Director of Chung Shin Certified Public Accountants Accounting Manager, Public Bank of Commerce Audit of Shun Chak Enterprises (Holdings) Ltd.	None.	None.	None.	None.	
Head of R&D, Quality Assurance and Overseas Customer Service Dept.	TW	KUAN-YU, LI	Male	2013.04.15	0	0	0	0	0	0	Graduate Institute of Aeronautical and Space Engineering, Tamkang University Associate Manager, Measurement Laboratory, BenQ Corporation Head of Institutional Laboratory, Measurement Center, Qisda Corporation	None.	None.	None.	None.	
Deputy Director of Operations	TW	MIN-HSIU, TSAI	Male	2023.05.10	1,000	0.003	0	0	0	0	Mechanical Engineering, Chung Yuan Christian University Associate Manager, Qingfeng Shoes Factory Associate Manager, Management and Administration International Business Specialist, Thermaltake Asia	None.	None.	None.	None.	

II. Remuneration paid to directors, the President, and Vice Presidents in the most recent year:
(I). Remuneration paid to directors (including independent directors)

Unit: NT\$ thousands / in thousands of shares																						
Job title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income	Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F +G and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company	
		Base compensation (A)		Retirement pay and pension		Director profitsharing compensation (C)		Expenses and perquisites (D)			Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)							
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities			The Company
Director	Representative of YI SIN Investment Co., Ltd.: JHANG-SHAN, HUANG	3,096	0	76	0	96	0	28	0	1.19	0	0	0	0	0	0	0	0	0	1.19	0	None.
Director	Representative of SHAO WEI Investment Co., Ltd.: JHAN-LONG, HUANG	0	0	0	0	96	0	28	0	0.04	0	2,419	0	58	0	570	0	0	0	1.15	0	None.
Director	JUN-XIONG,CHEN	0	0	0	0	96	0	28	0	0.04	0	2,823	0	91	0	530	0	0	0	1.29	0	None.
Independent Director	HUEI-LING, FANG	332	0	0	0	0	0	49	0	0.14	0	0	0	0	0	0	0	0	0	0.14	0	None.
Independent Director	LING-LING, LEE	272	0	0	0	0	0	49	0	0.12	0	0	0	0	0	0	0	0	0	0.12	0	None.
Independent Director	JIA-BIN, CHEN	224	0	0	0	0	0	49	0	0.10	0	0	0	0	0	0	0	0	0	0.10	0	None.
Independent Director	YU-CHENG, CHEN	224	0	0	0	0	0	49	0	0.10	0	0	0	0	0	0	0	0	0	0.10	0	None.
合 計			4,148	0	76	0	288	0	280	0	1.73	0	5,242	0	149	0	1,100	0	0	0	4.09	0
Note: 1. The policy, system, standard and structure of independent directors' remuneration are described in terms of the correlation between the amount of remuneration paid and the responsibilities, risks, time commitment, etc.: In accordance with Article 21 of the Company's Articles of Incorporation, directors of the Company are entitled to receive compensation for their performance of duties, regardless of whether the Company makes a profit or a loss, and such compensation is authorized to be determined by the Board of Directors in accordance with the extent of their participation in the operation of the Company and the value of their contributions, with reference to the industry standard. The compensation is authorized to be determined by the Board of Directors based on the degree of participation in and value of contribution to the Company's operations and with reference to industry standards; 2. In addition to the above table, the remuneration received by the directors of the Company for services rendered to all companies included in the financial statements (e.g., serving as a consultant to the parent company/all companies included in the financial statements/transferred investment companies that are not employees) for the most recent year was as follows: None. 3. The Company has no consolidated financial statements.																						

(II). Remuneration to the President and Vice Presidents

Unit: NT\$ thousands / in thousands of shares

Job title	Name	Salary (A)		Severance and pension (B)		Bonus and allowance (C)		Employee remuneration (D)				Sum of A, B, C, and D as a % of the net income after tax		Remuneration from investees other than subsidiaries or from the parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
CEO and Governance Officer	JHAN-LONG, HUANG	1,619	0	58	0	800	0	570	0	0	0	1.11	0	None

Note: The Company does not have consolidated financial statements.

(III). Name of manager who receives employee remuneration and distribution

December 31, 2024; Unit: NT\$ thousands

	Job title	Name	Stock amount	Cash amount	Total	Total amount as a % of the net income after tax
Manager	CEO and Governance Officer	JHAN-LONG, HUANG	0	3,740	3,740	1.35
	Special Assistant of GM	XIU-MAN, YANG				
	Assistant Manager & Security Room	JUN-XIONG, CHEN				
	Manufacturing Department Manager	TZU-CHIN, WEI				
	Manager of Management Department	CHING-LIANG, LIN				
	Finance Department Manager	YU-HUI, WU				
	Head of R&D, Quality Assurance and Overseas Customer Service Dept.	KUAN-YU, LI				
	Deputy Director of Operations	MIN-HSIU, TSAI				

(IV). An analysis of the total remuneration paid to the Company's directors, the President, and Vice Presidents as a percentage of the net income after tax for the most recent two years, and a description of the remuneration policy, standard, and package, the procedure for determining the remuneration, and the association between business performance and future risks:

1. An analysis of the total remuneration paid to the Company's directors, the President, and Vice Presidents by the Company and all companies in consolidated financial statements as a percentage of the net income after tax for the most recent two years:

Year Job title	2024 An analysis of the total remuneration paid to the Company's directors, the President, and Vice Presidents by the Company and all companies in consolidated financial statements as a percentage of the net income after tax recorded in the parent company only or individual financial statements	2023 An analysis of the total remuneration paid to the Company's directors, the President, and Vice Presidents by the Company and all companies in consolidated financial statements as a percentage of the net income after tax recorded in the parent company only or individual financial statements
Director	4.09	5.55
CEO and Governance Officer (also Director)	1.11	1.46

An analysis of the difference in the total remuneration as a % of the net income after tax for the most recent two years :

The increase in net income after tax in 2024 as compared to 2023 was mainly due to the appreciation of the U.S. dollar exchange rate and the Company's internal cost control in 2024, which resulted in a significant increase of 41% in income after tax as compared to 2023, while the compensation to directors and general manager only increased slightly by approximately 4% (approximately \$450,000), and the overall ratio of director's and general manager's compensation to net income after tax was significantly reduced as compared to that in 2023.

2. The remuneration policy, standard, and package, the procedure for determining the remuneration, and the association between business performance and future risks:
 - (1). The directors' compensation of this company differs between external directors and internal directors (with employee or appointed manager status). External directors receive a fixed monthly salary and an annual fixed bonus; although internal directors can, according to Article 26 of the articles of association, receive director compensation up to no more than New Taiwan Dollar 500,000 for the current year's profit, it has been paid out so far on a monthly basis (5,000 NTD ~ 8,000 NTD) × number of months in office.
 - (2). The travel expenses for all directors attending meetings are paid on a fixed amount basis according to the meeting category.
 - (3). If an internal director holds the identity of a company employee or an appointed

manager, their severance pay is provided according to the Labor Standards Act and the company's "Severance Pay Operation Management Method for Appointed Managers." External directors are not entitled to severance pay.

- (4). The salary and bonus of an internal director holding the identity of a company employee or an appointed manager are disbursed according to the company's "Managerial Salary Management Method." The managerial salary structure is divided into fixed salary and variable salary. Fixed salary is the monthly salary, including base salary, meal allowance, managerial allowance, professional allowance, living allowance, etc.; variable salary includes year-end bonus, employee incentives, hardship allowance, performance bonus, etc. The evaluation criteria for disbursement are as follows:

A. Year-end Bonus: Based on the company's operational performance, personal annual performance review, held position, time invested, level of personal contribution, and recent performance, considering industry standards, and paid as 2 to 15 months of base salary, to be disbursed before the Lunar New Year each year.

B. Employee Incentives: The total amount to be disbursed is calculated based on the company's financial situation certified by the annual accountant, using the following formula:

The total amount of executive employee compensation for the year (A) = Total compensation of all employees for the year × B%

The total amount of executive employee compensation for the year shall be distributed at a rate of no less than 2% of the company's profit for the year, as stipulated in Article 26 of the company's articles of association.

B% is determined by the Chairman and General Manager within the range of 25% to 45%.

The personal employee compensation of the executive shall consider the company's profit, personal annual performance review, position held, time invested, and individual contribution level, and shall be paid every August.

C. Labor Bonus: In order to encourage employees' morale and comfort them for their hard work, the Company will pay a bonus to employees in the event that the Company is unable to pay them due to poor profitability in the current year. In the event that we are unable to pay our employees due to poor profitability during the year, the Company will pay out bonuses as appropriate.

D. Performance Bonus: When revenue shows significant growth, the company may decide to issue bonus gold based on operational conditions.

- (5). In 2024, gross profit margin and operating profit margin increased by 1% and net profit margin increased by 7% compared to 2023, resulting in better operating performance. as a result, the bonuses to directors and general managers increased by approximately 4% compared to the previous year, and the ratio of the above bonuses to the after-tax profit and loss was 4.09% in 2024, which is a slight decrease compared to the ratio of the above bonuses to the after-tax profit and loss in 2023, which was 5.55%. In addition to making reference to the individual's performance achievement rate and contribution to the Company, we will also take into account the Company's overall operating performance, the future risks and development trends of the industry, and review the remuneration system in a timely manner in light of the actual operating conditions and the trends of the relevant laws and regulations, corporate

governance and ESG, and provide reasonable compensation to fulfill the balance between sustainable operation and risk control of the Company and the promotion of the Company's objectives. We will review the compensation system in a timely manner to provide reasonable compensation in order to realize the balance between the Company's sustainable management and risk control as well as to promote the goals.

- (6). The review of the company's bonus policy related to payment standards and systems is mainly based on the overall operational conditions of the company. The payment standards are determined based on the achievement rate and contribution of financial indicators, non-financial indicators, and sustainable indicators to enhance the overall organizational team effectiveness of the board of directors and management level. In addition, the industry salary standards are referred to to ensure that the salary of the company's management level is competitive in the industry to retain outstanding management talents. Managers' performance goals are combined with risk control to ensure that possible risks within their scope of responsibility can be managed and prevented, and performance ratings are awarded based on actual performance, linked to human resources and other salary compensation policies, considering various risk factors, and the performance of related decisions reflects the company's profitability. Therefore, the salary of the management level is related to the performance of risk control.

III. Implementation of corporate governance:

(I). Operations of the Board of Directors:

On June 27, 2023, the shareholders' meeting will fully re-elect directors, and 7 directors (including 4 independent directors) will be elected for the 14th term, and the term of office will be from June 27, 2023 to June 26, 2026. In FY2024, the Board of Directors held a total of 5 meetings, with a 100% attendance rate. The attendance of the directors is as follows

Job title	Name	Attendance in person (B)	Attendance by proxy	Attendance(%) 【 B / A 】	Remarks
Chairman	Representative of YI SIN Investment Co., Ltd.: JHANG-SHAN, HUANG	5	0	100	
Director	Representative of SHAO WEI Investment Co., Ltd.: JHAN-LONG, HUANG	5	0	100	
Director	JUN-XIONG, CHEN	5	0	100	
Independent Director	HUEI-LING, FANG	5	0	100	
Independent Director	LING-LING, LEE	5	0	100	
Independent Director	JIA-BIN, CHEN	5	0	100	
Independent Director	YU-CHENG, CHEN	5	0	100	
Additional information on the operations of the Board of Directors:					
1. If the operations of the Board of Directors is under any of the circumstances below, the					

date of the board meeting, the session, the content of the proposal, all independent directors' opinions, and the Company's response to said opinions shall be specified:

- a. For matters under Article 14-3 of the Securities and Exchange Act, no independent director expressed objection or reservation during 2023. Please refer to the Additional information on the operations of the Audit Committee (1).
- b. Except for the above matters, other matters resolved by the Board of Directors with objection or reservation made by any independent directors, with records or a written statement: None.

2. In the event of directors' recusal from proposals, the name of director, the content of proposal, the reasons for recusal, and the participation in voting shall be specified:

Date/Session of the board meeting	Content of proposal	Name	Resolution results
2024.02.01 14th Term, 4th meeting	Proposed year-end bonuses and monthly salary adjustments for the Chairman and Managers for fiscal year 2023.	Representative of YI SIN Investment Co., Ltd.: JHANG-SHAN, HUANG Representative of SHAO WEI Investment Co., Ltd.: JHAN-LONG, HUANG JUN-XIONG, CHEN	Mr. JHANG-SHAN, HUANG, being the Chairman of the Company, and Mr. JHAN-LONG, HUANG and Mr. JUN-XIONG, CHEN, being the Directors and Managers of the Company, abstained from the discussion and voting on this case, and none of the Directors present at the meeting had any objection to this motion, which was ruled to be passed by the Acting Chairman, Ms. HUEI-LING, FANG
2024.05.09 14th Term 6th meeting	2023 Directors' Compensation and Managers' Compensation Case.	Representative of YI SIN Investment Co., Ltd.: JHANG-SHAN, HUANG Representative of SHAO WEI Investment Co., Ltd.: JHAN-LONG, HUANG JUN-XIONG, CHEN	Mr. JHANG-SHAN, HUANG, being the Chairman of the Company, and Mr. JHAN-LONG, HUANG and Mr. JUN-XIONG, CHEN, being the Directors and Managers of the Company, abstained from the discussion and voting on this case, and none of the Directors present at the meeting had any objection to this motion, which was ruled to be passed by the Acting Chairman, Ms. HUEI-LING, FANG

3. Information on the cycle, period, scope, method, and content of the Board of Directors' self-evaluation (peer evaluation) :

Cycle	Period	Scope	Method	Content
Once per year	January 1– December 31 each year	The performance evaluation covers the Board of Directors, individual directors, functional committees (the Remuneration	Internal self-evaluation of the Board of Directors, board members' self-evaluation, peer evaluation.	The board performance : 1. Involvement in the operation of the Company. 2. Improve the quality of Board decisions. 3. Composition and structure of the board of directors. 4. Selection and Continuing Education of Directors. 5. Internal control. Each director performance : 1. Understanding of the company's

			Committee and the Audit Committee).		<p>objectives and tasks.</p> <p>2. Awareness of directors' responsibilities.</p> <p>3. Involvement in the operation of the Company.</p> <p>4. Internal relationship management and communication.</p> <p>5. Professional and continuing education of directors.</p> <p>6. Internal control. .</p> <p>The functional committees performance:</p> <p>1. Involvement in the operation of the Company.</p> <p>2. Awareness of responsibilities of the committees.</p> <p>3. Improve the quality of decision making in the committees.</p> <p>4. Composition and selection of committee members.</p> <p>5. Internal control. .</p>
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4. The objectives of reinforcement of the competency of the Board of Directors in the current year and the most recent year and the implementation:

The Company has an Audit Committee and a Compensation Committee, of which the Audit Committee consists of four independent directors and is responsible for reviewing and supervising the following matters:

- (1). Fair presentation of financial statements
- (2). Significant asset or derivative transactions
- (3). Significant loans of funds or endorsements or guarantees
- (4). Appointment or removal of the head of finance, accounting or internal audit.
- (5). Selection and dismissal of certified public accountants, independence, audit quality indicators (AQIs) and performance.
- (6). Effective implementation of the Company's internal controls
- (7). Compliance with relevant laws and regulations
- (8). Management and control of the Company's existing or potential risks

The heads of the relevant departments attend the Audit Committee to explain the contents and implementation of each motion to the members, and the certified public accountants or their designees are also invited to attend to explain the contents of the disclosure of the financial reports for the members' understanding and assessment of the appropriateness for the purpose of supervision.

In addition, the Compensation Committee consists of four independent directors and is responsible for reviewing and supervising the following matters:

- (1). To establish and regularly review the policies, systems, standards and structures for performance evaluation and compensation of directors and managers.
- (2). Evaluate and determine the compensation of directors and managers on a regular basis.

The head of the Human Resources Department attends the Compensation Committee to explain the basis and amount of compensation to the members for their understanding and to assess the appropriateness for the purpose of audit.

5. Establishment of Head of Corporate Governance

On May 10, 2023, the Board of Directors resolved to establish the position of Head of Corporate Governance to handle matters related to the Board of Directors' meetings in accordance with the law, prepare minutes of the Board of Directors' meetings, assist the

directors in assuming their positions and continuing their education, provide the directors with information necessary for the execution of their duties, and assist the directors in complying with the laws and regulations, as well as other matters in accordance with the Company's Articles of Incorporation or contracts.

(II). The operations of the Audit Committee:

The Audit Committee held five meetings during the most recent year (2024), and members' attendance is as follows:

Job title	Name	Attendance in person	Attendance by proxy	Attendance (%)	Remarks
Independent Director	HUEI-LING, FANG	5	0	100	
Independent Director	LING-LING, LEE	5	0	100	
Independent Director	JIA-BIN, CHEN	5	0	100	
Independent Director	YU-CHENG, CHEN	5	0	100	

Additional information on the operations of the Audit Committee :

- Where matters under Article 14-5 of the Securities and Exchange Act have not been approved by the Audit Committee but have been approved by more than two-thirds of all directors, the date of the board meeting, the session, the content of the proposal, the Audit Committee's resolution results, and the Company's response to said opinions shall be specified:

Date/Session of meeting	Content of proposal	Matters listed in §14-5 of the Securities and Exchange Act	Resolutions approved by more than two-thirds of all directors without the approval of the Audit Committee
2024.02.01 5th term 3rd meeting	1.Revision of certain articles of the "Seal Management Measures" 2.Revision of certain articles of the "Internal Control Self-Assessment Operating Procedures" 3.Renewal of bank loan facilities. 4.Preparation of the 2024 Budget. 5.Appointment and remuneration of CPA for the year 2024.	√	Not Applicable
	Auditor Committee Resolution Results(2024.02.01): All attending members agreed to pass.		
	Handling of Opinions to the Audit Committee: All attending directors agreed to pass.		
2024.03.11 5th term 4th meeting	1.Amendments to the "Rules of Procedure of the Board of Directors" and the "Regulations of the Audit Committee". 2.2023 Internal Control Self-Inspection "Internal Control System Statement" 3.2023 annual business report and financial statements.	√	Not Applicable
	Auditor Committee Resolution Results(2024.03.11): All attending members agreed		

		to pass.		
		Handling of Opinions to the Audit Committee: All attending directors agreed to pass.		
2024.05.09 5th term 5th meeting	1.Financial Statements for the 1st Quarter 2024 2.2023 surplus distribution 3.2023 cash dividend payment case 4.Renewal of bank loan line	V	Not Applicable	
	Auditor Committee Resolution Results(2024.05.09): All attending members agreed to pass.			
	Handling of Opinions to the Audit Committee: All attending directors agreed to pass.			
2024.08.08 5th term 6th meeting	1.Financial statements of the Company for the second quarter of 2024 2.Renewal of bank loan line	V	Not Applicable	
	Auditor Committee Resolution Results(2024.08.08): All attending members agreed to pass.			
	Handling of Opinions to the Audit Committee: All attending directors agreed to pass.			
2024.11.12 5th term 7th meeting	1.Financial Statements for the 3rd Quarter 2024 2.Amendments to the "General Principles of Pre-Approval of Non-Assurance Service Policy". 3.The "Operating Procedures for Preparation and Verification of Sustainability Report" was finalized 4.The "Greenhouse Gas Inventory and Sustainability Information Management Operation Audit Schedule" was finalized 5.Prepare the audit plan for 2025	V	Not Applicable	
	Auditor Committee Resolution Results(2024.11.12): All attending members agreed to pass.			
	Handling of Opinions to the Audit Committee: All attending directors agreed to pass.			
2025.01.21 5th term 8th meeting	1.Amendments to the Articles of Association 2.The "Regulations on the Operation of Funds Lending to Others" and the "Procedures for Endorsement and Guarantee" are repealed 3.Amendments to the Procedures for Obtaining or Disposing of Assets 4.Renewal and change of bank loan limit 5.Prepare the 2025 budget 6.2025 Visa Accountant Appointment and Remuneration Case	V	Not Applicable	
	Auditor Committee Resolution Results(2025.01.21) : Item 3. 「Asset Acquisition or Disposal Procedures」 Revision Proposal, Resolution to Retain Original Clause Without Revision, Other Proposals Agreed Upon by All Present Committee Members.			
	Handling of Opinions to the Audit Committee: All attending directors agreed to pass.			
2025.03.12 5th term 9th meeting	1."Statement of Internal Control System" for 2024 Internal Control Self-inspection 2.Amendments to the internal control system 3.New bank loan line 4.2024 Annual Business Report and Financial Statements	V	Not Applicable	
	Auditor Committee Resolution Results(2025.03.12): All attending members agreed to pass.			
	Handling of Opinions to the Audit Committee: All attending directors agreed to pass.			
2025.05.13 5th term	1.Financial Statements for the 1st Quarter 2025 2.2024 surplus distribution			

10th meeting	3.2024 cash dividend payment case 4.Renewal of bank loan line 5.Amendments to the internal control system	√	Not Applicable
	Auditor Committee Resolution Results(2025.05.13) : Item 5.Approved based on the revised articles, with the remaining proposals passed by all attending members of the committee.		
	Handling of Opinions to the Audit Committee: All attending directors agreed to pass.		

2. In the event of independent directors' recusal from proposals, the name of independent director, the content of proposal, the reasons for recusal, and the participation in voting shall be specified: None.

3. Communication between independent directors and the chief internal auditor/CPAs:

(1).The Internal Audit Supervisor provides audit reports to the Independent Directors for review each month and reports to the Independent Directors on the execution of the internal audit plan, significant findings, and the implementation of previously recommended improvements through each meeting of the Audit Committee, engaging in face-to-face interactions. Additionally, Independent Directors communicate with each other and the Internal Audit Supervisor with members of the Audit Committee regularly via email regarding audits and other matters related to the responsibilities of the Audit Committee.

(2).The Internal Audit Supervisor submits periodic reviews of internal control system deficiencies to the Audit Committee based on the annual audit plan, in addition to making records, tracking, and implementing improvements, and also reports to the Board of Directors.

Communication meetings between the chief internal auditor and the Audit Committee during 2024:

Audit Committee Interaction Date	Method	Communication focus 、 Independent Directors' Opinions and Communication Results
2024.11.12	5th Term 7th Meeting of the Audit Committee	1.Internal audit review report for 2024 as of the end of September. Independent directors expressed their agreement with the report's content. 2.Arrangement of the internal audit plan for 2025. Independent directors raised no objections and submitted it for the board's resolution.

(3).To facilitate direct communication between independent directors and auditors, the company invites certified public accountants or their designated representatives to participate in discussions at least 2 times annually to discuss and provide recommendations on the results of financial statement audits and the company's financial and business conditions. Additionally, independent directors can contact the auditors via phone or email at any time to discuss financial or business matters. The interaction between CPAs and the Audit Committees/independent directors is as follows:

Date of meeting	Method	Communication focus 、 Independent Directors' Opinions and Communication Results
2024.03.11	Panel discussion	The accountant communicated with the directors regarding the audit results of the 2023 financial statements, including audit findings, key audit matters, NAS services and independence evaluation, and explanations for changes in inventory valuation.

		Additionally, ongoing assessments were conducted on whether the back payment of air pollution fees would impact the financial statements, along with sharing internal control deficiency cases, discussing the firm's quality management system, and promoting updates on important legal regulations.
2024.08.08	Panel discussion	Review of the financial statements for the second quarter of 2024, in addition to the routine findings and conclusions, provide a summary of recent updates to auditing standards, annual audit planning, the introduction of the IFRS Sustainability Disclosure Standard, and significant updates to laws and regulations (e.g., the Standards for Handling of Internal Control Systems, the Three-Statements of Affiliates, and the amendment to Section 14 of the Securities and Exchange Commission).

4. Major tasks of the Audit Committee

Year	Matters reviewed and major tasks
Overall	<ol style="list-style-type: none"> 1. Reasonable Presentation of Financial Statements 2. Material Assets or Derivative Financial Instruments Transactions 3. Material Financial Loans or Endorsements and Guarantees 4. Appointment or Removal of Financial, Accounting, or Internal Audit Officers 5. The Selection of Certified Public Accountants(Explanation)Responsibilities, Independence, and Audit Quality Indicators(AQI)and Performance 6. Effective Implementation of Company Internal Controls 7. Company Compliance with Relevant Laws and Regulations 8. Management of Existing or Potential Company Risks
2024 and 2025	<ol style="list-style-type: none"> 1. Revised 「 Seal Management Regulations 」 2. Revised 「 Internal Control Self-Assessment Procedures 」 3. Revised 「 Board of Directors Meeting Procedures 」 and 「 Audit Committee Organization Rules 」 4. Revision"General Principles of Preliminarily Approved Non-Confidence Services Policy" 5. Establish "Sustainability Report Preparation and Verification Procedures" 6. Establish "Greenhouse Gas Inventory and Sustainable Information Management Operation Audit Detailed Table" 7. Repeal "Fund Lending to Others Operation Regulations" and "Endorsement Guarantee Operation Procedures" 8. Revision 「 Internal Control System 」

(III). Implementation of corporate governance:

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
I. Has the company formulated and disclosed the Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	✓		This Company has formulated its "Corporate Governance Code" pursuant to the "Code of Best Practices for Listed and Grown-up Companies" and; has had it approved by the Board of Directors and disclosed the relevant content on the Company's corporate website and the Financial Information Observation Station.	No discrepancy
II. Shareholding Structure and Shareholders' Rights				
(I) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	✓		Our companyhas formulated the shareholders' meeting rules andset up a dedicated shareholder services hotline andemail inboxto handle shareholder suggestions and related issues. If legal matters are involved, we engage the legal consultants appointed by our company to assist in handling them.	No discrepancy
(II) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	✓		This company entrusts the share registration agency to regularly update the shareholder register, and maintains lists of directors, managers, principal shareholders and ultimate controllers, submits and updates changes in accordance with regulations, and also maintains good relations with them.	
(III) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	✓		Has established and implemented relevant risk management mechanisms and the "Management Procedures for Transactions with Specific Companies, Group Enterprises, and Related Parties" in internal control operations, and implements in accordance with regulations.	
(IV) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	✓		The company has established the "Internal Trading Prevention Management Measures" and the "Corporate Governance Code," prohibiting employees from trading securities using non-public information obtained in the market and including(but not limited to) directors from trading their shares during the30 days15 days before the announcement of annual financial reports and quarterly financial reports, respectively.	
III. Composition and responsibilities of the Board of Directors				

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
(I) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	✓		According to our company's "Code of Corporate Governance Practices" Article20, board members should generally possess the knowledge, skills, and competencies necessary for performing their duties, as well as the diversified representation of the board. This principle also considers the benefits of board member diversity. In line with this principle, the 14th board of directors of our company consists of: Chairman Huang Zhangshan, Director Huang Zhangling, and Director Chen Junxiong, who have experience in managing companies across different industries, are skilled in leadership, business management, and possess diverse industry knowledge, decision-making abilities, and international market perspectives; Director Li Lingling, with experience in legal affairs; Directors Chen Jiabin and Chen Yucheng, who have financial expertise; former practicing accountant Fang Huiling, all of whom come from the fields of industry, law, and academia to achieve the purpose of complementary diversity. The board of directors and management emphasize inclusivity and diversity to support the company's values.	No discrepancy
(II) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?	✓		The Sustainability Committee was established in August 2024, and its composition, duties, and operations are described in the section 3.2 Sustainability Committee Organization and Operations of the 2024 Sustainability Report 3.Sustainability Strategy.	No discrepancy
(III) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?	✓		<p>On January 28, 2021, the Company adopted the “Regulations Governing the Evaluation of the Performance of the Board of Directors”, which stipulates that an internal board performance evaluation should be conducted at least once a year, including the performance evaluation of the entire board of directors, its members and functional committees, and that the board of directors should conduct a performance evaluation for the current year in accordance with the Regulations at the end of each year.</p> <p>The Board of Directors shall conduct a performance evaluation for the current year at the end of each year in accordance with the Regulations. The evaluation shall be conducted by means of a self-assessment questionnaire, and the results of the Board of Directors' performance evaluation shall be used as a reference for the selection or nomination of independent directors, and the results of the evaluation of the performance of individual directors shall be used as a reference for the determination of the individual salary and compensation of the directors.</p> <p>The performance evaluation of the Company's directors includes the following six major areas:</p> <p>I. Mastery of the Company's goals and missions.</p> <p>Recognition of directors' responsibilities.</p> <p>Participation in the Company's operations.</p> <p>Internal relationship management and communication.</p> <p>Directors' professionalism and continuing education.</p> <p>Internal control.</p> <p>The Company completed the 2024 performance evaluation of the Board of Directors, board members and functional committees in early 2025 and submitted the evaluation results to the Board of Directors on March 12, 2025. The average score of the 2024 evaluation ranged from 95 to 99.6%, which is satisfactory. The results of the Board of Directors' performance evaluation have been announced on the Company's official website.</p>	No discrepancy

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
(IV) Does the Company regularly evaluate its external auditors' independence?	✓		<p>Each year, the Company appoints an accountant and first examines the independence and suitability of the accountant and requires the firm to issue a "Statement of Independence". After the Company confirms that the accountant has no other financial interests or business relationships with the Company except for financial and tax visa cases, the Board of Directors then reviews the appointment of the accountant and the public expense.</p> <p>In addition, starting from 2023, before the Board of Directors resolves to reappoint the CPA, the Company will evaluate the professionalism, independence, quality control, supervision, and innovation of the appointed certified public accounting firm and the audit team in accordance with the 13 indicators in the five major components of the Audit Quality Indicators (AQIs) published by the FSC and the AQI report provided by the firm.</p> <p>The independence and suitability assessment of the certified public accountants for the last two years was completed on February 1, 2024 and January 21, 2025, respectively. The statement of independence issued by the certified public accountant firm and the assessment form have been posted on the Company's website for easy reference. 11 The evaluation of independence indicators includes that the certified public accountant does not serve as a director or manager of the audit client or hold a position that has significant influence on the audit case, the certified public accountant does not have any direct or indirect material financial interest in the Company, the certified public accountant does not have any material and close business or employment relationship with the Company, and the certified public accountant does not advertise or intercede for the Company's stock or other securities issued or licensed by the Company. There are 15 items in the evaluation of suitability, including qualifications, industry knowledge and professionalism.</p>	No discrepancy
IV. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	✓		<p>On August 10, 2023, the Board of Directors resolved that Mr. Huang Chin-Lung, the General Manager, be appointed as the Head of Corporate Governance to be responsible for corporate governance related matters to protect shareholders' rights and interests and to strengthen the functions of the Board of Directors. Mr. Huang's main duties include providing directors with the necessary information to perform their duties, assisting directors in complying with laws and regulations, handling matters related to the meetings of the board of directors and shareholders' meetings in accordance with the law, registering companies and changes in registration, preparing minutes of board of directors' shareholders' meetings, and implementing measures to safeguard the rights and interests of stakeholders and the equality of shareholders, etc. The head of the Corporate Governance Department completed the required further training in fiscal year 2024. The execution of the corporate governance business in fiscal year 2024 was as follows:</p> <ol style="list-style-type: none"> 1. Assisting the independent directors and general directors in performing their duties, providing the required information, and arranging for the directors' further education: <ol style="list-style-type: none"> (1) Regularly informing the members of the Board of Directors of the latest developments in the Company's business areas and the latest amendments to laws and regulations related to corporate governance. (2) Review the confidentiality level of relevant information and provide the directors with the required corporate information, and maintain smooth communication and exchange between the directors and 	No discrepancy

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
			<p>business executives.</p> <p>(3) Independent directors shall assist in arranging meetings with the head of internal audit or certified public accountants when they deem it necessary to do so in order to understand the Company's financial operations in accordance with the Code of Corporate Governance Practices.</p> <p>(4) Assisting independent directors and ordinary directors in drawing up annual study plans and arranging courses in accordance with the characteristics of the Company's industry and the academic and experience background of the directors.</p> <p>2. To assist in the organization of meetings of the Board of Directors and the shareholders' meeting, and to assist the Company in complying with the laws and regulations related to the Board of Directors and the shareholders' meeting:</p> <p>(1) Report to the Board of Directors, Independent Directors, and Audit Committee on the status of corporate governance operations, and confirm that the Company's shareholders' meetings and board of directors' meetings are convened in compliance with relevant laws and regulations and the Code of Corporate Governance.</p> <p>(2) Assisting and reminding the directors of the laws and regulations that they should comply with when executing business or making formal resolutions at the board of directors' meetings, and advising the board of directors when they are about to make a resolution that violates the law.</p> <p>(3) Reviewing the dissemination of material information regarding important resolutions of the Board of Directors after the meeting to ensure the appropriateness and correctness of the content of material information in order to protect the reciprocity of trading information for investors.</p> <p>(4) Prepare board meeting agendas, notify directors 7 days in advance, convene meetings and provide meeting information, provide advance warning of issues requiring avoidance of interest, and complete board meeting minutes within 20 days of the meeting.</p> <p>(5) To register the date of the shareholders' meeting in advance in accordance with the law, and to prepare the notice of meeting, meeting manual, and minutes of the meeting within the statutory period, and to register any changes in the articles of association or the re-election of directors.</p> <p>(6) Revise corporate governance regulations in accordance with laws and regulations, and report the status of implementation to the Board of Directors or the Audit Committee in accordance with the regulations.</p> <p>3. Maintaining investor relations: Arranging for the Chairman to communicate with major shareholders, institutional investors, or general shareholders, as necessary, so that investors can obtain sufficient information to assess the reasonable value of the company and shareholders' rights and interests can be well-protected.</p>	
V. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its			The Company maintains open communication channels with banks, creditors, and employees, and respects and protects their legitimate rights and interests. The Company has established a dedicated staff to handle external communications, and the Company's website also contains stakeholder information, so that stakeholders may contact the Company by phone or e-mail at any time if they deem it necessary.	

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor		
	Yes	No	Brief description			
company website? Does the Company appropriately respond to stakeholders’ questions and concerns on important corporate social responsibility issues?			In order to ensure that the Company will appropriately respond to and follow up on the issues of each category of stakeholders, the Company regularly compiles the issues and the results of the response and handling and submits them to the Board of Directors annually for reporting and confirmation. The status of each stakeholder's communication and the report for the most recent year are summarized below:			
			Stakeholders	Prioritize issues	Communication channels and frequency of communication	Stakeholder communication performance in 2024
			Employee	1. Salary and benefits 2. Labor relations 3. Business performance 4. Occupational safety and health environment 5. Employee diversity and equal opportunity	1. Hold regular labor-management meetings every quarter 2. Conduct regular employee health check-ups 3. Conduct disaster drills 4. Set up staff training classrooms, and hold staff education and training from time to time to improve employees' professional skills 5. Confidentiality grievance system	A total of 4 collective meetings will be held in 2024. In 2024, 44 external training sessions and 6 internal training sessions will be held In 2024, there were 37 internal announcements of employee benefits, activities, training and e-newsletters. In 2024, 11 monthly meetings and 36 weekly meetings will be held In 2024, we will hold one review and outlook meeting and one thanksgiving meeting.
			Customers	1. Customer service 2. Customer Privacy 3. Product	1. Communicate and discuss meetings regularly 2. Customer	In 2024, in addition to the routine domestic and foreign customer visits, we will also arrange foreign exhibition trips such as Tainan Rubber and Plastics Exhibition/Thailand Rubber and Plastics Exhibition and China Plas, through which you can understand

Item	Operations						Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description				
				quality and safety 4. Comply with laws and regulations 5. Environmental issues	satisfaction monitoring	the current issues and development directions of the industry, on the one hand, you can exchange various information with old customers, and you can also meet new potential customers through the exhibition. In addition, he also visited the Taipei International Building Materials & Products Fair to expand the customer base of different industries and revise the direction of product development by participating in different exhibitions. In the online marketing part, a task force was set up to update articles and information, and the number of website views and inquiry letters in 2024 increased by about 10% compared with the previous year.	
			vendor	1. Supplier management 2. Business performance 3. Operational Status	1. Review report meetings or telephone visits 2. Relevant management instructions of the contractor	·Supplier audits and interviews (irregularly), regularly assess and monitor the product quality, service, delivery time and other items of major raw materials and engineering suppliers. ·For the introduction of new suppliers, in addition to the basic evaluation items, the "Code of Conduct of the Responsible Business Alliance" will be disseminated, and 29 new third parties will be added in 2024 ·Hold "Contractor Safety Work Guidance Meeting" for contractors from time to time. ·Environmental, Social, and Governance (ESG) management status of the Company's business partners. Suppliers are required to fill out an ESG risk assessment questionnaire and a commitment not to use conflict minerals.	
			investor	1. Financial Information 2. Business performance 3. Investment plan	1. Convene a general meeting of shareholders every year 2. Corporate information session 3. Public	·On March 28, 2024, he was invited to participate in the performance presentation of the OTC Center, and on March 20, 2025, the self-legal person briefing will explain the company's operating status in 2023 and 2024 to the investing public. ·At the general meeting of shareholders on June 27, 2024, the company's operation overview will be explained, and the uninterrupted audio and video	

Item	Operations						Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description				
					information: Observation station announcements 4. Publication of information on the company's website 5. Stakeholder area of the company's website	recording of the whole process will be uploaded to the company's website for investors to watch after the meeting. ·A total of 14 major announcements were released in 2024. ·The company's website has added monthly revenue information for the public to access. ·In 2024, a total of about 27 investors will contact our investor relations contact person through the window provided by the Public Information Observatory or the Stakeholder section of the company's website.	
			Govern ment agencies	1. Occupational safety and health 2. Ecological conservation 3. Environmental management	1. Laws and regulations advocacy meetings and research and consultation forums held by the competent authorities 2. Passed various international certifications for sanitation and quality 3. Formulate various control procedures for the control of waste water, air pollution, waste materials, and poisons in accordance with laws and regulations	·Participate in the Ministry of Environment's public and private place permit control regulations, environmental protection permit integration, industrial waste cleanup law related laws and regulations, common violations of the waste cleanup law, toxicity and concern of chemical substance operators hazard classification and labeling production education and training, fixed pollution sources air pollution fee regulations publicity and other information, according to the law declaration of wastewater, air pollution, waste, poisons and fire maintenance declaration. ·Cooperate with the competent authority to conduct 8 audits related to the approval of air pollution, wastewater and closed systems; 1 poison inspection; The fire station conducted 3 fire inspections; The Labor Bureau conducted 2 labor inspections; A total of 1 inspection related to the prevention of hazardous operations and the prevention of disasters in hazardous warehouses was conducted. ·Apply for the Science and Technology Factory - Fixed Pollution Source Permit, Anping Plant - Fixed Pollution Source Permit, Poison Permit, Water Pollution Prevention and Control Measures	

Item	Operations						Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description				
					4. Correspondence and e-mail	Plan, Tainan Industrial Park Manufacturer Application for Allocation of Air Pollutant Emissions, Sewage Treatment Plant for User Connection and Use, Existing Chemical Substances Registration Closed Collection System Approval, Change and Extension. ·Passed the technical level and work-level training of poison response personnel. ·Declaration of water balance chart, toxic release, waste water management, air and sewage flue inspection, fire inspection review, building public safety, etc. ·The plant - the solid pollution permit is changed, the test is processed after the license is obtained, the change is changed, and the test solid pollution license is incrementally completed.	
VI. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	✓		The Company has appointed a professional stock affairs agency "CTBC Commercial Bank Agency Department" to handle matters related to shareholders' meetings and stock affairs.				No discrepancy
VII. Information disclosures							
(I) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?	✓		The Company has disclosed the relevant financial business and corporate governance information in the "Investor Area" of the Company's website.				No discrepancy
(II) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	✓		The Company has set up a dedicated person to be responsible for the collection and release of the company's information, and has appointed associate manager Chen Junxiong as the spokesperson and Cai Minxiu, deputy manager of the business department, as the acting spokesperson. At the same time, the Company's website also has a special area for shareholders, which fully discloses information related to financial business and corporate governance for the reference of shareholders and the public.				
(III) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial	✓		The Company announced the 2024 annual financial report on March 12, 2025, and completed the financial reports for the first, second and third quarters of 2024 on May 9, August 8 and November 12, 2024 respectively.				

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?				
VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	✓		<p>(1) Employee rights and interests: Employees will not be dismissed arbitrarily, and the rights and interests of employees will be protected in accordance with the Labor Standards Law.</p> <p>(2) Employee care: improve employee welfare, regular education and training, establish employee safety mechanism and strengthen professional training.</p> <p>(3) Investor Relations: Set up a spokesperson to handle shareholder suggestions, and set up a shareholder area on the company's website to increase information transparency and maintain a good relationship with shareholders.</p> <p>(4) Supplier relationship: In order to conform to the trend of environmental protection and form a green supply chain, the raw materials provided by the supplier are entrusted to the third fair unit to inspect whether they meet the needs of environmental protection, work together to make a contribution to the environment, and establish the principle of mutual trust with it, in order to create a win-win situation; In addition, the Company complies with the Responsible Business Alliance (SBA; RBA) Code of Conduct, which also requires suppliers (including outsourcers) to comply with the RBA Code of Conduct in all operations or activities of labor, health and safety, environmental protection and business ethics, and strive to improve the overall operating environment of the electronics industry.</p> <p>(5) Rights of stakeholders: The Company has set up a special area for stakeholders on its website, and also set up an independent director's mailbox to establish direct communication channels between employees, shareholders and stakeholders and the Company to protect the relevant rights of stakeholders.</p> <p>(6) Continuing education for directors: Please refer to page 73.</p> <p>(7) Implementation of risk management policies and risk measurement standards: Assess the impact of risks on the company and make correct decisions in accordance with internal control measures and relevant laws and regulations.</p> <p>(8) Implementation of customer policy: understand customer ideas, provide customers with diversified services, in addition to strengthening product quality, but also pay attention to after-sales service to meet customer needs.</p> <p>(9)The Company has purchased liability insurance for its directors: In accordance with the provisions of the Company's Articles of Association, it has purchased liability insurance for its directors, and the insured amount for 2024 and 2025 is US\$2 million, and the insurance period is 1 year from April 22, 2024 and April 22, 2025, and the board of directors will report the insurance content on May 9, 2024 and May 13, 2025.</p> <p>(10)Succession planning for board members and key management :</p> <p>The Articles of Association of the Company clearly stipulate that the election of directors shall be fully based on a candidate nomination system, and the "Corporate Governance Code" and the "Method for Election of Directors" shall be formulated to consider diversity and formulate a diversity policy based on the company's</p>	No discrepancy

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
			<p>own operations, operation style and development needs, including but not limited to basic conditions and values, professional knowledge and skills, etc.</p> <p>With regard to the succession planning of the Board, the Company has cultivated senior managers to join the Board and familiarize them with the operation of the Board and the business of various departments. At present, the Company has a number of senior management professionals, so the Company has a considerable talent pool that can be elected as future directors. In addition to taking into account diversity, no more than one-third of the directors who are also managers of the Company shall be appointed to the Board of Directors, and shall pay attention to gender equality and possess the necessary knowledge, skills and qualities to perform their duties.</p> <p>The Company's ongoing Director Succession Planning (GBP) database is based on the following criteria:</p> <ol style="list-style-type: none"> 1. Integrity, responsibility, innovation and decision-making, consistent with the core values of the company, and have professional knowledge and skills that are conducive to the company's operation and management. 2. Have industry experience related to the company's business. 3. The overall board of directors should include expertise in corporate strategy, accounting and taxation, finance, law and corporate management to form a board that meets the needs of the company. <p>Mr. JHANG-SHAN, HUANG, the current chairman of the board, joined the management team of the Company in 1987 and served as a director and took over as chairman of the board of directors in the same year.</p> <p>Mr. JHAN-LONG, HUANG, the general manager, joined the management team of the Company in 1988 and successively led the R&D department and the quality assurance department, before joining the Board of Directors and taking over as the general manager in 1995.</p> <p>In addition to having excellent work ability, the succession planning of key management must be consistent with the company's values, and personality traits must include integrity, commitment, innovation and customer trust.</p> <p>In addition, the succession plan for important management recruits professionals in the fields of management and finance to achieve corporate goals and create the highest value of the company with rich management experience.</p> <p>In addition to considering the organizational fit, the values of the company's key management personnel should be consistent with the company's, and in order to cultivate all-round successors, they start from the four major directions of leadership and management ability, professional ability, personal development plan and work rotation, and then cultivate cross-functional organizational planning ability.</p> <p>In 2024, a total of 255 hours/51 hours of training for senior managers, and a total of 509 hours/81 hours of training for supervisors above the class level, in order to cultivate more high-quality talents and facilitate succession planning for management.</p>	

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief description	
IX. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (If the Company was not included among the companies evaluated for the given recent year, this item does not need to be completed.)				
In the future, the Company will continue to cooperate with the promotion of the corporate policies of the competent authorities and formulate various improvement measures to enhance corporate governance.				

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

1. Information on members of the Remuneration Committee

Job title	Criteria Name	Professional qualifications and experience	Independence analysis	Number of other public companies at which the person concurrently serves as remuneration committee member
Independent Director	HUEI-LING, FANG	Please refer to the "Disclosure of Professional Qualifications of Directors and Independence of Independent Directors" form on pages [13] to [15]		3
Independent Director	LING-LING, LEE			1
Independent Director	JIA-BIN, CHEN			0
Independent Director	YU-CHENG, CHEN			2

2. The operations of the Remuneration Committee

(1). There are four members in the Remuneration Committee.

(2) Term of office of the current committee: from August 10, 2023 to June 26, 2026, the 2024 Remuneration Committee will meet twice (A), and the qualifications and attendance of the members are as follows :

Job title	Name	Attendance in person (B)	Attendance by proxy	Attendance (%) (B/A)	Remarks
Convener and Chair	HUEI-LING, FANG	2	0	100	
Member	LING-LING, LEE	2	0	100	
Member	JIA-BIN, CHEN	2	0	100	
Member	YU-CHENG, CHEN	2	0	100	

Additional information:

①. If the Board of Directors did not adopt or amend the Remuneration Committee's suggestions, the date of the boardmeeting, the session, the content of the proposal, the results of the resolutions by the Board of Directors, and the Company's response to said opinions shall be specified (if the remuneration approved by the Board of Directors is better than the Remuneration Committee's suggestions, the difference and the reasons therefor shall be specified): None.

②. For proposals resolved by the Remuneration Committee, if any members expressed objection or reservation with record or written statement, the date of the Remuneration Committee meeting, the session, the content of the proposal, all members' opinions, and the response to the members' opinions shall be specified: None.

③. The dates of the most recent annual Remuneration Committee meetings, the contents of the resolutions and the results of the resolutions are as follows

Remuneration Committee meeting Date/Session	Content of proposal	Independent directors' opinions	Response to independent directors' opinions
February 1, 2024 5th meeting of the 1st term	1. The election of the convener of the Remuneration Committee by the 5th Remuneration Committee 2. 2023 year-end bonus payment of the chairman 3. 2023 year-end bonus payment for managers 4. 2024 monthly salary adjustment of the chairman and managers 5. Case of withholding of academic feedback funds from Zhongxing University by independent directors Chen Jiabin and Chen Yucheng	All members passed the motion unanimously.	All members passed the motion unanimously.
May 9, 2024 5th meeting of the 2st term	1. 2023 directors' remuneration and manager's employee remuneration 2. 2023 performance evaluation results and salary and remuneration report of directors and managers	All members passed the motion unanimously.	All members passed the motion unanimously.
January 21, 2025 5th meeting of the 3st term	1. 2024 year-end bonus payment of the chairman of the board of directors 2. 2024 year-end bonus payment for managers 3. 2025 monthly salary adjustment of the chairman and managers 4. Amendments to the "Regulations Governing the Remuneration of Managers". 5. Amendments to the Articles of Association	All members passed the motion unanimously.	All members passed the motion unanimously.
May 13, 2025 5th meeting of the 4st term	1. 2024 directors' remuneration and managers' employee remuneration 2. 2024 annual performance evaluation results and salary and remuneration report of directors and managers	All members passed the motion unanimously.	All members passed the motion unanimously.

④. Major tasks of the Remuneration Committee:

The Committee shall faithfully perform the following functions and powers with the care of a good steward, and submit its recommendations to the Board of Directors for discussion.

1. Formulate and regularly review the performance evaluation standards, annual and long-term performance targets, and remuneration policies, system standards and structures of the Company's directors and managers.
2. Regularly evaluate the achievement of the performance objectives of the directors and managers of the Company, and determine the content and amount of their individual remuneration based on the evaluation results obtained from the performance evaluation standards.

(V). Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons						
	Yes	No	Summary description							
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	✓		<p>The Company established the Sustainability Committee in 2024 to strengthen the assessment and response measures to environmental, social and corporate governance risks, and achieve the goal of sustainable management. The members of the committee are appointed by the Board of Directors, and are currently chaired by Director and General Manager Wong Chin Lung, and representatives from various departments serve as members, and are divided into functional groups.</p> <p>The "Sustainable Development Committee" pays attention to the international trend of sustainable development, and leads the members of each functional organization to formulate sustainable development plans in accordance with various international standards and regulations, understands the needs of stakeholders to identify major issues and related risks in environmental, social and corporate governance, adjusts and mitigates the possible impact of climate change and other major issues on operations, and plans application strategies and implementation plans, and the board of directors reviews and guides the company's ESG development direction.</p> <p>The ESG Committee reported to the Board of Directors on sustainability issues on 2024/11/12 and 2025/05/13 respectively as follows</p> <p>1. Risk assessment and target setting for sustainable development</p> <p>2. Implementation of sustainable development</p> <p>3. Stakeholder survey results and identification of material themes</p> <p>On August 28, 2024, the Company released the 2023 Chinese Sustainability Report on the Public Information Observatory and the Company's website.</p>	In line with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.						
II. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	✓		<p>1. The Company's risk management system is to clearly grasp the scope of operational risks through the management processes of risk identification, risk assessment, risk measurement, risk monitoring and communication, and implement appropriate measures to efficiently allocate limited resources to relevant operational risk management. The Company evaluates material ESG issues, compiles various business information, and takes appropriate and specific action plans to reduce the impact of related risks.</p> <p>2. Based on the risk assessment, the relevant risk management strategy is formulated as follows:</p> <table><tr><th>Major issues</th><th>risk assessment</th><th>Response Strategy</th></tr><tr><td>environment</td><td>Climate change</td><td><p>Continue to improve the ISO 14001 environmental management system, update energy-saving goals and policies, implement specific measures and evaluate the use of renewable energy, give priority to the procurement of energy-saving and environmentally friendly machinery and equipment, improve energy efficiency, and effectively reduce energy consumption.</p><p>In February 2024, the ISO14064-1 organization carbon inventory plan was launched to take stock of the carbon emission sources and related data of each internal plant and formulate more specific and data-based carbon reduction</p></td></tr></table>	Major issues	risk assessment	Response Strategy	environment	Climate change	<p>Continue to improve the ISO 14001 environmental management system, update energy-saving goals and policies, implement specific measures and evaluate the use of renewable energy, give priority to the procurement of energy-saving and environmentally friendly machinery and equipment, improve energy efficiency, and effectively reduce energy consumption.</p> <p>In February 2024, the ISO14064-1 organization carbon inventory plan was launched to take stock of the carbon emission sources and related data of each internal plant and formulate more specific and data-based carbon reduction</p>	In line with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
Major issues	risk assessment	Response Strategy								
environment	Climate change	<p>Continue to improve the ISO 14001 environmental management system, update energy-saving goals and policies, implement specific measures and evaluate the use of renewable energy, give priority to the procurement of energy-saving and environmentally friendly machinery and equipment, improve energy efficiency, and effectively reduce energy consumption.</p> <p>In February 2024, the ISO14064-1 organization carbon inventory plan was launched to take stock of the carbon emission sources and related data of each internal plant and formulate more specific and data-based carbon reduction</p>								

Item	Implementation status					Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons	
	Yes	No	Summary description				
					<p>measures, which has passed the ISO14064-1 external verification certification in May 2024.</p> <p>In order to grasp the impact of climate change issues on the company's sustainable operation, and pay attention to the major risks and opportunities that climate change may cause to its operations, the four core elements of governance, strategy, risk management, indicators and targets, as well as the corresponding measures, please refer to the chapter 8.8 of the sustainability report 8.8 climate-related financial disclosures.</p>		
				Occupational safety	<p>Organize training for new employees and conduct regular training for in-service employees, provide workplace safety protection equipment and arrange regular health check-ups for employees</p> <p>Identify, assess and control hazards from the workplace, reduce the risk factors of the working environment, and make teaching materials with reference to common and practical cases of occupational injuries, advocate and educate colleagues, and enhance their safety awareness.</p>		
				Corporate Governance	<p>We provide education and training on corporate governance, environmental protection, and labor rights according to the nature of our work and work to ensure that all employees comply with relevant laws and regulations and internal regulations when performing their work.</p> <p>Continue to concretize laws and regulations into company policies or practices, and set up relevant education and training courses to advocate.</p>		
					customer service	<p>Strengthen the development capabilities of the CMF team, and continue to deepen the product development and discussion with customers in the early stage.</p> <p>Improve the response speed of responding to customer needs, improve the manpower allocation of each base, and quickly assist customers to solve problems.</p>	
					Information security protection	<p>Strengthen the strategy of active defense and information security, join the Taiwan Information Security Alliance (TWISAC) led by the Taiwan Computer Network Crisis Management and Coordination Center (TWCERT), obtain enterprise information security incident consultation and coordination services, share information security information, participate in information security advocacy activities, and enhance the company's information security awareness.</p> <p>Perform device vulnerability scans from time to time, and schedule relevant vulnerability correction schedules according to the results to reduce the risk of device hacking.</p> <p>Continuously optimize the multi-level protection architecture of software and hardware, including account lifecycle and permission management, host and client</p>	

Item	Implementation status						Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description				
						anti-virus, online behavior management, malicious website protection, firewall blocking, data backup, network behavior detection, IP management, etc. Use a variety of information security management and control technologies to effectively protect the company's intellectual property and trade secrets. In 2024, the relevant training for ISO 27001 information security management system certification was introduced, and the certification was obtained in the fourth quarter of 2024, and the information security management work was implemented and strengthened through the introduction of ISO 27001 information and communication security management system.	
III. Environmental Issues							
(I) Has the Company set an environmental management system designed to industry characteristics?	✓		Since January 2019, the company has been certified for ISO 14001 environmental management system and ISO 45001 occupational health and safety management system, and has been continuously implementing and regularly obtaining certification. In order to prevent various workplace environment safety and health impacts that may occur during business activities and services, the Occupational Safety and Health Office continues to implement the important commitment of "Risk thinking, Health future, Safety culture". Through the process of identification, analysis, assessment, monitoring, and response to environmental risks, we can comprehensively understand and improve potential hazards. Arrange regular inspections of wastewater discharge and air pollution equipment to ensure compliance with regulations, and actively promote the concept of separate recycling to reduce the amount of waste in the factory, and dispose of industrial waste in accordance with the provisions of the Waste Removal and Transportation Act. In 2024, we will introduce the ISO 14064-1 system, conduct annual greenhouse gas inventory and pass external verification, track the effectiveness of emission reduction, and publicly disclose it in the sustainability report and the company's website.				In line with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.
(II) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	✓		<u>Recycled materials</u> The company continues to educate and supervise employees to properly separate waste, so that resource recyclers can increase their willingness to recycle. In addition, the R&D department is committed to developing low-pollution alternative raw materials to significantly reduce the impact on the environment. In 2023, the company's R&D department is committed to developing benzene-free and non-ketone solvents to replace a large number of toluene solvents, reduce the environmental impact of materials on products, and reduce the emission of harmful substances in the production process. In addition, the company has started to study the feasibility of water-based ink printing in January 2023, and has completed the preliminary development stage, and continues to work with suppliers to study the best formula, aiming to use 10-20% water-based printing ink to replace oil-based printing ink in 2025to effectively reduce the amount of VOC used. <u>Energy efficiency</u> The Company actively responds to climate change, and is committed to building a sustainable and environment-friendly operating system by increasing its investment in energy conservation and carbon reduction, resource reuse and green supply chain management in software and hardware year by year, and improving ecological benefits in four aspects: energy conservation, water saving, waste reduction and greenhouse gas reduction. In 2024, we will continue to strive to improve the				

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(III) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	✓		efficiency of energy use and increase the purchase of energy-saving electrical appliances, reduce electricity consumption by 8% in 2024 compared with 2023, and reduce water consumption by 10% in 2024 compared with 2023. The company recognizes that as a member of the global village, it must be committed to greenhouse gas reduction, integrate the concept of green management into the operation and management of the enterprise, from the production of green products to the introduction of environmental and energy management systems, passed the ISO 14001:2018 environmental management system certification in 2019, and began to check greenhouse gas emissions annually in 2023, formulate relevant measures to achieve the goal of energy conservation and carbon reduction, and TCFD climate-related financial disclosure in the sustainability report. See also the following implementation of climate-related information.																													
(IV) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	✓		<div>1. The company's greenhouse gas emissions in the last two years(ISO 14064-1:2018) :</div> <table><tr><td>Items</td><td>Emission volume （metric tons of CO2e）</td><td>2024</td><td>2023</td></tr><tr><td>Direct emission sources</td><td>Stationary combustion source: emergency generator. Mobile emission sources: official cars, trucks, forklifts. Fugitive emission sources: ice water main unit, air conditioner.</td><td>4,492.47</td><td>5,743.11</td></tr><tr><td>Indirect greenhouse gas emissions</td><td>Purchase electricity from Taipower</td><td>5,868.38</td><td>6,672.48</td></tr><tr><td colspan="2">Emissions equivalent - metric tons CO2e/year</td><td>10,360.85</td><td>12,415.59</td></tr><tr><td colspan="2">Density （metric tons of CO2e / revenue of NT\$ million）</td><td>8.86</td><td>10.53</td></tr></table> <div>Since 2023, we have been conducting annual greenhouse gas inventories and establishing a baseline of greenhouse gas emissions based on carbon emissions per unit of product (hereinafter referred to as intensity) in 2024 Due to changes in organizational boundaries, the base year for energy conservation and carbon reduction will be changed from 2023 to 2024, and reduction targets will be set year by year to achieve long-term carbon reduction targets.</div> <div>2. Water use in the past three years</div> <table><tr><td></td><td>2024</td><td>2023</td><td>2022</td></tr><tr><td>Total water consumption</td><td>40,361</td><td>44,647</td><td>47,765</td></tr></table>	Items	Emission volume （metric tons of CO2e）	2024	2023	Direct emission sources	Stationary combustion source: emergency generator. Mobile emission sources: official cars, trucks, forklifts. Fugitive emission sources: ice water main unit, air conditioner.	4,492.47	5,743.11	Indirect greenhouse gas emissions	Purchase electricity from Taipower	5,868.38	6,672.48	Emissions equivalent - metric tons CO2e/year		10,360.85	12,415.59	Density （metric tons of CO2e / revenue of NT\$ million）		8.86	10.53		2024	2023	2022	Total water consumption	40,361	44,647	47,765	
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	Yes	No	Summary description																																	
			(kW).																																	
			Water Intensity (kWh/Revenue in Millions)	34.51	37.85	45.70																														
			<p>The company's largest water consumption is mainly used for RTO exhaust gas combustion tower cooling equipment, air conditioning cooling tower, process cooling equipment and domestic water generated by employees' office activities; The main source is tap water.</p> <p>Water consumption in 2024 will be reduced by 10% compared to 2023 , in addition to the reduction in total working hours, water consumption will be reduced through regular inspection and maintenance of water quality testing, regular cleaning (monthly) in the factory/factory cleaning (every 4 months), replacement of defective heat dissipation materials, water replenishment system to avoid exposure and heating, and condensate recovery system to reduce water consumption.</p> <p>In 2024, the actual proportion of recycled water is 16.11%, which is higher than the original target of 15%, although Tainan will not face a reduction in water supply in 2024, the Company will continue to cherish water resources through active reduction actions, and the public works unit will continue to maintain the operational efficiency of the recycling system and continue to improve the technology and facilities of other feasible recycling systems in the plant to cope with the unpredictable extreme climate change and water conditions in the future.</p> <p>The waste water generated by the production process is treated by the sewage pre-treatment facility and meets the management standards of the Tainan Industrial Park before being discharged to the sewage sewer for secondary treatment, and then discharged to the ocean after passing the test. In addition, the declaration shall be made in accordance with the "Administrative Measures for Water Pollution Prevention and Control Measures and Testing and Declaration" to ensure that the sewage discharge meets the laws and regulations.</p> <p>3. Waste and asset recovery statistics in the past two years</p> <div>單位：噸</div> <table><tr><th>Item</th><th>2024</th><th>2023</th></tr><tr><td>General business waste (household waste).</td><td>37.67</td><td>36.95</td></tr><tr><td>General Business Waste (Plasticines)</td><td>673.63</td><td>510.67</td></tr><tr><td>General industrial waste (waste ink solvents).</td><td>459.43</td><td>444.24</td></tr><tr><td>The proportion of reuse of general industrial waste disposal</td><td>91.88%</td><td>78.36%</td></tr><tr><td>Hazardous industrial waste</td><td>0.73</td><td>0.81</td></tr><tr><td>Asset recycling</td><td></td><td></td></tr><tr><td>Waste paper</td><td>27.16</td><td>25.67</td></tr><tr><td>Waste plastics</td><td>20.06</td><td>4.56</td></tr></table>						Item	2024	2023	General business waste (household waste).	37.67	36.95	General Business Waste (Plasticines)	673.63	510.67	General industrial waste (waste ink solvents).	459.43	444.24	The proportion of reuse of general industrial waste disposal	91.88%	78.36%	Hazardous industrial waste	0.73	0.81	Asset recycling			Waste paper	27.16	25.67	Waste plastics	20.06	4.56	
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Item	Implementation status					Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons						
	Yes	No	Summary description									
				<table><tr><td>Waste iron</td><td>71.64</td><td>18.93</td></tr><tr><td>other</td><td>1.08</td><td>7.26</td></tr></table>	Waste iron	71.64	18.93	other	1.08	7.26	<p>In accordance with the management procedures of ISO 14001, the company has set up a dedicated management unit, formulated waste management methods, adhered to the goal of waste reduction, established resource recovery control, grasped the flow of waste, prevented environmental pollution, and fulfilled its social responsibility.</p> <p>The waste generated by our process can be divided into two categories: general industrial waste and hazardous industrial waste. The waste generated by the factory is general business waste, mainly from the waste generated by the process and the domestic waste of employees.</p> <p>Priority is given to reusing the waste generated by the manufacturing process, such as printing waste film and process plastic consumables as SRF renewable fuel rods; The waste ink solvent combustion generates heat energy, provides distillation equipment to achieve waste heat recovery and reuse, and declares online in accordance with the provisions of the Waste Disposal Law.</p> <p>In 2023, the printing waste film and process plastic consumables will be transferred to the SRF treatment plant to produce process recycled fuel rods, thereby increasing the recycling rate of our general business waste and reducing the environmental load.</p> <p>The above statistics and the formulation of policies to reduce carbon emissions, greenhouse gas emissions, water use or other waste management are reported to the annual environmental management system management review meeting and improvement measures are reviewed. Detailed information and quantity statistics are disclosed in the Sustainability Report, the Company's website, https://www.sentien.com.tw</p>	
Waste iron	71.64	18.93										
other	1.08	7.26										
IV. Social Issues												
(I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		<p>In December 2019, the Company completed an external audit of the RBA Code of Conduct, the world's largest electronics industry alliance, to ensure that the current internal regulations are consistent with or even more stringent than the RBA Code of Conduct.</p> <p>In accordance with labor laws and regulations, the "RBA Responsible Business Alliance Code of Conduct" and the "International Convention on Human Rights", we formulate work rules and related personnel management regulations, including the "Corporate Governance Code", "Code of Ethical Management", "Code of Ethical Conduct", "Code of Practice for Sustainable Development", "Non-discrimination Management Measures", etc., to protect the rights and interests of employees, promote labor harmony and create a mutually beneficial and win-win workplace environment.</p> <p>In order to promote equal rights between labor and management, four labor-management meetings will be held in 2024 to protect the legitimate rights and interests of employees in accordance with labor laws and regulations. In addition, pensions are set up in accordance with the law, and employee welfare committees are set up to handle various welfare affairs.</p> <p>In order to implement relevant regulations and arrange training courses on topics such as safety and health, environment, and ethics, a total of 15 labor-related training sessions were held in 2024, with a total of 23 person-times and a total of 112 hours.</p> <p>In order to protect the employment rights and interests of employees from being violated, and to comply with the</p>			In line with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.						

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons										
	Yes	No	Summary description											
			<p>requirements of the Labor Standards Act, the Gender Equality Act and social responsibility, the Company has formulated a policy prohibiting discrimination on the basis of race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, creed, political affiliation, membership of associations or marital status, etc., and has formulated the "Measures for the Administration of Prohibition of Discrimination" and the "Measures for the Prevention and Control of Sexual Harassment and the Measures for Complaints and Disciplinary Actions" to ensure that everyone enjoys equal and fair treatment. In addition, in order to protect the right of employees to associate freely in accordance with the law, any employee can freely participate in the election of labor representatives at the labor-management meeting.</p> <p>The Company's human rights management policy and specific plans are summarized below :</p> <table><tr><th>Human Rights Management Policy</th><th>Specific scenarios</th></tr><tr><td>Provide a safe and healthy working environment .Assist employees in maintaining physical and mental health and work-life balance Provide higher than the average salary of the same industry and perfect training system</td><td>ISO 45001 Occupational Health and Safety Management System has been introduced. In order to encourage employees to engage in sports activities and cultivate a strong physique, there are regulations on subsidies for sports activities. Higher than the average salary level of the industry and irregular incentives (e.g., year-end bonuses, employee remuneration...)etc.), encourage and give back to employees. Continuously plan and update the employee education and training system Provide group insurance for all employees, employer's compensation insurance, employer's accident liability insurance and travel safety insurance for business traveling employees. Provide more diversified and sufficient training resources and equipment for employees Understand the needs of employees, provide more appropriate training and career development planning.</td></tr><tr><td>Promote gender equality</td><td>It is implemented in the process of selection, use, and retention, and there is no gender setting.</td></tr><tr><td>Sexual harassment is prohibited</td><td>Measures for the prevention and control of sexual harassment, complaints and punishments have been established, and channels for complaints of sexual harassment have been established.</td></tr><tr><td>Forced labor is prohibited and the local government labor laws and regulations are strictly observed</td><td>Implement the leave system and encourage colleagues to pay attention to work-life balance.</td></tr></table>	Human Rights Management Policy	Specific scenarios	Provide a safe and healthy working environment .Assist employees in maintaining physical and mental health and work-life balance Provide higher than the average salary of the same industry and perfect training system	ISO 45001 Occupational Health and Safety Management System has been introduced. In order to encourage employees to engage in sports activities and cultivate a strong physique, there are regulations on subsidies for sports activities. Higher than the average salary level of the industry and irregular incentives (e.g., year-end bonuses, employee remuneration...)etc.), encourage and give back to employees. Continuously plan and update the employee education and training system Provide group insurance for all employees, employer's compensation insurance, employer's accident liability insurance and travel safety insurance for business traveling employees. Provide more diversified and sufficient training resources and equipment for employees Understand the needs of employees, provide more appropriate training and career development planning.	Promote gender equality	It is implemented in the process of selection, use, and retention, and there is no gender setting.	Sexual harassment is prohibited	Measures for the prevention and control of sexual harassment, complaints and punishments have been established, and channels for complaints of sexual harassment have been established.	Forced labor is prohibited and the local government labor laws and regulations are strictly observed	Implement the leave system and encourage colleagues to pay attention to work-life balance.	
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	Yes	No	Summary description									
(II) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	✓		<p>1.Employee compensation :</p> <p>Article 26 of the Articles of Association of the Company originally stipulated that if there is a profit in the current year, no less than 2% shall be allocated for employee remuneration; No more than NT\$10,000 is the remuneration of directors. However, when the company still has accumulated losses, it should reserve the amount of compensation in advance; In order to protect and improve the remuneration of grassroots employees, it is expected that the general meeting of shareholders in 2025 will pass the amendment of this provision as follows: if there is a profit in the current year, no less than 3% of the remuneration of employees should be allocated, of which no less than 2% of the grassroots employees (referring to non-managers); No more than NT\$10,000 is the remuneration of directors. However, if the company still has accumulated losses, it should reserve the amount of compensation in advance.</p> <p>The Company advocates corporate ethics through employee training or supervisor meetings, and combines employee rewards and performance appraisals to formulate clear reward and punishment systems, such as "Work Rules", "Manager Remuneration Management Measures", "Performance Appraisal Management Measures", "Reward and Punishment Measures - Reward and Reward Reporting Rules", etc., so as to stimulate employee morale and reward employees with good performance in a timely manner.</p> <p>2.Employee welfare measures :</p> <p>(1).The Company is committed to providing employees with a respectful and dignified working environment, and formulates work rules and related personnel management rules in accordance with labor laws and regulations, the "RBA Code of Conduct for Responsible Business" and "International Human Rights Conventions", including the "Corporate Governance Code", "Code of Ethical Management", "Code of Ethical Conduct", "Key Points for Preventing Dishonest Behavior", "Code of Practice for Sustainable Development", "Measures for Non-discrimination Management", etc., to protect the rights and interests of employees. Promote harmony between labor and management and create a mutually beneficial and win-win workplace environment.</p> <p>(2).We ensure that employees are not discriminated against, harassed or treated unfairly on the basis of race, gender, religion, age, political affiliation and any other status protected by applicable laws and regulations.</p> <div><div>Employee ethnicity indicators</div><div>2024/12/31</div><table><tr><td>category</td><td>Proportion of total employees(%)</td><td>Proportion in the management ranks(%)</td></tr><tr><td>Nationality of the Republic of China</td><td>83%</td><td>100%</td></tr><tr><td>Foreign nationality</td><td>17%</td><td>0%</td></tr></table><p>Note: The management rank is above the group level</p><p>At the end of 2024, the company has a total of 215 employees (161 males and 54 females), all of whom are regular employees, with an average age of 41.6 years and an average length of experience of 11.2 years, 70% of whom have a college degree or above. Due to the characteristics of the industry, the company has a large number of male employees, but the company continues to strive to create a diversified workplace and provide gender equality promotion opportunities. The</p></div>	category	Proportion of total employees(%)	Proportion in the management ranks(%)	Nationality of the Republic of China	83%	100%	Foreign nationality	17%	0%
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			company's human resources structure in the past three years is as follows :																																																																																										
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			(3).The company has set up a remuneration committee to provide employees with competitive remuneration and a transparent and equal remuneration policy to reward the company's operational performance to employees. For the same rank of junior specialist, the treatment of the hired personnel is the same, and for the personnel with relevant majors and work experience, the treatment will be assessed according to the academic experience, expertise and licenses of the admitted personnel, and there will be no difference according to gender or ethnicity.																																																																																										
			<table><tr><th>Item</th><th>2023</th><th>2024</th><th>Rate of increase or decrease</th></tr><tr><td>Number of full-time employees who are not in managerial positions</td><td>212</td><td>205</td><td>— 3.30%</td></tr></table>		Item	2023	2024	Rate of increase or decrease	Number of full-time employees who are not in managerial positions	212	205	— 3.30%																																																																																	
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	Yes	No	Summary description					
(III) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	✓			Average salary of full-time employees not in supervisory positions (thousand dollars).	716	752	+ 5.03%	
				Median salary of full-time employees not in supervisory positions (thousand yuan).	703	731	+ 3.98%	
				Note: 1The number of full-time employees not in supervisory positions covers those below the rank of manager 2. The difference in the biennium is mainly due to the increase in salary adjustment and bonus increase				

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(IV) Has the Company established effective career development training programs for employees?	✓		<p>In order to maintain the health of all employees, in addition to subsidizing the health examination fee for new employees, the company regularly conducts general health examinations for employees every three years, implements special health examinations and special health examinations for labor-specific items for long-term work at night every year, and also insures group insurance, employment compensation insurance and employer's accident liability insurance for employees to protect employees' lives and improve employee welfare. In addition, the Welfare Committee regularly organizes staff tours every year to promote the physical and mental health of employees.</p> <p>In order to ensure the health of employees in the working environment, we conduct workplace working environment measurements every six months to grasp the actual working environment of workers and evaluate the status of labor exposure. In order to improve the safety and health knowledge of employees, the Environmental Safety and Health Office conducts industrial safety training every year in accordance with the education and training implementation plan, and posts industrial safety posters and publicity materials on the bulletin boards in various places in the factory from time to time to remind them. In order to prevent occupational accidents and ensure the safety and health of workers, the company has set up factory doctors (2 hours per quarter) and factory nurses (8 hours per month). Assist employers and labor safety and health personnel to implement occupational disease prevention and work environment improvement, identify and evaluate workplace environment and work hazards, put forward suggestions for work environment safety and health facilities improvement planning, and investigate the relationship between labor health and work. Health risk assessment is also conducted for high-risk workers, and necessary preventive and health promotion measures are taken. In addition, it provides consultation and suggestions on the functional evaluation, job redesign or adjustment of returning workers.</p> <p>For measures to protect the working environment and employees' personal safety, please refer to "7. Other important information that will help you understand the implementation of sustainable development".</p> <p>According to the company's vision and strategic axis, Morita has developed a diversified talent development system, including newcomer training, general training (including legal compliance policies and workplace skills), professional training (including professional training in various fields, digital transformation, and sustainable professional training) and management training.</p> <p>(For details of the implementation of various training plans, please refer to the chapter 9.4 Education and Training of the Sustainability Report 9.4.).</p>	
(V) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and	✓		<p>The Company complies with environmental laws and regulations and relevant international standards, appropriately protects the natural environment, and is committed to achieving environmental sustainability goals in the implementation of business activities and internal management.</p> <p>In order to protect the confidential information of customers and their product information, the information security management system ISO 27001 is fully introduced and managed to effectively protect the rights and interests of customers and product information security.</p> <p>In line with customer needs and regional energy laws and regulations, all product lines have 100% compliance with customer needs and regional energy laws and regulations and energy labels, and there are no incidents of violating the laws and regulations on product information labeling and voluntary regulations.</p>	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
grievance policies?			<p>In order to avoid harming the rights and interests of customers, we have established a code of ethics to clearly regulate the research and development, procurement, manufacturing, provision or sales of products and services, comply with relevant laws and international standards, ensure the transparency and security of information on products and services, formulate and disclose policies for the protection of the rights and interests of consumers or other stakeholders, and implement them in business activities to prevent products or services from directly or indirectly harming the rights, health and safety of consumers or other stakeholders. If there are facts sufficient to believe that the goods or services are likely to endanger the safety and health of consumers or other interested parties, in principle, the batch of products should be recalled or the services should be stopped.</p> <p>In addition, in addition to B2B communication through the company's website, the company has also set up a "customer satisfaction survey procedure" to understand customer needs and expectations through questionnaires and other means, and make improvements accordingly, the 2024 customer satisfaction survey has received more than 70% of the questionnaire response rate, and the company's satisfaction with the level of more than "satisfied" or above 100%. In normal times, the relevant departments are required to reply to customers within 24 hours after receiving customer complaints, and provide preliminary analysis reports within 7 working days, and the on-time response rate of the company's preliminary analysis reports for customer complaints in 2024 is more than 90%. The contact information for the Company's customer communication and customer complaints is as follows: web address : www.sentien.com.tw/tw/contact.html Customer complaint hotline: (06) 384-2811 ext.209 design@sentien.com.tw</p>	
(VI) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	✓		<p>The company is well aware that a healthy and suitable supply and purchase relationship is the foundation for achieving a win-win situation for both parties, and establishes and maintains a co-prosperous supply chain relationship through supplier evaluation, regular indicator evaluation and continuous mutual communication</p> <p>Specific actions :</p> <p>(1) In order to strengthen the management of suppliers and raw materials, and ensure that the quality and safety of the raw materials used by the company meet the requirements, the company conducts monthly evaluations on "quality", "delivery time" and "compliance with environmental safety and health standards". Consideration will be given to reducing or stopping the transaction between the parties.</p> <p>(2) When introducing new suppliers, it is necessary to sign a letter of integrity to ensure that the suppliers are in sync with the company's philosophy in the principle of integrity.</p> <p>(3) The Company has included the "Environmental, Safety and Health Standards" in the regular supplier evaluation mechanism, and suppliers are required to provide machinery and equipment, raw materials, appliances and personal protective equipment that have met the Company's safety and health standards. For the procurement case of project planning and design, it is necessary to clearly regulate the safety and health related matters in the contract and contract, and after the completion of the project, the occupational safety and health office will score whether the project process complies with the environmental safety and health regulations. The scoring method of engineering procurement cases is: 20% satisfaction with cooperation, 20% satisfaction with delivery, 20% satisfaction with price, 20% satisfaction with</p>	

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			<p>quality, and 20% compliance with environmental safety and health.</p> <p>(4)Before dealing with suppliers, the company will first assess whether the supplier has a record of affecting the environment and society in the past, and if there is a significant negative impact, the supplier will be required to explain the improvement plan and implementation results, which will be an important reference for supplier selection.</p> <p>In accordance with the RBA Code of Conduct, the Code is introduced into the supply chain, the relevant standards are explained, and its own supplier RBA audit standards are formulated, and suppliers are required to sign a corporate social responsibility commitment letter and conduct self-assessment to ensure that suppliers can comply with its specifications. In addition, in order to ensure that products comply with conflict minerals regulations, suppliers are required to issue a commitment not to use conflict minerals.</p> <p>Keep improving :</p> <p>In 2024, the Company will conduct an ESG sustainability questionnaire survey for major raw material suppliers to understand the relevant assessment of suppliers in terms of ESG sustainable environment, social responsibility and legality, in addition to checking whether supplier partners have implemented in accordance with the laws and regulations of the competent authorities or whether they have better systems, and at the same time invite supplier partners to pay attention to sustainability issues and raise awareness of environmental safety and friendly labor environment.</p> <p>Since 2024, 13 key suppliers have been surveyed on ESG sustainability risk assessment measures, and 12 supplier partners have responded and filled in, and the results have been summarized in four aspects, including Labor and Health and Safety, Environment Management and EthicsThe results of the questionnaire reflect that suppliers have basic cognition and actions on various sustainability issues, among which the environmental management part shows more potential opportunities for strengthening than other aspects, and the company will continue to work with suppliers to strengthen the practical capabilities and cognition of this aspect in the future. In order to continuously strengthen the awareness and practical effectiveness of the overall sustainability management of the supply chain, we will expand the coverage of the sustainability questionnaire year by year in the future, and promote the continuous improvement of suppliers and the Company in the aspects of environmental, social and governance in a regular manner.</p> <p>Please refer to the section 6.1 Supply Chain Management of the Company's Sustainability Report 6.Products and Services for details of the Company's supplier management policy and implementation.</p>	
V. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports	✓		<p>Prepared in accordance with the General Standards, Industry Standards and Material Subject Standards issued by the Global Reporting Initiative (GRI).2023 Sustainability Report", which discloses the company's identified major economic, environmental and population (including their human rights) major themes and impacts, disclosure projects and reporting requirements, and discloses industry indicator information and SASB with reference to the Sustainability Accounting Standards Board (SASB) standards The indicators correspond to the content index of the report.</p> <p>The 2023 Sustainability Report has not obtained the confirmation or assurance opinion of the third-party verification unit.</p>	In line with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
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above?				

VI. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations: None.

VII. Other important information to facilitate better understanding of the company's promotion of sustainable development:

1. The 2024 working environment and employee personal safety protection measures are as follows

No.	target	scheme	Statement of the current situation	Execution
1	Annual in-plant and off-site work safety courses are scheduled, and 90% of them receive work safety course training.	1. Education and training implementation plan. 2. Labor safety and health education and training rules.	On-site personnel (including foreign workers) and personnel who need to be retrained by laws and regulations.	Strengthen the advocacy of all departments, and give priority to the education and training of employees.
2	The contractor came to the factory for construction, and implemented hazard notification and safety and health management to achieve 100%.	In accordance with the safety and health management procedures for contracted work.	Inform contractors of hazards, organize agreements, educate and train, and manage them.	Relevant records have been retained for future reference
3	Twice a year, the working environment is measured, and the number of measurements is 100%.	In accordance with the law and regulations, 'Implementation Measures for Labor Working Environment Monitoring'.	The sampling strategy is based on individual sampling and measurement, supplemented by regional monitoring, and the relevant monitoring plan will be registered and notified 15 days before the monitoring.	100% of the measurements were performed.
4	In response to the timely revision of the Work Safety Law, the SDS and hazard labels of chemicals have been updated, and the new version has reached 100%.	It shall be handled in accordance with the requirements of the "Measures for the Labeling and General Knowledge Management of Hazardous Chemicals".	The SDS (Safety Data Sheet) and hazard label have been obtained from the upstream manufacturer and updated have been completed.	Ongoing.
5	Emergency response groups are implemented twice a year, and the compliance rate is 100%.	In accordance with the "Fire Protection Law" and "Occupational Safety and Health Management Measures".	In the first half of the year, the company organized its own drill, and in the second half of the year, the Tucheng Fire Brigade assisted in the verification.	Relevant emergency response drills have been carried out according to the process hazards in the factory, and the achievement rate is 100%.
6	Automatic inspection items, 100% self-	It is implemented in accordance with	The relevant forms are placed in the	Ongoing.

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	Yes	No	Summary description			
		inspection rate.		the occupational safety and health management plan.	Occupational Safety and Health Office for inspection.	
7		Handle 100% annual lift safety inspection.		In accordance with the provisions of the management measures for the installation and inspection of building lifting equipment.	The regular inspection was completed by the Kaohsiung Machinery Safety Association.	100% completion rate of lift safety inspections.
8		Handle 100% general and special health check-ups for in-service employees.		It shall be handled in accordance with the rules of labor health protection.	Conduct health examinations according to legal assignments.	100% of the people who have achieved special health check-ups.
9		Handle special medical personnel to engage in labor health services.		It shall be handled in accordance with the rules of labor health protection.	Ongoing.	100% of the workers engaged in labor health services by special medical personnel.
10		Employee health promotion programs.		Employee health promotion programs.	It is entrusted to be handled by special medical personnel.	October 18, 2024 Seminar on the management of common trauma.
11		Annual fire overhaul.		It shall be handled in accordance with the fire protection law.	It is entrusted to the fire protection manufacturer.	The annual fire maintenance declaration achievement rate is 100%.
12		The update rate of the escape and refuge map of the whole plant reached 100%.		All Safe Projects.	The evacuation route map in the factory needs to be updated regularly.	100% update rate of evacuation route map in the factory
13		100% of employees who meet the requirements of maternal health protection are interviewed.		It shall be handled in accordance with the guidelines for the protection of maternal health of female workers.	Commissioned by special medical staff and ongoing.	100% of employees who meet the requirements of maternal health protection are interviewed.
14		The improvement rate of inspection defects is 100%.		It shall be handled in accordance with Article 31 of the Facility Rules of the Occupational Safety and Health Act.	Ongoing.	The improvement rate of inspection defects is 100%.
15		The pass rate of drinking water quality testing in the factory is 100%		It shall be handled in accordance with the provisions of drinking water quality standards	Ongoing.	The pass rate of drinking water quality testing in the factory is 100%
2.Social Participation: Encourage employees to respond to the activities of socially disadvantaged groups, and regularly donate to the "Taiwan Children and Family Support Foundation", "Tainan Catholic Private Reed Qizhi Center", "China Social Welfare United Way Association", "Chuangshi Social Welfare Foundation", "Taitung County Lanyu Township Home Care Association", "Luo Huifu Cranial Foundation", "Taiwan Mennonite Private Shepherd Center in Hualien County", and "Boyo Social Welfare Foundation". "Christian Mustard Seed Association" and "Tainan City Tucheng Senior High School". The company joined the Taiwan Climate Alliance (TCP) in 111, and its founding members include AUO, Delta Electronics, TSMC, Asus Computer, Pegatron United, Lite-On Technology, Acer Computer, Microsoft Taiwan, and other eight leading companies in various industries in Taiwan, TCP was established with the goal of catching up with the current 136 countries in the world that have declared their net-zero carbon emissions by 2050. The company was also one of the first members to participate in the early days of its establishment, hoping to show the company's importance to environmental issues and commitment to customers through practical actions.						

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3.Consumer rights: The products comply with international banned substance regulations and product environmental protection requirements, and prevent and reduce the negative impact of corporate activities on the environment with green design, production, procurement and green management system, and reduce the impact of electronic products on the global environment.				
4.Human Rights:				
(1).Labor-management meetings will be held in accordance with the implementation measures of labor-management meetings, and a total of 4 labor-management meetings will be held in 2024.				
(2).Formulate measures to prevent sexual harassment in the workplace, grievances and disciplinary measures, and protect the rights and privacy of the parties.				
(3).There is an employee suggestion box, and the management department will respond and provide solutions.				
5.Safety and health: Provide small cards for environmental safety and health policy advocacy to colleagues, so that colleagues can understand the company's environmental safety and health policy, and implement the environmental safety and health management system.				
6.Friendly Environment: In January 2019, it passed the ISO 14001 environmental management system and ISO 45001 occupational safety and health management system certification, and is committed to promoting safety and health policies and continuously improving the manufacturing process and working environment, and continuously improving occupational safety and health performance through the joint efforts of all employees.				
7.Happy Workplace:				
In 2024, all employees will be adjusted once in salary, and the average increase for employees will be 3.70%.				
In 2025, the amount of birthday gifts and new travel allowance subsidies will be added.				

Climate-Related Information of TWSE

I. Implementation of Climate-Related Information

Item	<p>The Company has set up a Sustainable Development Committee, which is responsible for focusing on environmental protection and climate change issues, with the general manager as the chairman, the assistant responsible for the overall planning and implementation promotion, and the executive assistant responsible for holding regular meetings on sustainable development, annual data collection, third-party confirmation and release, etc., and is divided into four functional groups (corporate governance group, sustainable environment group, product and service group, and employee and social participation group).Carry out relevant work in all aspects, and report to the board of directors on the implementation of climate change on an annual basis.</p>
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	<p>-In response to the impact of climate-related risks and opportunities on the Company's strategy and financial planning, the Company refers to the framework of TCFD climate-related scenario analysis, using the time of occurrence and the extent of the impact on the Company, to identify the risks and plan response strategies.</p> <p>- Please refer to Table 1 "Assessment of Potential Risks in Response to Climate Change" for the physical risk response and possible financial impacts, and Table 2 "Assessment of Possible Opportunities in Response to Climate Change" for the opportunities and possible financial impacts</p>

2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	Please refer to Table 1 "Climate Change Assessment of Possible Risks" in the transition risk response and possible financial impacts
3. Describe the financial impact of extreme weather events and transformative actions.	<p>1. The Company's Sustainability Committee enumerates, identifies and evaluates the risks and opportunities brought about by the Company's operations in response to various climate issues, pays attention to market trends at any time, and regularly updates the content of risks</p> <p>2. Climate risks include transition risks and physical risks, which are further divided into policy and regulation, technology, market, reputation, and immediate and long-term. Opportunities are divided into five categories: resource efficiency, resource sources, products and services, markets and organizational resilience, and actively participate in mitigation and adaptation actions according to the company's geographical location, industry trends, business models, production lines and operating conditions, and report to the chairman and the board of directors on a consolidated basis.</p>
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>At the meeting of the Sustainability Committee, the Company discussed the use of the tools provided by TCCIP (Climate Change Integration Service Platform) as a reference for the assessment of the physical risk scenarios of climate change, which refer to the four important emission scenarios defined in the Sixth Assessment Report (AR6) of the IPCC It is the "Shared Socioeconomic Pathways (SSPs)" (SSPs) that represent the differences in radiative forcing under different socio-economic developments, where SSP1-2.6 is a low-emission scenario, SSP2-4.5 is a moderate emission scenario, SSP3-7.0 is a high-emission scenario, and SSP5-8.5 is a very high emission scenario. (Reference: Taiwan Climate Change Estimation and Adaptation Knowledge Platform https://tccip.ncdr.nat.gov.tw/index.aspx).</p> <p>Refer to the four scenarios of each SSP (SSP1-2.6, SSP2-4.5, SSP3-7.0, etc.) in the "Taiwan Climate Change Projection and Adaptation Knowledge Platform" website</p> <p>SSP5-8.5 For the most severe scenario encountered by the simulated temperature and rainfall changes in Taiwan, the Company has assessed and adopted the "SSP5-8.5 Scenario" as the Company's physical risk scenario for climate change. The SSP1-2.6 scenario is used as the scenario of the Company's climate change and transition risks, and the topics of climate change risks and opportunities are described. Finally, the climate entities, transition risks and opportunity assessments related to the company's operations were identified, and the company's long-term operation development was considered with a 10-year period, defined as 1-3 years in the short term, 3-5 years in the medium term, and 6-10 years in the long term.</p>
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Please refer to the transition risk response and possible financial impact in the table "Assessment of Possible Risks in Response to Climate Change".
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.	There are currently no plans to establish an internal carbon price
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	<p>Set the base year in 2023 and set the target of "Scope 1" + "Scope 2" for 2024: reduce carbon emissions by 2% in 2024 compared with 2023, and the inventory scope is "Science Factory and Anping Plant", and the calculation period is from January to December 2024</p> <p>Reduce actual carbon emissions by 13% in 2024 compared to the target, and set a target of 5% reduction in Scope 1 + Scope 2 + Scope 3 by 2025 compared to 2024</p> <p>The Company currently has no plans to purchase carbon offsets or renewable energy certificates</p>

8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	The first ISO14064-1 verification was completed by the end of March 2024, and the target for 2025 is Scope 1 + Scope 2+In order to demonstrate the Company's high priority and commitment to greenhouse gas reduction, the Carbon Reduction Target has been incorporated into the Company's annual performance indicator system, and further linked to the individual performance appraisal of senior managers. It is expected that the responsibility for carbon reduction will be fully implemented from top to bottom to ensure that the sustainable development strategy can be highly integrated with the operational goals. The relevant reduction actions are also in line with the policy direction and carbon reduction timeline set by the government, and are incorporated into the company's medium and long-term business plan to ensure that the low-carbon transition and climate risk management are steadily promoted under the premise of complying with regulations and social expectations. For more details, please refer to the 2024 Sustainability Report
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below)	The Company has set up a Sustainable Development Committee, which is responsible for focusing on environmental protection and climate change issues, with the general manager as the chairman, the assistant responsible for the overall planning and implementation promotion, and the executive assistant responsible for holding regular meetings on sustainable development, annual data collection, third-party confirmation and release, etc., and is divided into four functional groups (corporate governance group, sustainable environment group, product and service group, and employee and social participation group).Carry out relevant work in all aspects, and report to the board of directors on the implementation of climate change on an annual basis.

I-I. Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

I-I-I Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO ₂ e), intensity (metric tons CO ₂ e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.
<p>Scope:</p> <p>Scope 1 Stationary combustion sources: emergency generators, exhaust gas combustion towers, production line drying equipment, lawn mowers.</p> <p>Scope 1 Mobile emission sources: official vehicles, trucks, forklifts.</p> <p>Scope 1 fugitive emission sources: chilled water main unit, air conditioner, dehumidifier, refrigeration and refrigeration equipment</p> <p>Scope 2 purchased electricity</p> <p>Calculated Emissions :</p> <p>In 2022, S1+S2=11,982.52 metric tons of CO₂, and the density (metric tons of CO₂e/NT\$1 million revenue) = 11.46</p> <p>In 2023, S1+S2=12,415.59 tonnes CO₂, and the intensity (tonnes CO₂e/NT\$1 million revenue) = 10.53</p> <p>In 2024, S1+S2=10,360.85 metric tons of CO₂, and the density (metric tons of CO₂e/NT\$ million) = 8.86</p>

I-I-II Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.
At present, there is no confirmation of appointment, and the Company is not a property of mandatory confidence

Table 1: Assess the risks that may arise in response to climate change:

risk	Risk sub-classification	Risk Statement	Impact on the Company and when it may occur		Impact	Response Strategy	Financial Implications
Transition risk	Policies & Regulations	The government imposes a carbon fee	Recent	The government will officially start to levy carbon fees in 2025, and the Ministry of Environment will announce the draft carbon fee charging measures at the end of April 2024, and the objects of collection will initially be mainly electricity, gas supply and manufacturing industries with annual emissions of more than 25,000 tons, although our company has not reached 25,000 metric tons, but the government will gradually expand the scope of collection in the future	high	<ol style="list-style-type: none"> 1. Total emissions from Scopes 1 to 3 in 2024 will be 17,882.6 tonnes, a decrease of 12% from 2023, and a further 5% reduction in 2025 compared to 2024. 2. Continue to set up a carbon reduction plan every year to improve energy efficiency and reduce energy consumption: <ol style="list-style-type: none"> (1) Continue to optimize and implement a number of energy-saving measures in various spaces and facilities in the factory, including continuous modification of space circulation with energy saving, (2) replace about 10 old refrigerant equipment; Replace the filter screen of the air conditioning box and prevention and control equipment every quarter, actively maintain the equipment to optimize energy consumption, and prevent all kinds of possible energy waste (3) Replace LED lamps in the office area, use lighting fixtures with high efficiency, and reduce power consumption (4) Frequently monitor the execution efficiency of the cooling water tower and carry out energy-saving actions such as effective replacement of consumables (5) For the related equipment that consumes gas, comprehensively overhaul and replace the gas burner furnace head of the production line equipment, in addition to preventing spillage, and improving the safety of the working environment 	<ol style="list-style-type: none"> 1. Possible increase in carbon bills 2. Increased expenses related to equipment maintenance and replacement, possible reduction in service life, and increased depreciation 3. Increased investment in energy conservation or green energy
	Policies & Regulations	Mandatory disclosure of inventory information and carbon reduction plans	medium term	According to the FSC's IFRS Sustainability Disclosure Standards Blueprint, the IFRS Sustainability Disclosure Standards will be applied according to the size of the company, and the Company expects to apply them in 2028	middle	<ol style="list-style-type: none"> 1. Conduct annual greenhouse gas inventory based on the ISO14064-1 system 2. Actively prepare for the introduction of IFRS sustainability disclosure standards, evaluate the existing reporting structure, and gradually adjust internal processes, establish data collection and management mechanisms, internal training, strengthen the transparency of climate-related financial information, ensure compliance with international sustainability reporting standards, and strengthen communication with investors and stakeholders. Ensure that the information complies with the requirements of the competent authority 	<ol style="list-style-type: none"> 1. It may cause changes in some existing processes and management mechanisms 2. Establish relevant data simulation and estimation systems 3. Increase internal and external education and training in response to the guidelines and formulate an introduction plan

risk	Risk sub-classification	Risk Statement	Impact on the Company and when it may occur		Impact	Response Strategy	Financial Implications
	Market Risk	Customer demand for low-carbon products is growing	Recent	Customers continue to inquire about the use of low-carbon and environmentally friendly materials, and the frequency continues to increase	middle	<ol style="list-style-type: none"> 1. Accelerate the development of low-carbon materials that better meet customer expectations, introduce existing products and new product designs, and evaluate measures such as process simplification and product weight reduction 2. Introduce green design thinking into product development, avoid the use of high-carbon emission substances, and continuously optimize and reduce energy consumption in the product manufacturing stage. 3. In 2024, the use of toxic MIBK has been completely eliminated, and benzene and ketone solvents have been replaced with benzene-free and non-ketone solvents in each product section to increase environmental safety and product material safety 	<ol style="list-style-type: none"> 1. If customer needs cannot be met, orders may be lost and revenue may be reduced 2. R&D expenses and production costs may be increased 3. It may be necessary to purchase equipment for the use of new materials
	Market Risk	The price of raw materials has risen, and the supply risk of overseas suppliers has risen	medium term	Suppliers face ESG-related risks that may increase prices, and foreign suppliers face climate change that may affect the supply schedule	high	<ol style="list-style-type: none"> 1. Actively increase the proportion of local procurement suppliers to reduce the risk of possible interruption of transportation 2. Continue to develop alternative materials for key raw materials 3. Implement the sustainability audit mechanism (ESG sustainability risk assessment) of key suppliers, increase the applicability of alternative materials, and reduce the impact of raw material interruption 	<ol style="list-style-type: none"> 1. It may increase the cost of testing new materials 2. Carbon tax (fee) may cause the price of raw materials to fluctuate 3. Inventory (stock quantity) may increase
	Technical Risks	Increase spending on energy equipment in response to carbon reduction plans	long-term	In view of the government's requirements for future carbon reduction plans, it may be difficult to achieve significant carbon reduction results through routine maintenance and existing measures, so it is necessary to evaluate renewable energy equipment or other energy storage equipment, which will take a long time to take for energy saving measures related to gas or electricity consumption in production lines	middle	<ol style="list-style-type: none"> 1. Establish an energy management system to detect the energy consumption of each production line at multiple points, and accurately understand the distribution of energy consumption, so as to better understand the direction of throttling. 2. In 2024, the feasibility of building a heat exchanger in the production line has been evaluated, and the manufacturer cannot guarantee effective energy saving at present, and will continue to pay attention to whether the relevant technology is gradually mature and can be introduced in the future 	<ol style="list-style-type: none"> 1. Increase the cost of related technology, equipment investment, experimental cost, etc. 2. During the test period, considerable manpower and manufacturers need to be invested in testing
	reputation	Green goodwill	long-term	Clients and investors request to join specific international decarbonization initiatives	middle	<ol style="list-style-type: none"> 1. Actively respond to customers' requests for sustainability-related management mechanisms or join relevant initiatives 2. Continue to explain the Company's management and plans in all aspects of ESG through ESG sustainability reports 	There may be costs associated with joining the initiative or introducing the relevant management system

risk	Risk sub-classification	Risk Statement	Impact on the Company and when it may occur		Impact	Response Strategy	Financial Implications
Physical Risk	Immediacy	The typhoon affected the number of working days and supply chain supply	short term	In 2024, due to the impact of the typhoon, Tainan City announced that it would stop working for a total of 5 working days, which affected work efficiency and delivery schedule, which may reduce customer satisfaction and sales forecast accuracy, and also led to the increase in labor costs due to overtime .	middle	<ol style="list-style-type: none"> 1. Enhance the flexibility of personnel scheduling and maintain the effectiveness of weekday training 2. Pre-plan overtime manpower and cost budgeting during the typhoon season 3. Establish disaster scenarios, how to adjust the response mode or delivery schedule with customers in advance during the typhoon season, and link it to pre-material preparation 4. Try to diversify supply sources to reduce dependency risk areas and improve supply chain resilience 	<ol style="list-style-type: none"> 1. Increased labor costs 2. Increased procurement costs (increased backup procurement volume or urgent delivery order support) and raw material inventory costs 3. If the delivery schedule is affected, the original payment schedule may be affected 4. Typhoon or heavy rain may cause damage to assets and increase recovery costs
	Immediacy	The energy supply is unstable	medium term	Existing energy policies may lead to the risk of power instability or shortage, which may result in power rationing	high	<ol style="list-style-type: none"> 1. In order to protect the integrity of important data, it is necessary to improve and implement the operation continuity planning (BCP) drill of the information equipment room, and strengthen personnel training to deal with emergencies 2. Optimize and maintain the response capacity of the emergency power generation equipment in the plant, and establish standard operating procedures for emergency response to power outages, including the detection and production line restart process after power recovery. 	<ol style="list-style-type: none"> 1. The maintenance cost of the uninterruptible power supply system, the environment and the equipment in the computer room increases 2. The maintenance cost of emergency power generation related equipment increases 3. The equipment is damaged due to temporary power interruption, and the cost of restoration increases
	Long term	The temperature rises	long-term	According to the National Science Report on Climate Change, warming in Taiwan will continue until the end of the century	middle	<ol style="list-style-type: none"> 1. The extreme high temperature in summer causes an increase in the power consumption of air conditioners, a decrease in the service life of assets and equipment, a decrease in operating efficiency, an increase in cooling equipment, and the continuous replacement of old equipment, new energy-saving equipment, inverters, etc. 2. The space was adjusted to streamline the use of air conditioning, the exterior walls of the plant were repainted with thermal insulation paint, and the window insulation paper of the office space was replaced on a large scale to reduce energy consumption 3. Continue to advocate energy conservation and integrate the concept into the daily habits of all colleagues, in order to reduce energy dependence. 4. Simplify the work process of personnel in high-temperature environment, and reduce the frequency of outdoor high-temperature exposure 	<ol style="list-style-type: none"> 1. The frequency of equipment replacement increases, the service life decreases, and the related depreciation and maintenance costs increase 2. The increase in the number of kWh of electricity used by air conditioners increases the unit price per kWh and increases the cost of electricity 3. Heat waves may affect the reduction of man-hours, and additional manpower must be added to respond 4. Reduced rainfall may stop or reduce tap water supply, and additional water trucks must be used to replenish the supply,

risk	Risk sub-classification	Risk Statement	Impact on the Company and when it may occur		Impact	Response Strategy	Financial Implications
							increasing water costs 5. Extreme weather may reduce the production of raw materials, resulting in higher prices and higher costs

Table 2 Possible opportunities arising from climate change assessment:

opportunity	Opportunity classification	Opportunity Description	Impact on Morita printing and when it may occur		Opportunity Levels	Response Strategy	Financial Implications
opportunity	market	Entering new markets	medium term	Because the company's product IMR can be mass-produced by customers and the process is simplified compared with other construction methods, it is more in line with the spirit of energy conservation and carbon reduction, and can enter the market that needs to be replaced with this construction method in response to the trend	middle	1. Increase the exposure of product features and expand the opportunities for customer cooperation in relevant exhibitions in overseas countries 2. Develop new functional effects to meet the needs of brand customers	1. Increase revenue 2. Enter potential new markets
	Resource efficiency	Increase production efficiency	long-term	Through the spirit of energy conservation and carbon reduction, we hope to re-examine the areas that can improve the efficiency of each process, which can not only reduce energy consumption, reduce raw material consumption, but also reduce waste generation (including waste film and waste ink).	middle	1. Through the improvement of production technology and the simplification of the manufacturing process, the production efficiency can be improved, which can not only reduce energy consumption, increase the efficiency of raw material consumption, but also reduce waste (including waste film and waste ink) 2. Continue to increase the proportion of double-row printing and simplify the research and development of the coating process	1. Reduce operating costs, and increase the proportion of double-row printing by 3% in 2024 compared to 2023 2. Reduce the cost of removal and transportation, and reduce the amount of waste removal and transportation directly related to product production by 13% in 2024 compared with 2023
	Resource efficiency	Improve the recycling rate of waste materials	short term	Waste disposal must also be in line with the physical benefits of recycling	high	1. Achieve the spirit of substantial recycling of waste through the use of recycling technology treatment plants 2. In 2024, the recycling rate of general industrial waste treatment will reach 91.88%.	1. The proportion of waste reuse will reach 91.88% in 2024, 13.52% higher than that in 2023, and the amount of waste removed and transported directly related to product production will decrease by 10% in 2024 compared with 2023 2. Reduced air pollution charges


opportunity	Opportunity classification	Opportunity Description	Impact on Morita printing and when it may occur		Opportunity Levels	Response Strategy	Financial Implications
	Products & Services	Research and development of new products that are friendly to the environment	long-term	In response to the increasing global attention to carbon reduction, circular economy and sustainable products, it is necessary to strengthen the research and development of environmentally friendly products, the awareness of material sustainability and the introduction of low-carbon materials.	middle	1. Continue to develop water-based ink formulations to reduce volatile organic compound emissions 2. Priority is given to focusing on environmentally friendly materials, zero use of harmful substances, and energy saving in the manufacturing process	Enhance product added value and brand image, and drive sales growth

(VI). Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
<p>I. Establishment of ethical corporate management policies and programs</p> <p>(I) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?</p> <p>(II) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?</p> <p>(III) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?</p>			<p>Integrity management is the foundation of the company's corporate culture, and in order to strengthen the professional ethics and professional ability of all employees, the company has formulated a code of ethics and ethics to conduct as an important responsibility and compliance for all directors, managers and all employees.</p> <p>The company's website discloses the corporate philosophy of "diligence and integrity, profit sharing and sustainable management", and expresses the commitment of the board of directors and management to implement honest management.</p> <p>The Company has established a Code of Ethics and Ethical Conduct, which clearly stipulates a risk assessment mechanism for dishonest conduct, and regularly analyzes and evaluates business activities with a higher risk of dishonest conduct within the scope of its business. In addition, there are "Key Points for Preventing Dishonest Conduct", which clearly stipulates that employees shall not accept any gifts, special treatment or other improper benefits directly or indirectly; Encourage internal and external personnel to report dishonest or improper behavior, so as to implement honest management, ensure the legitimate rights and interests of whistleblowers and counterparties, and prevent the possibility of dishonest behavior through the establishment of principles and systems.</p> <p>In the "Key Points for Preventing Dishonest Behavior", the Company has clearly defined the operating procedures, conduct guidelines, punishment and grievance system for violations, and through education and publicity, so that directors, managers and employees can truly understand and comply with them. If there is a violation of the regulations, they will be punished in accordance with the relevant measures, and employees will be provided with a grievance channel to deal with the opinions of employees who believe that unfair and unreasonable treatment.</p>	<p>In line with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.</p>

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
II. Ethical Management Practice				
(I) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?			The company has signed a letter of integrity commitment with manufacturers and customers, clearly stipulating the terms of honest behavior, and does not accept bribes.	
(II) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?			<p>The general manager's office is responsible for the promotion and implementation of the company's promotion of corporate integrity management, and ensures the implementation of integrity management according to the work responsibilities and scope of each unit, and makes every effort to promote corporate integrity management. All colleagues, managers and directors are expected to follow the Code of Ethical Management, and relevant members are obliged to report to the Board of Directors at least once a year, with the most recent report to the Board of Directors dated 114.05.13.</p> <p>If a colleague discovers the fact of dishonesty, he or she can also report it through the company's public channels, and if the circumstances are serious, it will be reported to the board of directors from time to time, and the board of directors will supervise whether it is implemented in accordance with the code. The company implements the integrity management policy, and the implementation in 2024 is as follows:</p> <ol style="list-style-type: none"> 1. Education and training: Arrange refresher courses for supervisors and colleagues. 2. Legal compliance and publicity: In 2024, it will mainly advocate the implementation of the company's business philosophy of "diligence and integrity, profit sharing, and sustainable management". 3. Communication channels: Employees can report possible violations of ethical management to the management and independent directors through various channels, and the general manager's office is responsible for coordinating and handling them. 4. Regular audit: Conduct annual risk assessment of corruption-related matters, through the annual self-audit of the business management unit and the self-assessment of legal compliance, to achieve effective control and implementation, and the audit unit will independently audit to ensure the operation of the overall mechanism, jointly manage and prevent the occurrence of dishonest behavior, and no major corruption matters will occur in 2024. 5. Whistleblowing system: The channels through which internal or external personnel can report dishonest behaviors have been stated on the company's website, and in addition to protecting the identity of the whistleblower, the audit unit will conduct a special investigation, 	

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
(III) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?			<p>and no whistleblowing will occur in 2024.</p> <p>The "Rules of Procedure of the Board of Directors" stipulate that when directors participate in the board of directors, if the content of the proposal involves their own interests, they should recuse themselves from discussion and voting; Externally, the code of ethical conduct is used to regulate buyers and sellers to avoid conflicts of interest.</p> <p>The company has set up the chairman's mailbox and the external whistleblower mailbox to provide smooth reporting and statement channels.</p>	
(IV) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?			The company's accounting system and internal control system are prepared based on the principle of integrity management to ensure the effectiveness of the financial reporting process and internal control, and the internal audit unit formulates an audit plan based on the risk assessment results, regularly executes audit operations, and conducts project audits from time to time as required, and reports the audit results to the audit committee and the board of directors.	
(V) Does the company provide internal and external ethical corporate management training programs on a regular basis?			The company holds a regular supervisor meeting every month and a review and outlook meeting every year to advocate the company's integrity business philosophy and policies. Directors and senior managers attend "Corporate Governance and Practice Seminars" and other related courses from time to time to establish and implement corporate governance and ethical business concepts. In order to ensure that all employees are aware of their responsibility to protect the company's intellectual property, avoid disclosing inappropriate information, and avoid dealing with any dishonest manufacturers or customers, so as to jointly maintain the company's ethical concept of honest management. The company will hold new employee education and training for new employees to explain the company's relevant regulations. In FY2024, a total of 715 hours of internal and external education and training on integrity management (including integrity management regulations, code of ethics, corporate governance supervisor training, accounting supervisor continuing education, internal audit training, etc.) were held.	
III. Implementation of Complaint Procedures				

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
<p>(I) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers?</p> <p>(II) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?</p>			<p>In order to establish a corporate culture of integrity and transparency, promote sound management, and protect the rights and interests of whistleblowers, the Company has established and announced on the Company's website a whistleblower hotline, whistleblower e-mail address or mailing address and other acceptance channels on the company's website in accordance with the "Measures for the Management of Employee Communication and Grievances" and the "Key Points for Preventing Dishonest Behaviors", so as to provide internal and external personnel to report and accept crimes, fraud or violations. The management department of the company is the unit that accepts the reported cases, and the audit office is the investigation unit of the reported cases.</p> <p>The information on the reporting channels is as follows:</p> <p>(1). Whistleblower mailbox  : ethic@sentien.com.tw or Mail the company's (No. 85, Keji 5th Road, Annan District, Tainan City) management department report mailbox.</p> <p>(2). The unit that accepts the report is the management department of the company.</p> <p>The Company has set out provisions on the acceptance of whistleblowing cases, investigation procedures, follow-up measures for investigation reports, and protection of whistleblowers in the "Measures for the Management of Employee Communication and Grievances" and the "Key Points for Preventing Dishonest Behavior".</p> <p>(1). Acceptance principle: At a minimum, the whistleblower should provide the following information:</p> <p>①. The name and ID number of the informant may also be reported anonymously, and the informant's telephone number and email address can be contacted.</p> <p>②. The name of the person being reported or other information that can be used to identify the identity of the person being reported.</p> <p>③. Specific evidence available for investigation.</p> <p>You can take the form of a face-to-face interview, make an appointment with the manager of the management department, make a complaint record and follow up; You can also send the complaint letter (named or unnamed) to the chairman's suggestion box.</p> <p>(2). Investigation Procedure:</p> <p>①. If the report involves a general employee, it should be reported to the department head, and if the report involves a director or senior executive, it should be reported to the independent director.</p> <p>②. The Company's investigators and the supervisors or personnel reported in the preceding paragraph shall immediately ascertain the relevant facts and provide assistance from the compliance or other relevant departments if necessary.</p> <p>③. If it is confirmed that the reported person has violated relevant laws and regulations or the company's integrity management policies and regulations, the reported person shall</p>	

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
(III) Has the company adopted proper measures to protect whistleblowers from retaliation for filing complaints?			<p>be immediately required to stop the relevant behavior, and if necessary, report to the competent authority, transfer to the judicial authority for investigation, or request damages through legal procedures to protect the company's reputation and rights.</p> <p>④.The acceptance of the report, the investigation process, and the results of the investigation shall be kept in writing and kept for five years, and their preservation may be made electronically. Before the expiration of the retention period, in the event of litigation related to the content of the report, the relevant materials shall be retained until the conclusion of the litigation.</p> <p>⑤.If the report is found to be true, the relevant units of the company shall be responsible for reviewing the relevant internal control system and operating procedures, and proposing improvement measures to prevent the recurrence of the same behavior.</p> <p>⑥.The company's dedicated unit shall report to the board of directors the report, its handling method and follow-up review and improvement measures.</p> <p>(3). Confidentiality mechanism: The identity of the whistleblower and the content of the report will be kept confidential and protected, and the personnel involved in the investigation of the reported case shall not disclose it without authorization, so as to avoid unfair treatment, retaliation or threats against the whistleblower.</p> <p>All persons under investigation must present evidence based on facts and keep the matters under investigation confidential.</p> <p>The unit accepting the complaint must be fully responsible for the process and result of the handling of the complaint, and if there is an unfair or leaky behavior, the company may impose a heavy penalty on the direct acceptor and the head of the receiving department, and investigate its legal responsibility in accordance with the law in serious cases.</p> <p>No one shall retaliate against an employee's lawful complaints. Once discovered, the company will impose a heavy penalty on him, and investigate legal responsibility in accordance with the law in serious cases.</p> <p>The Company has formulated the Measures for the Management of Employee Communication and Grievances and the Key Points for Preventing Dishonest Behaviors to establish a whistleblower protection system, which stipulates that whistleblowers shall not be dismissed, dismissed, demoted, reduced in salary, or impaired by law, contract or custom, or otherwise unfavorable as a result of reporting cases. If the whistleblower believes that he or she has been disadvantaged as a result of the report, he or she may file a complaint with the Company's Management Department.</p> <p>In FY2024, the Company received a total of 0 reports and reported them to the Board of Directors on May 13, 2025.</p>	

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
IV. Strengthening Information DisclosureDoes the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?			The company has a website for the public to understand the company, and the website has set up a "corporate governance" area, which is responsible for maintaining and issuing announcements, and disclosing the implementation of the company's ethical management in the annual report.	
V. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation: N/A				
VI. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles): (I). The Company abides by the Company Law, the Securities and Exchange Law, the Business Accounting Law, the Political Contribution Law, the Anti-Corruption Ordinance, the Government Procurement Law, the Law on the Avoidance of Conflicts of Interest of Public Officials, the relevant regulations on listing and listing on the OTC market, or other laws and regulations related to business conduct, as the basic premise for the implementation of honest management; We also spare no effort to adopt high standards for compliance with environmental and quality policies. (II). The "Rules of Procedure of the Board of Directors" of the Company stipulates a system for the recusal of the interests of directors, under which those who have an interest in the proposals listed by the Board of Directors or the legal person they represent may have an interest in themselves or the legal person they represent, and may not participate in the discussion and voting, and shall not recuse themselves from the discussion and voting, and shall not exercise their voting rights on behalf of other directors. (III). The Company has formulated the "Administrative Measures for the Prevention of Insider Trading", which clearly stipulates that insiders, quasi-insiders, and information recipients shall not have actual knowledge of material news in accordance with the law, and engage in trading of stocks or other securities with the nature of equity listed on the Company's listing or traded in the business premises of securities firms within a period of 18 hours after the material information is made public, so as to avoid those who have learned of material news from accidentally touching the red line of insider trading due to ignorance of laws and regulations. (IV). The Company has established the "Internal Material Information Processing Operating Procedures" to establish a good internal material information processing and disclosure mechanism to avoid improper leakage of information and ensure the consistency and correctness of the information published by the Company to the outside world; It stipulates that directors, managers and employees shall not disclose material internal information to others, nor shall they inquire or collect undisclosed material internal information of the Company from persons who know the company's internal material information, and shall not disclose to others any material internal information that is not disclosed by the Company unless they are aware of it in the course of performing business.				

(VII). Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance may also be disclosed. :

For inquiries about the Company's Corporate Governance Code and related regulations, please refer to the Company's website <http://www.sentien.com.tw/> and public information observatories <http://mops.twse.com.tw>

1. Material Information Processing

(1) Measures for the Administration of Prevention of Insider Trading

On November 7, 2013, the 12th meeting of the 10th session of the Board of Directors of the Company passed the "Administrative Measures for the Prevention of Insider Trading", which stipulates that the acts of directors, managers and subjects who meet the standards of insider trading shall be followed. It also stipulates the scope of material internal information and the aforesaid personnel shall comply with laws, regulations and orders including insider trading laws. Over the years, in line with laws and regulations and practical operations, the last revision was held at the 6th meeting of the 11th session of the Board of Directors on May 7, 2015, and this method has been placed in the announcement area of the company's internal website and the company's official website (www.sentien.com.tw) for all colleagues to follow, so as to avoid violations or insider trading.

(2) Implementation

- (a) The Company shall provide education and advocacy to new directors, managers and employees on the "Administrative Measures for the Prevention of Insider Trading" and related laws and regulations, and arrange education and advocacy within 3 months after taking office.
- (b) In 2024, the Board of Directors, managers and insiders will be notified and publicized by email that all members are in compliance with the Company's internal control regulations and have not traded the Company's securities during the above-mentioned closed period.
- (c) On June 27, 2023, the Company has conducted education and publicity for new directors (including independent directors) on the prevention of insider trading, and provided a legal publicity manual for directors and supervisors, an insider equity advocacy slideshow held by the OTC Center, and reminded insiders of the precautions.

2. 2024 annual training of directors and managers:

Job title	Name	Organizer	Course Title	Train hours
Representative of the director of the corporation and chairman of the board of directors of the Company	JHANG-SHAN, HUANG	Taiwan Investor Relations Institute	At the helm of the voyage of corporate wisdom Corporate governance leads the way	3.0
		Taiwan Project Management Association	Introduction to Artificial Intelligence	3.0
		The company	Performance Goal Setting Workshop	14.0
Representative of the director	JHAN-LONG, HUANG	Taiwan Investor Relations	At the helm of the voyage of corporate wisdom	3.0

Job title	Name	Organizer	Course Title	Train hours
of the legal person, general manager and head of governance of the Company		Institute	Corporate governance leads the way	
		Accounting Research and Development Foundation	Analysis of common internal control management deficiencies and practical cases of enterprises	6.0
		Taiwan Project Management Association	Applications of generative AI and ChatGPT	3.0
		The company	Performance Goal Setting Workshop	14.0
Director, part-time assistant of the safety and health office of the company's business department	JUN-XIONG, CHEN	Taiwan Investor Relations Institute	At the helm of the voyage of corporate wisdom Corporate governance leads the way	3.0
		Taiwan Project Management Society	ESG Investment and Corporate Social Responsibility	3.0
		The company	TCFD Climate-related Financial Disclosures and IFRS S1 S2 Sustainability Accounting Standards	2.0
			Performance Goal Setting Workshop	14.0
Independent Director	HUEI-LING, FANG	Taiwan Corporate Governance Association	Enterprises and major shareholders are involved in tax issues	3.0
		Taiwan Investor Relations Institute	At the helm of the voyage of corporate wisdom Corporate governance leads the way	3.0
Independent Director	LING-LING, LEE	Securities and Futures Institute	Advanced Seminar on Directors and Supervisors (including Independent) and Corporate Governance Supervisors [Corporate Governance and Securities Regulations].	3.0
		Taiwan Investor Relations Institute	Carbon and carbon linkage - talk about carbon fees, carbon taxes, carbon rights and carbon trading	3.0
Independent Director	JIA-BIN, CHEN	Taiwan Investor Relations Institute	Talking about the blind spots and countermeasures of information security governance	3.0
			Circular economy embedded in a sustainable	3.0

Job title	Name	Organizer	Course Title	Train hours
			architecture: from international norms for circular economy to the integration of delivery in agriculture and industry	
Independent Director	YU-CHENG, CHEN	Taiwan Corporate Governance Association	Starting from TIPS: talk about how enterprises can build intelligent property risk prevention and control	3.0
		Taiwan Investor Relations Institute	At the helm of the voyage of corporate wisdom Corporate governance leads the way	3.0
Finance Manager	YU-HUI, WU	The Department of Accounting of Chengcheng University promotes education	Continuing education for accounting supervisors	12.0
		The company	TCFD Climate-related Financial Disclosures and IFRS S1 S2 Sustainability Accounting Standards	2.0
			Performance Goal Setting Workshop	14.0
Deputy Manager of Business Department	MIN-HSIU, TSAI	The company	Performance Goal Setting Workshop	14.0
Manufacturing Manager	TZU-CHIN, WEI	The company	Performance Goal Setting Workshop	14.0
Director of R&D Department, Quality Assurance Department and Overseas Customer Service Department	KUAN-YU, LI	The company	Performance Goal Setting Workshop	14.0
Special assistant to the general manager's office	XIU-MAN, YANG	The company	Performance Goal Setting Workshop	14.0
Manager of the Management Department	CHING-LIANG, LIN	The company	Performance Goal Setting Workshop	14.0

(VIII). The section on the state of implementation of the company's internal control system shall furnish the following

1. A Statement on Internal Control

The statement of internal control has been declared at the Public Information Observatory at the following website :

<https://mopsov.twse.com.tw/nas/cont06/c8410113011140312.pdf>

2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report : None.

(IX). Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report :

1. Important resolutions of the shareholders' meeting and their implementation :

The 2024 general meeting of shareholders of the Company was held on June 27, 2024, and the resolutions and implementation of the shareholders' meeting are as follows

item	Resolution of the shareholders' meeting	Execution
1	Report on "2023 Employee Remuneration and Distribution of Directors' Remuneration".	2023 earnings distribution, a total of NT\$288,000 in directors' remuneration; Employees are paid NT\$12,500,000 in cash.
2	Report on "2023 Annual Cash Dividend Distribution".	Distributed a cash dividend of NT\$91,473,000 per share of NT\$91,473,000 for the 2023 common stock. Scheduled for 202408.29 Ex-dividend base date, and the cash dividend payment has been completed on 2024.09.27.
3	Report on "2023 Director's Remuneration".	In 2023, directors' remuneration was NT\$4,941 thousand, accounting for 2.53% of net profit after tax, and NT\$10,831 thousand after part-time employee compensation, accounting for 5.55% of net profit after tax.
4	Approval of the 2023 Annual Business Report and Financial Statements	The Company's 2023 operating revenue was NT\$1,179,628,000, and earnings per common share were NT\$5.33.
5	Recognition of the 2023 Surplus Distribution Case	In 2023, shareholders will distribute a cash dividend of NT\$91,473,000. Scheduled for 202408.29 is the base date of the ex-dividend, and the cash dividend has been paid on 2024.09.27.

2.2024/01/01~2025/06/01 (publication date) Important resolutions of the Board of Directors

item	The date	Important Resolutions
1	2024.02.01	<ol style="list-style-type: none"> 1. Passed the 2023 year-end bonus payment of the chairman. 2. Passed the 2023 year-end bonus payment for managers. 3. Approved the 2024 monthly salary adjustment of the chairman and managers. 4. The withholding case of academic feedback funds of Zhongxing University through independent directors. 5. Passed the amendment of some provisions of the "Measures for the Administration of Seals". 6. Passed the amendments to some provisions of the "Self-Assessment Operating Procedures". 7. Recognition of the renewal of the bank loan line. 8. Adopt the 2024 budget. 9. Passed the 2024 visa accountant appointment and remuneration case.
2	2024.03.11	<ol style="list-style-type: none"> 1. Approval of the "Internal Control System Statement" for the 2023 internal control self-inspection. 2. Passed the amendments to the "Code of Procedure of the Board of Directors" and the "Regulations on the Organization of the Audit Committee". 3. Approved the 2023 annual business report and financial statements. 4. Approved matters related to the 2024 general meeting of shareholders submitted by shareholders. 5. Approve the proposal to convene the 2024 general meeting of shareholders and exercise voting rights electronically.
3	2024.05.09	<ol style="list-style-type: none"> 1. Passed the 2023 directors' remuneration and managers' employee remuneration bills. 2. Approved the financial report for the first quarter of 2024. 3. Approved the 2023 earnings distribution. 4. Passed the 2023 cash dividend payment proposal. 5. Recognition of the renewal of the bank loan line.
4	2024.08.08	<ol style="list-style-type: none"> 1. Approved the financial report for the second quarter of 2024. 2. Recognition of the renewal of the bank loan line. 3. Approved the establishment of the Sustainability Committee and the formulation of the organizational rules of the Company's Sustainability Committee. 4. Approved the appointment of members of the Sustainable Development Committee.
5	2024.11.12	<ol style="list-style-type: none"> 1. Approved the financial report for the third quarter of 2024. 2. Passed the amendment to the general principle of pre-approval of the non-assured service policy. 3. Finalize the operation procedures for the preparation

item	The date	Important Resolutions
		and verification of the sustainability report. 4. Finalize the audit schedule of greenhouse gas inventory and sustainability information management. 5. Approved the 2025 annual audit plan.
6	2025.01.21	1. Passed the 2024 year-end bonus payment of the chairman. 2. Passed the 2024 year-end bonus payment for managers. 3. Approved the monthly salary adjustment of the chairman and managers in 2025. 4. Passed the amendment to the "Regulations Governing the Remuneration of Managers". 5. Passed the amendment to the articles of association. 6. The "Regulations on the Operation of Funds Lending to Others" and the "Procedures for Endorsement and Guarantee" were abolished. 7. Recognition of the renewal and change of bank loan line. 8. Adopt the 2025 budget. 9. Passed the 2025 visa accountant appointment and remuneration case.
7	2025.03.12	1. Recognize the "Internal Control System Statement" for the 2024 internal control self-inspection. 2. Passed the amendment to the internal control system. 3. Admission of new bank loan amounts. 4. Approved the 2024 annual business report and financial statement. 5. Approved the acceptance of matters related to the 2025 general meeting of shareholders submitted by shareholders. 6. Approve the proposal to convene the 2025 general meeting of shareholders and exercise voting rights electronically.
8	2025.05.13	1. Passed the 2024 directors' remuneration and managers' employee remuneration bill. 2. Approved the financial report for the first quarter of 2025. 3. Approved the 2024 earnings distribution case. 4. Passed the 2024 cash dividend payment case. 5. Recognition of the renewal of the bank loan line. 6. Passed the amendment to the internal control system.

(X). Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof : None.

IV. Information on the professional fees of the attesting CPAs (external auditors)

Unit: NT\$ Thousands

Name of accounting firm	Names of CPAs	Period covered by the CPA audit	Audit fees	Non-audit fees	Remarks
KPMG Taiwan	Terry Su and Potree Yang	2024/01/01~2024/12/31	1,230	220	None.

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

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

V. Information on replacement of certified public accountant

(I). Information regarding the former CPAs

Date of replacement	January 21, 2025		
Reason for replacement and explanation	Accounting firm's internal adjustment		
Describe whether the Company terminated or the CPAs terminated or did not accept the engagement	Parties	CPAs	The Company
	Circumstances		
	Terminated the engagement	N/A	N/A
	No longer accepted (discontinued) the engagement	N/A	N/A
If the CPAs issued an audit report expressing any opinion other than an unqualified opinion during the 2 most recent years, specify the opinion and the reasons	N/A		
Disagreement with the Company?	Yes		Accounting principles or practices
			Disclosure of financial reports
			Audit scope or steps

			Other
	No	V	
	Specify details		
Other disclosures (Any matters required to be disclosed under sub-items d to g of Article 10.6.A)	None.		

(II). Information Regarding the Successor CPAs

Name of accounting firm	KPMG
N a m e s o f C P A s	CPA Terry Su CPA Eric Chen
D a t e o f e n g a g e m e n t	2025/01/21
Subjects discussed and results of any consultation with the CPAs prior to the engagement, regarding the accounting treatment of or application of accounting principles to any specified transaction, or the type of audit opinion that might be issued on the company's financial report	None.
Successor CPAs' written opinion regarding the matters of disagreement between the Company and the former CPAs	None.

(III). The reply letter from the former CPA regarding the Company's disclosures regarding the matters under Article 10.6.A and 10.6.B(c) of the Regulations:None.

VI. Where the company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed :
None.

VII. Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

(I). Changes in Shareholding of Directors, Supervisors, Managerial Officers, and Major Shareholders

For the Company's "Changes in the Shareholdings of Directors, Managers and Shareholders Holding More than 10%", please go to the Public Information Observatory (MOPS) > summary report to > changes in shareholdings/securities issuance> shareholdings/pledges/transfers of directors, supervisors, and major shareholders> and the balance of shareholdings held by directors, supervisors and major shareholders > check under the summary table of shareholding balances of directors, supervisors, managers and major shareholders

(MOPS Query URL: https://mops.twse.com.tw/mops/#!/web/stapap1_all)

(II). Information on Transfers of Shareholding : None.

(III). Information on Pledges of Shareholding : None.

VIII. Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another

Relationships Among the Top 10 Shareholders

2025-04-26

name	Myself Holding shares		Spouse and minor children Holding shares		Holding shares in the name of another person in aggregate		If the top 10 shareholders have a relationship with each other or are spouses or relatives within the second degree of kinship, their names or names and relationships		Notes
	Number of strands	Holding proportion	Number of strands	Holding proportion	Number of strands	Holding proportion	name (Name).	relationship	
Representative of YI SIN Investment Co., Ltd.: JHANG-SHAN, HUANG	4,112,400 1,304,910	11.24 3.57	0 1,632,630	0 4.46	0 7,149,400	0 19.54	Representative of SHAO WEI Investment Co., Ltd.: JHAN-LONG, HUANG	Its chairman is a second-degree relative of the chairman of said institutional shareholder	not
							JHANG-SHAN, HUANG	of the company Chairman	
							CHING-LIANG, LIN	company Supervisors	
							HSIU-MAN, YANG	She is a second-degree relative of the chairman of said institutional shareholder	
							Representative of YONG EN Investment Co., Ltd.: JHANG-SHAN, HUANG	Chairman The same person	
Representative of SHAO WEI Investment Co., Ltd.: JHAN-LONG,	4,112,400 975,650	11.24 2.67	0 1,578,690	0 4.31	0 7,149,400	0 19.54	Representative of YOUNG SHENG Investment Co., Ltd.: JHAN-LONG, HUANG	Its chairman is a second-degree relative of the chairman of said institutional shareholder	not
							Representative of YI SIN Investment Co., Ltd.: JHANG-SHAN, HUANG	Its chairman is a second-degree relative of the chairman of said institutional shareholder	

name	Myself Holding shares		Spouse and minor children Holding shares		Holding shares in the name of another person in aggregate		If the top 10 shareholders have a relationship with each other or are spouses or relatives within the second degree of kinship, their names or names and relationships		Notes
	Number of strands	Holdings proportion	Number of strands	Holdings proportion	Number of strands	Holdings proportion	name (Name).	relationship	
HUANG							JHANG-SHAN, HUANG	He is a second-degree relative of the chairman of said institutional shareholder	
							CHING-LIANG, LIN	She is a second-degree relative of the chairman of said institutional shareholder	
							HSIU-MAN, YANG	company Supervisors	
							Representative of YONG EN Investment Co., Ltd.: JHANG-SHAN, HUANG	Its chairman is a second-degree relative of the chairman of said institutional shareholder	
							Representative of YOU SHENG Investment Co., Ltd.: JHAN-LONG, HUANG	Chairman The same person	
Representative of YOU SHENG Investment Co., Ltd.: JHAN-LONG, HUANG	3,037,000 975,650	8.30 2.67	0 1,578,690	0 4.31	0 7,149,400	0 19.54	Representative of YI SIN Investment Co., Ltd.: JHANG-SHAN, HUANG	Its chairman is a second-degree relative of the chairman of said institutional shareholder	not
							Representative of SHAO WEI Investment Co., Ltd.: JHAN-LONG, HUANG	Chairman The same person	
							JHANG-SHAN, HUANG	He is a second-degree relative of the chairman of said institutional shareholder	
							CHING-LIANG, LIN	She is a second-degree relative of the chairman of said institutional shareholder	
							HSIU-MAN, YANG	company Supervisors	

name	Myself Holding shares		Spouse and minor children Holding shares		Holding shares in the name of another person in aggregate		If the top 10 shareholders have a relationship with each other or are spouses or relatives within the second degree of kinship, their names or names and relationships		Notes
	Number of strands	Holdings proportion	Number of strands	Holdings proportion	Number of strands	Holdings proportion	name (Name).	relationship	
							Representative of YONG EN Investment Co., Ltd.: JHANG-SHAN, HUANG	Its chairman is a second-degree relative of the chairman of said institutional shareholder	
Representative of YONG EN Investment Co., Ltd.: JHANG-SHAN, HUANG	3,037,000 1,304,910	8.30 3.57	0 1,632,630	0 4.46	0 7,149,400	0 19.54	Representative of YI SIN Investment Co., Ltd.: JHANG-SHAN, HUANG	Chairman The same person	not
							Representative of SHAO WEI Investment Co., Ltd.: JHAN-LONG, HUANG	Its chairman is a second-degree relative of the chairman of said institutional shareholder	
							JHANG-SHAN, HUANG	Chairman The same person	
							CHING-LIANG, LIN	company Supervisors	
							HSIU-MAN, YANG	She is a second-degree relative of the chairman of said institutional shareholder	
							Representative of YOU SHENG Investment Co., Ltd.: JHAN-LONG, HUANG	Its chairman is a second-degree relative of the chairman of said institutional shareholder	
TA-YU, CHEN	2,508,000	6.85	0	0	0	0	not	not	
YU-LIEN, CHIANG	1,809,893	4.95	0	0	0	0	not	not	
							Representative of YI SIN Investment Co., Ltd.: JHANG-SHAN, HUANG	company Supervisors	
							Representative of SHAO WEI Investment Co., Ltd.: JHAN-LONG, HUANG	Its chairman is a second-degree relative of the chairman of said institutional shareholder	

name	Myself Holding shares		Spouse and minor children Holding shares		Holding shares in the name of another person in aggregate		If the top 10 shareholders have a relationship with each other or are spouses or relatives within the second degree of kinship, their names or names and relationships		Notes
	Number of strands	Holdings proportion	Number of strands	Holdings proportion	Number of strands	Holdings proportion	name (Name).	relationship	
CHING-LIANG, LIN	1,632,630	4.46	1,304,910	3.57	0	0	JHANG-SHAN, HUANG	spouse	not
							HSIU-MAN, YANG	in-law	
							Representative of YONG EN Investment Co., Ltd.: JHANG-SHAN, HUANG	company Supervisors	
							Representative of YOU SHENG Investment Co., Ltd.: JHAN-LONG, HUANG	Its chairman is a second-degree relative of the chairman of said institutional shareholder	
HSIU-MAN, YANG	1,578,690	4.31	975,650	2.67	0	0	Representative of SHAO WEI Investment Co., Ltd.: JHAN-LONG, HUANG	company Supervisors	not
							Representative of YI SIN Investment Co., Ltd.: JHANG-SHAN, HUANG	Its chairman is a second-degree relative of the chairman of said institutional shareholder	
							JHAN-LONG, HUANG	in-law	
							CHING-LIANG, LIN	in-law	
							Representative of YOU SHENG Investment Co., Ltd.: JHAN-LONG, HUANG	company Supervisors	
							Representative of YONG EN Investment Co., Ltd.: JHANG-SHAN, HUANG	Its chairman is a second-degree relative of the chairman of said institutional shareholder	
HUI-WEN, HSIAO	1,486,000	4.06	0	0	0	0	not	not	
							Representative of YI SIN Investment Co., Ltd.: JHANG-SHAN, HUANG	Chairman The same person	

name	Myself Holding shares		Spouse and minor children Holding shares		Holding shares in the name of another person in aggregate		If the top 10 shareholders have a relationship with each other or are spouses or relatives within the second degree of kinship, their names or names and relationships		Notes
	Number of strands	Holdings proportion	Number of strands	Holdings proportion	Number of strands	Holdings proportion	name (Name).	relationship	
JHANG-SHAN, HUANG	1,304,910	3.57	1,632,630	4.46	7,149,400	19.54	Representative of SHAO WEI Investment Co., Ltd.: JHAN-LONG, HUANG	Its chairman is a second-degree relative of the chairman of said institutional shareholder	not
							CHING-LIANG, LIN	spouse	
							HSIU-MAN, YANG	in-law	
							Representative of YONG EN Investment Co., Ltd.: JHANG-SHAN, HUANG	Chairman The same person	
							Representative of YOU SHENG Investment Co., Ltd.: JHAN-LONG, HUANG	Its chairman is a second-degree relative of the chairman of said institutional shareholder	

IX. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company : N/A

Three. Information on capital raising activities

I. Source of capital stock

(I). Sources of Capital

Unit: NT\$ thousand; thousand shares

Month/year	Issued price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Sources of capital	Capital paid in by assets other than cash	Other
2004, October	10	6,000	60,000	6,000	60,000	Cash capital increase of NT\$20,000 thousand	None	Note 1
2005, September	10	8,000	80,000	8,000	80,000	Cash capital increase of NT\$20,000 thousand	None	Note 2
2007, December	10	11,000	110,000	11,000	110,000	Cash capital increase of NT\$30,000 thousand	None	Note 3
2008, September	10	15,400	154,000	15,400	154,000	Cash capital increase of NT\$44,000 thousand	None	Note 4
2009, April	29	22,950	229,500	22,950	229,500	Cash capital increase of NT\$75,500 thousand	None	Note 5
2009, August	10	32,000	320,000	25,260	252,600	Capitalization of retained earnings of NT\$23,100 thousand	None	Note 6
2009, August	25	32,000	320,000	27,786	277,860	Cash capital increase of NT\$25,260 thousand	None	Note 7
2010, September	10	45,000	450,000	33,343	333,432	Capitalization of retained earnings of NT\$55,572 thousand	None	Note 8
2011, March	52	45,000	450,000	36,589	365,892	Cash capital increase of NT\$32,460 thousand	None	Note 9

Note 1: Approved by Letter Jin-Shou-Chung-Zi No.09332787600 on October 1, 2004.

Note 2: Approved by Letter Jin-Shou-Chung-Zi No.09432824150 on September 14, 2005.
 Note 3: Approved by Letter Jin-Shou-Chung-Zi No.09633301980 on December 24, 2007.
 Note 4: Approved by Letter Jin-Shou-Chung-Zi No.09733113220 on September 22, 2008.
 Note 5: Approved by Letter Jin-Shou-Chung-Zi No.09832135140 on April 24, 2009.
 Note 6: Approved by Letter Jin-Shou-Chung-Zi No.09832784830 on August 5, 2009.
 Note 7: Approved by Letter Jin-Shou-Chung-Zi No.09832854940 on August 14, 2009.
 Note 8: Approved by Letter Jin-Shou-Chung-Zi No.09932606420 on September 23, 2010.
 Note 9: Approved by Letter Jin-Shou-Chung-Zi No.10031766850 on March 21, 2011.

2025-04-26; Unit: Shares

Type of stock	Authorized Capital			Remarks
	Outstanding shares(note)	Unissued shares	Total	
Registered common shares	36,589,200	8,410,800	45,000,000	The Company's shares are traded at the business premises of securities firms (OTC)

(II). List of major shareholders

List all shareholders with a stake of 5 percent or greater, and if those are fewer than 10 shareholders, also list all shareholders who rank in the top 10 in shareholding percentage, and specify the number of shares and stake held by each shareholder on the list :

Apr. 26, 2025

Names of major shareholders	Shares	Shareholding (shares)	Shareholding (%)
YI SIN Investment Co., Ltd.		4,112,400	11.24
SHAO WEI Investment Co., Ltd.		4,112,400	11.24
YOU SHENG Investment Co., Ltd.		3,037,000	8.30
YONG EN Investment Co., Ltd.		3,037,000	8.30
TA-YU, CHEN		2,758,000	7.54
CHING-LIANG, LIN		1,704,570	4.66
YU-LIEN, CHIANG		1,703,000	4.65
HSIU-MAN, YANG		1,578,690	4.31
HUI-WEN, HSIAO		1,569,000	4.29
JHANG-SHAN, HUANG		1,376,850	3.76

(III). Company's dividend policy and implementation thereof

1. Company Dividend Policy:

Article 26

If the Company makes a profit for the year, it shall allocate not less than 2% of the remuneration of employees and not more than NT\$500,000 for the remuneration of directors. However, if the company still has accumulated losses, it should reserve the amount of compensation in advance.

Article 27

If there is a surplus in the annual settlement of the Company, in addition to the tax payable, it shall first make up for the losses of previous years, and then propose 10% of the balance as the statutory surplus reserve; However, this limit does not apply

when the statutory surplus reserve has reached the total capital; and may set aside a special surplus reserve as prescribed by law or when necessary. If there is any surplus, the board of directors shall draw up a distribution proposal after adding the accumulated undistributed surplus of the previous period, but the amount of dividends paid to shareholders shall not be less than 30% of the surplus of the current year. Shareholders' dividends are paid in the form of stock dividends and cash dividends, of which cash dividends are 100% to 50%, and stock dividends are 0% to 50%. For the purpose of distributing cash dividends (including capital reserve and statutory surplus reserve in cash in accordance with Article 241 of the Company Law), the board of directors is authorized to make the dividend after a special resolution and report to the shareholders' meeting. If stock dividends are paid, they must be submitted to the shareholders' meeting for special resolution.

2. Dividend distribution decided by the Board of Directors for the current year:

project	Amount (NT\$).
Undistributed surplus at the beginning of the period	\$ 611,756,114
Add: Net profit (loss) after tax in 2023	195,164,389
2023 Remeasure of Determining Benefits Plans	1,243,786
Available for distribution of surpluses	808,164,289
Allocation and Allocation of Items:	
Less: Statutory surplus reserve is included	(19,640,818)
Cash dividends (RMB2.50 per share) will be distributed to shareholders	(91,473,000)
Undistributed surplus at the beginning of the period	\$ 611,756,114

Note: The above distribution is based on the surplus distribution in 2023.

(IV). Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting : Not applicable.

(V). Profit-sharing compensation of employees, directors, and supervisors

1. The percentage or scope of remuneration of employees, directors and supervisors as stated in the Articles of Association:

Article 26:

If the Company makes a profit for the year, it shall allocate not less than 2% of the remuneration of employees and not more than NT\$500,000 for the remuneration of directors. However, if the company still has accumulated losses, it should reserve the amount of compensation in advance.

Article 27:

If there is a surplus in the annual settlement of the Company, in addition to the tax payable, it shall first make up for the losses of previous years, and then propose 10% of the balance as the statutory surplus reserve; However, this limit does not apply when the statutory surplus reserve has reached the total capital; and may set aside a special surplus reserve as prescribed by law or when necessary. If there is any surplus, the board of directors shall draw up a distribution proposal after adding the accumulated undistributed surplus of the previous period, but the amount of dividends paid to shareholders shall not be less than 30% of the surplus of the current year. Shareholders' dividends are paid in the form of stock dividends and cash dividends, of which cash dividends are 100% to 50%, and stock dividends are 0% to 50%. For the purpose of distributing cash dividends (including capital reserve

and statutory surplus reserve in cash in accordance with Article 241 of the Company Law), the board of directors is authorized to make the dividend after a special resolution and report to the shareholders' meeting. If stock dividends are paid, they must be submitted to the shareholders' meeting for special resolution.

2. Accounting treatment of the valuation basis of the remuneration of employees, directors and supervisors for the current period, the calculation basis of the number of shares of employee remuneration distributed by shares, and the actual distribution amount if there is a difference between the valuation and the estimated amount:

If there is a difference between the amount of the resolution of the shareholders' meeting and the estimated amount, it shall be regarded as a change in the accounting estimate and shall be included in the profit or loss of the resolution year.

3. Remuneration approved by the Board of Directors:
 - a. Remuneration of employees and remuneration of directors and supervisors in cash or stock. If there is a discrepancy with the estimated amount of the recognized expenses, the number of differences, the reasons and the handling of the discrepancy shall be disclosed: none.
 - b. The amount of employee remuneration distributed in shares and the proportion of the total amount of net profit after tax and total employee remuneration in individual or individual financial reports for the period: Not applicable.
4. The actual distribution of the remuneration of employees, directors and supervisors in the previous year, and the difference between the remuneration of employees, directors and supervisors and the remuneration of recognized employees, directors and supervisors, and the number of differences, reasons and handling circumstances shall be stated.

Unit: NTD

project	Actual allotment	Approved by the original Board of Directors Proposed allocation	Number of differences
Cash remuneration for employees	12,500,000	12,500,000	0
Directors' Remuneration	288,000	288,000	0

(VI). Status of a company repurchasing its own shares : None.

II. Information on the company's issuance of corporate bonds : None.

III. Information on preferred shares : None.

IV. Information on Global Depositary Receipts (GDR) : None.

V. Information on unexpired employee subscription warrants : None.

VI. Information on New Restricted Employee Shares : None.

VII. Basic Information on Companies That Are Merged or Acquired or Whose Shares Are Acquired by the Company : None.

VIII. Implementation of the company's capital allocation plans : The Company's previous cash capital increases have been completed and the planned benefits are in line with expectations.

Four. Overview of operations

I. Business activities

(I). Scope of operation

1. The company's major lines of business:

- (1) Printing industry.
- (2) Plate making industry.
- (3) Computer and its peripherals manufacturing.
- (4) Other electrical and electronic machinery and equipment manufacturing.
- (5) Plastic daily necessities manufacturing industry.
- (6) Industrial plastic products manufacturing industry.
- (7) Wholesale of plastic film and bags.
- (8) Wholesale of electrical appliances.
- (9) Wholesale of other machinery and appliances.
- (10) International trade.
- (11) In addition to licensed business, it may operate business that is not prohibited or restricted by laws and regulations.

2. Weight of business of major products:

Year	2024		2023	
	Net operating revenues	Weighting (%)	Net operating revenues	Weighting (%)
Heat Transfer film /In-mold decoration film	1,160,270	99.19	1,169,628	99.15
Other	9,429	0.81	10,000	0.85
Total	1,169,699	100.00	1,179,628	100.00

3. Current product (service) items and usage

- (1). Thermal transfer film for general plastics: general printed film, special effect film.
- (2). Special Effect Printing Heat Transfer Film: Single-sided and double-sided in-mold labeling film (In-Mold Label).
- (3). In-Mold Release Foils; Hereinafter referred to as IMR film): In-Mold Release (In-Mold Release; Hereinafter referred to as IMR) transfer film, it is currently mainly used in laptop cases and other electronic product shells, and is gradually increasing in the scope of applications in industries such as home appliances and automobiles.
- (4). Film Insert Molding; Hereinafter referred to as INS film): After thermoplastic molding, the insert is then embedded in injection, which is mainly used in products with severe changes in the appearance of the product mechanism and cannot be completely covered by IMR film, such as automotive interior parts.

4. New products (services) planned for development

- (1). Film for NB
 - a. Special haze appearance film (partial mass production)
 - b. Microstructured Thin Films (Submit-to-test stage)
 - c. Films for metal substrates (Transmission stage)
 - d. Deep-wrapped, low-pull-out film for angles (development stage)
- (2). Films for home appliances

- a. Antibacterial and antiviral film (partial mass-production)
- b. Deep Coating to Support Multi-Structure Films (Development Stage)
- c. High-resolution film with window printing (Transmission stage)
- d. Screen Printing Film (Development Stage)
- (3). Films for automotive interior parts
 - a. INS-H/ INS-PAutomotive Interior Parts Film (in Promotion)
 - b. Haptic + translucent film (development stage)
 - c. Window or functional films (development phase)
- (II). Industry overview

1. The current status and development of the industry

In Mold Release (In Mold Release; Since it was applied to the manual process in the early 2000s, IMR has quickly gained favor from the industry with its excellent color performance and efficient production mode, and has become an important construction method for surface decoration of plastic parts. In 2006, with the first adoption of IMR technology by the NB brand of American companies, this technology has been widely used in the NB industry and continues to this day.

Compared with traditional painting methods, IMR technology has significant advantages in terms of design flexibility, production efficiency and cost control. In terms of multi-color or pattern design, the traditional painting method requires disassembly and painting or the development of special fixtures, which is complex and costly. The IMR technology uses a secondary processing-free process, in which release, case hardening and wear-resistant coatings are pre-coated on the film, and the surface decoration is completed simultaneously during the injection molding of the plastic casing, simplifying the production process and improving production efficiency. In addition, IMR technology can achieve more detailed colorful designs and pattern effects to meet the diverse needs of designers.

The core principle of IMR technology is that the release and hard-surfaced abrasion-resistant chemical coatings are pre-applied to the film (Fig 1 below), and the appearance pattern required for the plastic product is printed on the film in ink. When the plastic casing is injection molded, the positioning point is controlled by the printing electric eye, and the surface decoration of the product is completed synchronously. After molding, the release layer of the surface film is stripped from the substrate, and the printing ink and hardened surface layer are transferred to the plastic product.

With its advantages of high efficiency, aesthetics and environmental protection, IMR technology has been widely used in 3C products, automotive interiors, home appliances and other fields. With the continuous improvement of consumers' pursuit of product appearance and texture, as well as the increasingly stringent environmental protection regulations, IMR technology will have a broader development space in the future.

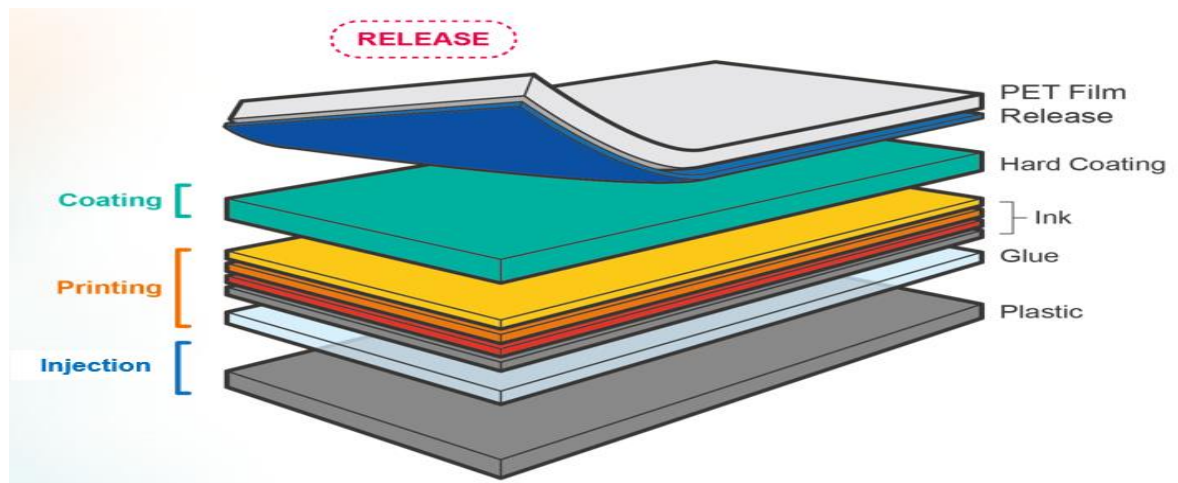


Fig.1 Composition of IMR films

Since the application of IMR in the mobile process in the early 2000s, it has become an important method for surface decoration of plastic parts. Compared with the traditional spraying process, IMR technology can simultaneously complete the surface printing and decoration while plastic injection molding, so as to achieve no secondary processing, greatly reduce the production space and time, and show higher production efficiency and cost competitiveness in mass production.

IMR technology can not only present rich color changes, metallic inks and pearlescent textures in appearance, but also carry out a variety of surface treatments, such as glossy surface, matte surface, local bright fog, embossing, hair drawing and leather-like paint, etc., to further enhance the texture and aesthetics of the product. In addition, IMR technology can also integrate functional layers such as light transmission display and antibacterial to give more added value to the product.

With its advantages of high efficiency, aesthetics, environmental protection and multi-function, IMR technology plays a key role in the process of notebook computer plastic enclosures (Fig 2 below), and shows broad application prospects in 3C products, automotive interiors and home appliances. With the improvement of global environmental awareness and consumers' higher requirements for product appearance and function, the future development of IMR technology will move towards environmentally friendly materials, intelligent production and multi-functional applications.

Future Development Trends:

- **Eco-friendly materials:**

- Develop more environmentally friendly film and ink materials to reduce environmental impact.

- **Intelligent Production:**

- Combine automation and intelligent technology to improve production efficiency and yield.

- **Multi-functional applications:**

- Combine IMR technology with other surface treatment technologies to develop products with more functions.

All in all, IMR technology occupies an important position in the global manufacturing industry with its unique advantages, and will continue to develop and innovate in the future, especially in the current era of rising environmental awareness, the spray-free method of IMR technology is valued by the industry.



Source: Compiled by the company

Fig 2 Laptop cases have made a leap forward in popularity and color

Looking back on the past few years, the new crown epidemic has had a severe impact on the global industry, and the NB industry has also undergone unprecedented changes. In 2023, as the impact of the epidemic gradually subsides, the NB market will gradually return to normal. However, the remote working and teaching mode developed during the epidemic has changed consumers' perception of NB products. Even in 2025, the market demand for NB will remain above pre-pandemic levels, showing its indispensable place in modern life.

The rapid development of AI technology has injected new momentum into the NB industry. In 2024, brands will actively invest in the R&D and promotion of AI laptops, and gradually show their market potential in 2025. AI laptops not only improve the user experience, but also create new application scenarios, such as AI-assisted creation, smart office, immersive entertainment, etc. It is expected that AI laptops will become the main growth driver of the NB market in the future.

The in-mold printing technology developed by our company has shown its unique advantages under the trend of rising environmental awareness. In 2025, various industries will have increasing requirements for product design, and at the same time, more attention will be paid to the environmental protection of the production process. In-mold printing technology can not only achieve diversified appearance design, but also reduce the environmental pollution caused by the traditional spraying process, which meets the market demand.

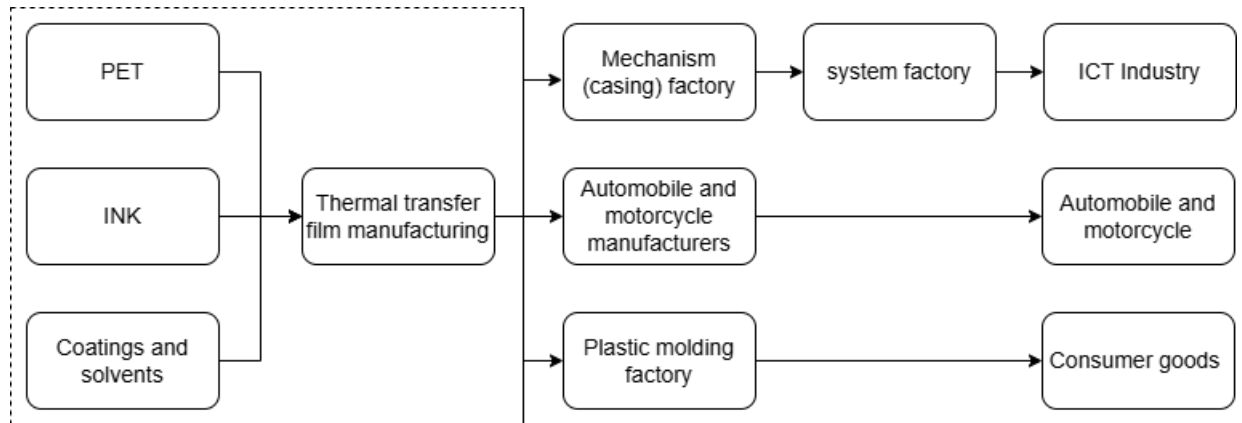
It is expected that in 2025, the industry trend will grow steadily in the NB market, AI laptops will become the mainstream of products, more AI technologies will be integrated into NB products, creating new application scenarios, and the environmentally friendly process will be valued, and the application scope will be expanded with more environmentally friendly process methods than other processes.

Future outlook for in-mold printing technology:

- Expand the application field: In addition to 3C products, in-mold printing technology will be more widely used in automotive interiors, home appliances, electronic products and other fields.
- Development of environmentally friendly materials: Continue to develop more environmentally friendly film and ink materials in line with the trend of sustainable development.
- Expand the film function: The in-mold printing technology can not only present the appearance effect, but also achieve a variety of different functions, such as bacteriostatic / light transmission or fingerprint optimization.

All in all, in 2025, the NB industry and in-mold printing technology will usher in broader development prospects driven by AI technology and environmental protection trends.

2. Relationship between the upstream, midstream and downstream suppliers



The in-mold printing process industry chain is composed of upstream manufacturers of chemical raw materials such as film paper, ink raw materials, coatings and solvents, midstream institutional (casing) factories responsible for product components, mold development and plastic casing injection molding, and downstream system factories and brand manufacturers. Since the product design (ID) is critical to sales performance, and the brand customer directly leads the design, the supplier needs to work closely with them in the early stages of development, providing design discussions and institutional RD support to ensure mass production yields. This industry characteristic enables its potential customers to cover the electronics, communications, home appliances and automotive and motorcycle industries, which are highly sensitive to the appearance of products. With the increase of consumers' requirements for product design and the rise of environmental awareness, in-mold printing technology will be more valued by the market for its diversified design capabilities and environmental protection advantages. At the same time, its high efficiency and automation characteristics, as well as the relocation of manufacturing bases under the "China+1" trend, will also drive the demand for this technology. In the future, through the continuous research and development of new thin film materials and technologies, and the expansion of the scope of applications, such as the combination of IMR technology with light transmission display or anti-fingerprint technology, the development of smart product shells, the in-mold printing process will play a more important role in the related industry chain.

3. Product development trends

(1). Film for NB

In the competitive notebook computer design market, consumers' demand for visual texture and personalization of products continues to grow, making In-Mold Decoration / In-Mold Roller (IMR) technology one of the important processes for the appearance treatment of electronic product cases. The IMR technology currently developed by the company can combine the decorative coating with the one-time molding of the mechanism, which not only improves the aesthetics, but also has the advantages of production efficiency and environmental protection. Years of research and development have made the company a success in the development and manufacture of high-performance IMR films, and is committed to providing innovative solutions that meet market trends and production needs. The following are the four key IMR film product technologies that the company is advancing in the notebook space, covering different stages of mass production, testing and development.

a. Special haze appearance film (partial mass production)

In response to the needs of upgrading the appearance and texture of notebook products, we have developed a thin film material with "special haze performance". This type of film uses precision coating technology to create different haze effects,

from extreme fog to glossy surface, and even blends the characteristics of bright and matte surfaces, so as to precisely control the reflection and diffusion angles, so that the soft and matte visual effect, and can effectively enhance the touch and slip, and enhance the user's daily experience.

At present, this technology has been successfully applied to some customers' laptop shell projects, and has entered the stage of mass production and supply, and its haze performance and surface texture have been recognized by customers, especially in black and silver products, which effectively enhance the sense of luxury and brand recognition of the product.



Fig.3. Special haze + translucent appearance



Fig.4. Special Appearance Colorful & Transparent Appearance Film

b. Microstructured Thin Films (Submit-to-Test Stage)

With the increasing emphasis on "technology", "futurism" and "differentiation" in notebook computer design, in addition to the development of "special haze performance", the IMR film with "Emboss" design is also introduced. This technology uses a specific microstructure pattern formed in advance by molds or films, combined with various coatings and construction methods, to create light and shadow effects when the perspective changes, such as three-dimensionality, glare, and haptic sensations.

In addition to visual innovations, microstructured films can also be functionally designed for different applications, such as low-fingerprint adhesion and wear-resistant structures. At present, the laboratory testing stage has been completed, and a few designs have been favored by brand customers and have begun small-scale mass production. It is expected that after the use of brand customers and consumers, it is likely to gain a larger market share in commercial and gaming laptops in the coming year.



Fig.5. Appearance of the microstructure

c. Films for metal substrates (Transmission stage)

At present, the company's main products are plastic substrate IMR film, but as the design of notebook computers tends to be lighter and thinner, more and more products have begun to choose aluminum alloy, and even metal materials such as aluminum-magnesium alloy and non-smelt steel as the chassis substrate. However, when applying the IMR process, metal substrates often face problems such as insufficient adhesion, excessive molding temperature and surface defects.

In response to market demand, we will be actively developing an IMR film specifically designed for metal substrates since mid-2024. The film adheres effectively to the surface of metal materials such as aluminum alloys and continuously maintains the pattern without falling off, avoiding bubbles or delamination, and eliminating the need for additional anodizing. In the future, the R&D team hopes to develop metal bonding films with high heat resistance and high tensile properties to meet the process requirements of metal chassis in the decoration process.

At present, this series of products has completed the first round of lamination and stamping tests, and has initially entered a small number of trial production stages. In addition to the current main plastic substrate IMR film, it is also expected to enter the high-end business laptop market in the future.

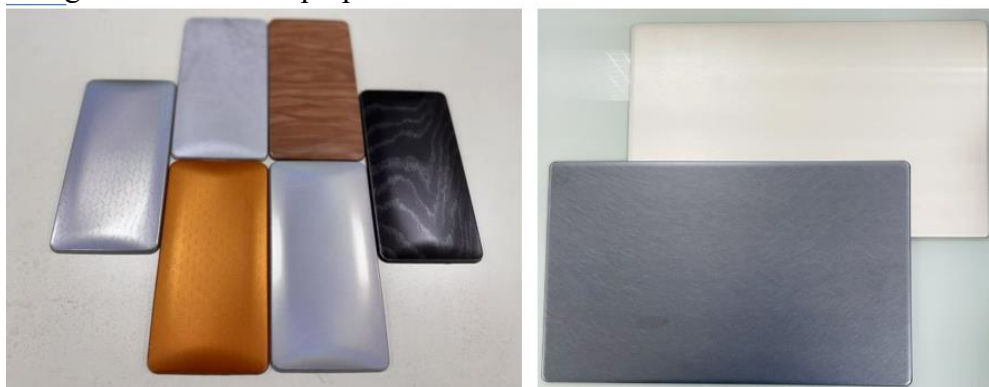


Fig 6: Metallic film

d. Deep-coated, low-pull film for angles (development stage)/low-VOC material

Whether it is made of plastic or metal, the design of laptops is becoming more and more free and diverse. In particular, steep sidewall designs will gradually become mainstream. Many next-generation enclosures require deep wrap construction or minimal draft angle designs to achieve thinner bezels, more complete wrapping, and an extremely integrated appearance. Therefore, we need to develop coatings with ultra-high ductility, flexibility, and molding stability for these designs to meet the appearance requirements of a wide range of brand customers.

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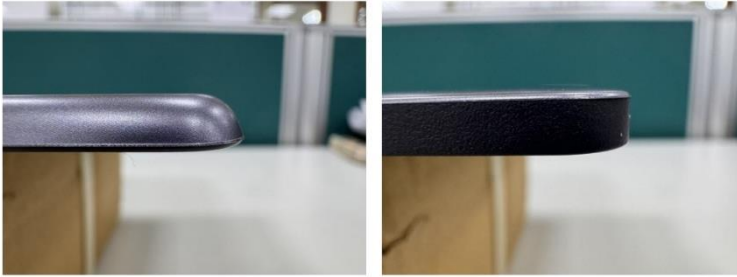


Fig 7 High elongation film

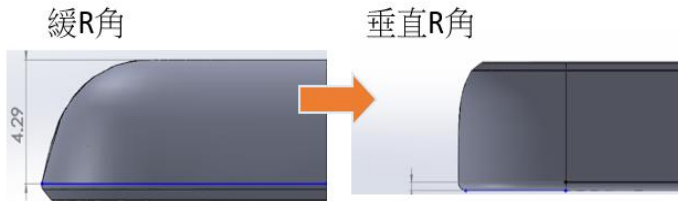


Fig 8 High elongation film

With the improvement of social responsibility, the company is also committed to protecting the global environment. While meeting the needs of the industry, the company actively explores and develops low-VOC products and environmentally friendly coatings, such as water-based coatings, inks, glues, etc. Adhering to the core concept of "Precision Printing × Functional Materials", the company continues to invest in IMR technology in the field of notebooks, upgrades the functions of various coatings and inks, and combines the manufacturing conditions to make notebook design more free and diverse. The company will continue to work closely with customers to promote more IMR film solutions with design value and market potential, and inject more innovative impetus into the notebook computer industry.

(2). Household IMR films

With the development of home appliances towards intelligence and high-end appearance, the brand's requirements for chassis materials are no longer limited to durability and functionality, but also focus on multi-material design with visual texture and surface function. In the context of such market demand, In-Mold Roller (IMR) technology stands out from some home appliance IMR products due to its advantages of integrated decoration and molding, coupled with the Company's experience in NB-IMR, through the combination of core precision printing technology and antimicrobial film, in the design of mass production in 2023, which is as follows:

a. Antibacterial and antiviral functional film (partially mass-produced)

In the post-COVID era, antibacterial and antiviral products have become an important consideration for consumers when choosing home appliances, especially those devices that are often in contact with the skin or placed in the home environment, such as sweeping robots, floor scrubbing robots, window cleaning robots, as well as dehumidifier panels, air conditioning panel remote controls, etc. The company successfully developed antibacterial and antiviral materials for NB products in the early days, and is now promoting this function to home appliances to provide a new design for the brand.

Note: The company's antibacterial and antiviral film adopts antibacterial ionic materials certified by the original Japanese factory, and has passed many international certifications such as EPA, BPR, SIAA, etc., which can effectively inhibit the growth of common bacteria and viruses such as Escherichia coli, Staphylococcus aureus and H1N1

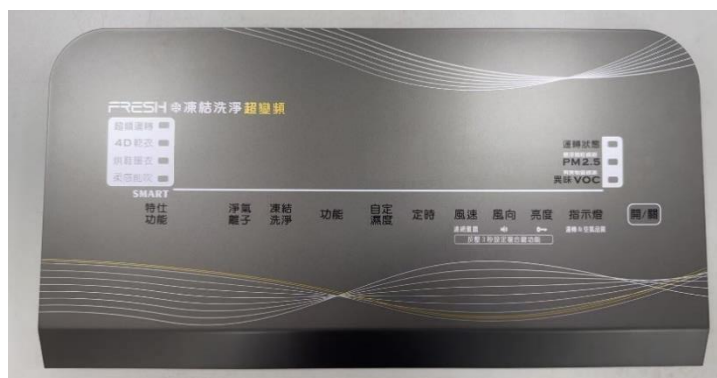


Fig.9. Antibacterial film for home appliances

b. Deep-coated, multi-structure support film (development stage)

The appearance design of household appliances will gradually shift from flat panels to more three-dimensional curved structures and wrapping shapes. Therefore, in terms of material development, we will also focus on the development of highly ductile and adhesive materials for home appliances, and we hope to apply INS-H/P technology for automotive films to home appliances in addition to conventional high-elongation hardening materials to meet the various design needs of our customers.

c. High-resolution window printing film (development phase)

In the future, the development of home appliances, especially smart home appliances such as sweeping robots and air conditioners, will increasingly emphasize the integration of human-machine interfaces, and many products will be equipped with optical display areas or sensing areas on the panels, and have LED windows or touch functions. The company is committed to developing to meet these difficult challenges and win the favor of our customers.



Fig.10 Films for home appliances (floor scrubbers & dehumidifiers)

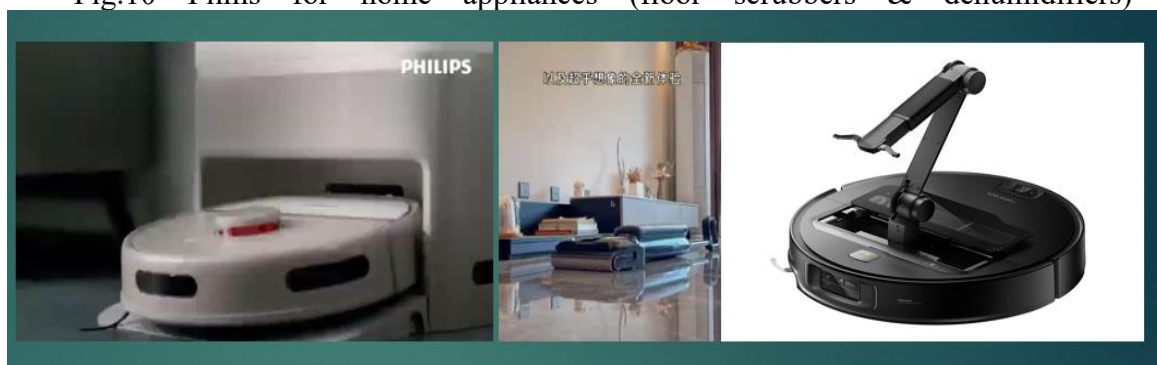


Fig.11 Films for home appliances (sweepers)

(3) Continuously improve process technology to improve yield

With the maturity of IMR technology, the construction method has been widely

applied to all kinds of products, with the current industry trend, the yield has become an important key to whether the enterprise can make a profit, only through the continuous improvement of process technology and strict quality control, in order to effectively improve the yield of products and the competitiveness of enterprises. The company attaches great importance to the requirements of product quality and the improvement of yield, starting from the old and new seven quality management methods, and constantly improving the verification ability of laboratory equipment.

The verification items are as follows:

Inspection of semi-finished products

- a. Substrate tensile verification
- b. Ink adhesion (transfer) verification
- c. Ink temperature resistance test
- d. Ink viscosity control
- e. Control of ink composition ratio and NCO equivalent (concentration).
- f. Ink heavy metal detection
- g. UV curing analysis
- h. Control of solvent moisture content
- i. Release force detection and control
- j. Antimicrobial and antiviral testing and control



Fig 12 Description of the detection status of semi-finished products

A.Finished product inspection

- a. Full appearance inspection
- b. Verification of each set of mold molding, and check the extensibility and wrapping of its design and manufacturing
- c. Elongation analysis of the printed film, including the bearing capacity of each small R-angle
- d. Reliability verification, including hardness, wear resistance, adhesion and environmental testing



Fig 13 Verification of various functions (including photos of mold and waterway schematic)

4. State of competition

* **Industry competition and early market players**

The IMR process was first promoted by Japanese competitors in the mobile phone industry, and the initial technology and material supply were mainly dominated by Japanese manufacturers. Compared with traditional thermal transfer, IMR technology has a higher threshold, and has higher requirements for film production technology, mold design and manufacturing, and machine setting and adjustment in the molding plant. In the early days of the introduction of IMR technology in the NB industry, it was mainly mastered by Japanese and German manufacturers. Around 2008, at the peak of NB industrial application, about 10 suppliers from Taiwan, Japan and Germany participated. However, under the rapid change of NB products and strict cost control, many film manufacturers have withdrawn from the market due to cost pressure and production problems. At present, the NB market is only left with the company and its German competitors.

* **Brand customer-led and supplier cooperation model change**

The IMR process is related to the appearance of the product, which has a huge impact on sales, and brand customers regard it as a key material to grasp the color change trend and the appearance of the film through specimation or direct collaboration. Due to the rapid changes in the electronics industry, the IMR process provides design flexibility, and the film supplier needs to have strong technology, high integration and stable mass production capacity, becoming one of the choices of brand customers.

* **The company's competitive advantage and future prospects**

The company started with thermal transfer film, with gravure printing and plate-making capabilities, deeply cultivated in the field of IMR, with the advantages of fast delivery, high-quality service, high degree of cooperation, material development and CMF design team, continue to improve technology and develop new products, and become the designated film supplier of a number of electronic information brand manufacturers. In the future, the company will continue to improve its printing technology, cooperate with customers in product development, improve the functionality of IMR products, and become the preferred partner of brand customers under the rapid change and transfer of global information products.

(III). Overview of existing technologies and research and development

1. R&D expense spent

單位：新台幣仟元

Item \ Year	2024	2025 up to March 31
R&D expense	55,230	12,660
Net operating revenues	1,169,699	238,063
Ratio of R&D expenses to net operating revenues %	4.72	5.32

2. Technologies and/or products successfully developed

Year	R&D Outcome
2021	<ul style="list-style-type: none"> • INS film for automotive interior parts • HC release film for automotive interior parts (HC transfer) • Home Appliances (Minesweepers) IMR Thin Film Antiviral IMR film
2022	<ul style="list-style-type: none"> • Extreme fog / fog / anti-fingerprint transparent NB-IMR thin film (for PC fee) • Antimicrobial IMR film in general • Polar fog and antimicrobial IMR coexistence functional film • High slip feeling and anti-bacterial IMR coexisting film • Transmission of bright mist easy transfer film Automotive INS-PMMA film with a general brightening effect
2023	<ul style="list-style-type: none"> • Hydrolysis-resistant automotive INS-PMMA film • Expansion of the development of NB-IMR films for e-sports and the combination of performance (Bright/slippy/antibacterial integration) • Translucent film for gaming • High elongation extremely weather-resistant steel black film Mirror silver paste IMR film
2024	<ul style="list-style-type: none"> • INS-P film for automotive interior parts • INS-H film for automotive interior parts • NB electroplating IMR film • Low VOC materials & water-based ink films • Weather-resistant and non-discoloration material Antibacterial and antiviral home appliance films
2025 to present	<ul style="list-style-type: none"> • Metallic transfer film • Multi-layer sub-bright mist IMR film • Micro-structural IMR films • IMR ultra-high extension film or self-repairing film (vertical wrapping angle) • Water-based coating films • PMMA Easy-Break Ink Screen printing equipment and related technologies

(IV). Long and short-term business development plans.

1. Short-term business objectives

Microstructured anti-fingerprint tactile film

The goal: to develop a variety of IMR films with microstructured surface textures and apply them to home appliances and high-end notebooks to make these

products look good, have tactile and anti-fingerprint properties.

Technical Focus:

- o Embossing technology (EMBOSS) is used to create microstructured surfaces that enhance haptics and improve anti-fingerprint functionality.
- o Study the effects and special arrangements of different surface textures to achieve the visual effect of combining light and fog.
- o Tested with different coating substrates to ensure high elongation, abrasion resistance, stain resistance, weathering and chemical resistance.

This process can be widely used in NB and other home appliance customers.

2. Long-term business direction

Whether it is a notebook or a home appliance IMR product, in the future decoration field, will develop in the direction of deep coating, multi-structure and high-performance film. The company will conduct in-depth research on IMR coatings and INS products (including P type and H type), so that coatings and inks can be extended to deep coating and low draft angle appearance requirements in addition to conventional design; At the same time, it is necessary to enhance functional features such as haptics, windows, signal penetration, touch, anti-virus and self-healing capabilities.

In addition to further improving the IMR material, we should not ignore the INS-H/P mold material, which will continue to promote the expansion and function of this product, so that the company's products are more diversified. With these two main films combined with a variety of forms and functions, the company has been able to make gains in the fields of notebook computers, home appliances and even automotive interior parts. Only by making breakthroughs in these characteristics can we occupy a place in the fierce competition. In addition, in order to comply with the global trend of low volatile organic compounds (VOCs) and ESG requirements, the development of materials must comply with low solvent volatilization specifications and low-carbon energy target standards, so that energy conservation and carbon reduction have become another highlight of the company.

Finally, in terms of manufacturing process, the company will take a leap forward in the development of screen printing in the next few years, and use the material advantages of screen printing to improve the richness and functionality of product colors.



Fig.14. Automotive and motorcycle films (INS)

II. Market, production and sales overview

(I). Market analysis:

1. Analysis of the geographic areas where the main products (services) of the company are provided (supplied)

單位：新台幣仟元

Sales region \ Year	2024		2023	
	Amount	Percentage	Amount	Percentage

		(%)		(%)
Mainland China	1,094,153	93.54	1,098,013	93.08
Taiwan	34,252	2.93	41,816	3.55
Indonesia	15,273	1.31	18,907	1.60
Vietnam	9,882	0.84	6,031	0.51
Other	16,139	1.38	14,861	1.26
Total	1,169,699	100.00	1,179,628	100.00

2. Market share

At present, there are only one film supplier left in the NB industry, and since the top five brand customers adopt a dual-supplier strategy to avoid the risk of a single supplier, the company has the opportunity to obtain orders in new development projects in the NB industry. With the advantages of rapid development, low MOQ, rich experience and complete development process, the company has become a leader in the IMR process market for NB products, and has the potential to further increase its market share. The company has more than 10 years of experience in the field of NB IMR, and has cooperated with major and niche brand customers around the world, and has established a tacit understanding to jointly develop new technologies. In addition, the company has the characteristics of machine flexibility and quick response, which can provide customized services for niche brand customers. With the expansion of the IMR process in other areas such as home appliances and automotive interior parts, the company will have more opportunities to improve its market position and create more opportunities for new product applications in the process of co-developing new products with customers.

3. Demand and supply conditions for the market in the future and the market's potential

The company specializes in thermal transfer film printing, the main products include:

In-Mold Transfer Film (IMR):

Mainly used on the surface of notebook cases, the notebook market has shown significant growth due to the surge in demand for remote office and teaching during the pandemic, which in turn has driven the demand for IMR films. According to DIGITIMES Research, as the epidemic slows down, the business and education markets have a stable demand for laptops, coupled with the pursuit of high-performance and personalized products in the e-sports market, the laptop market will maintain a growth trend in 2025, with a compound annual growth rate (CAGR) of about 4% from 2024 to 2029, and the total shipments are expected to be around 180 million, and there is an opportunity to grow to between 200 million units year by year. The IMR process has the advantages of design flexibility and environmental protection, which can realize a variety of appearance designs, and the spray-free process is in line with the environmental protection trend. With the increasing adoption of AI technology in laptops and the increasing demand for product personalization, the potential of IMR films in the laptop market continues to expand.

General Thermal Transfer Film:

Applied to household products, stationery, gifts, cosmetics and sporting goods, the company continues to develop new materials, apply IMR technology to consumer products, improve the durability and added value of products, and meet consumers' needs for high quality and uniqueness.

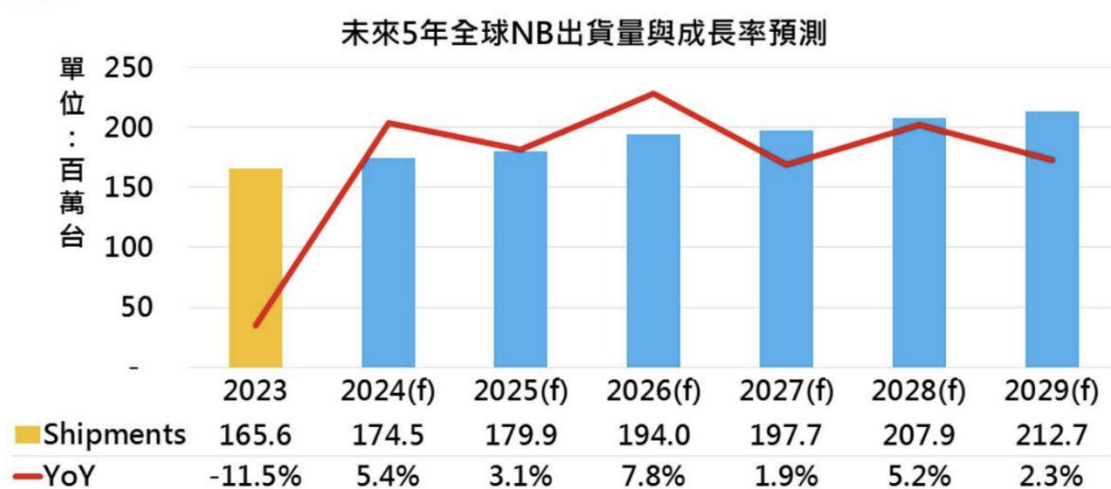
INS Membranes:

Mainly used in automotive interior parts, its composite film properties provide a deeper coating effect, which can achieve richer color variations and textures. With the improvement of the automotive industry's requirements for the texture and environmental protection of interior parts, the application prospect of INS film is broad. This process can be combined with IMR products to gradually replace the traditional water transfer printing

process, which meets the needs of the automotive industry for environmentally friendly and high-quality interiors.

Looking ahead, the notebook market will continue to grow, driven by AI technology, the e-sports industry and the business market, creating more application opportunities for IMR films. At the same time, the improvement of consumers' requirements for product aesthetics and environmental protection will drive the demand for high-quality and environmentally friendly thermal transfer films. The improvement of the automotive industry's requirements for the texture and environmental protection of interior parts provides a broad growth space for INS membranes. The company has technical advantages and market potential in the fields of IMR film, general thermal transfer film and INS film products. Through continuous technological innovation, product development and market expansion, the company will be able to grasp market growth opportunities and enhance its overall competitiveness.

2024~2029年全球NB出貨量CAGR預期為4%



註：DIGITIMES將可拆卸式機種歸類為Tablet，故在此NB出貨量統計未計入該類產品。
2 資料來源：DIGITIMES，2024/11

Data Source :DIGITIMES Research (2024.11) , The company finishes

Fig 15. Global NB shipments and YOY growth rates are estimated in 2024~2029

4. Competitive niches

The company has accumulated decades of professional gravure printing technology in the field of heat transfer film, and has become a leading manufacturer of traditional plastic heat transfer film in Taiwan, and its products are widely used in industries such as household products, sports, stationery, gifts and cosmetics. Through close cooperation with international leading manufacturers and upstream suppliers, we have continuously improved the gravure printing technology, and successfully combined it with the thermal transfer method, and took the lead in developing high-precision IMR film products for 3C products in the domestic industry. The production of IMR films involves complex chemical applications that require a precise understanding of film materials, chemical coating formulations, and injection molding techniques in conjunction with the facility. At the same time, the company has gravure printing, thermal transfer printing and mold design and other professional technology, as well as rich cooperation experience with institutional factories, is one of the few manufacturers that can fully master the whole process of IMR. With more than 10 years of business experience in the NB chassis market, we have established long-term cooperative relations with many brand customers, and have accumulated rich experience in model development and production. The whole IMR process is self-made in the factory, which can effectively control the yield and quality, and provide customers with stable product supply and technical support.

IMR films are made up of multiple layers of critical substrates stacked on top of each other, affecting product yield. In order to compete with world-class competitors, the company uses some key raw materials from Japanese suppliers, and establishes a material research and development team and a precision laboratory, inspects supplier materials by itself, and looks for local suppliers to cooperate to enhance product competitiveness and reduce delivery time and inventory problems. Through raw material quality testing, we cooperate with manufacturers to develop new materials, carry out two-tier management from essential analysis to quality management, establish a complete process, and develop new product applications or optimize material properties with suppliers. Maintain strategic partnerships with key raw material suppliers to ensure stable raw material quality and secure supply.

The company adopts a consistent production mode of full process and self-made, with complete process capabilities and a high degree of independent development. From the pre-computer precision plate operation, plate making technology, film structure layer coating, ink printing to post-processing, all are completed in the factory. Monitor and manage product quality throughout the process, improve production efficiency and reduce production costs. The factory was relocated and integrated to improve the efficiency of factory management, product research and development, and centralized management. New printing lines are added to increase production capacity and optimize production scheduling space and costs. Even in the face of headwinds such as market exchange rates, fluctuations in raw materials and rising freight costs, the products remain competitive.

The company obtains customer information in advance and wins the favor of customers, especially in the electronics industry, where information changes rapidly. After the IMR process was introduced into the NB industry, brand customers paid attention to the design, designated film suppliers, and grasped the development progress and price. The company has set up a CMF team to jointly develop new products with the brand customer ID design team, participate in product development and discussion in the early stage, and understand the future product trends of customers. The factory actively cultivates design talents, uses new materials or manufacturing processes, and promotes products through design marketing. Customized production strategy, one-stop production mode, shorten the delivery time, have the advantage of rapid response, and reduce the risk of sluggishness. Completed the layout of customer service bases of China NB Chassis Factory, and provided real-time after-sales service by overseas engineering personnel.

5. Advantages, disadvantages and countermeasures for prospective development

i. Positive factors

A. The IMR method is the main decoration technology of notebook computers and continues to be introduced and applied by other industries

The IMR method has been used in the plastic case of notebook computers for more than 10 years, and is widely used in various types of models, and its high automation, high production efficiency and flexible design elements are in line with the characteristics of the electronics industry. In addition, with the rise of environmental awareness, the IMR spray-free process is more favored by brand customers, and more models will have the opportunity to introduce this process in design. The laptop market has maintained stable demand under the change of lifestyle after the epidemic, and the annual sales volume is expected to remain at about 200 million units. As the main supplier of notebook brands and ODM customers, the company has more opportunities to continue to promote the IMR construction method to home appliances, automobile and motorcycle supplies and other mobile electronic products, creating a new situation for plastic exterior decoration parts.

B. In-mold printing technology is widely used

In-mold printing technology is used in mobile phones, NB, game consoles, sweeping robots and other electronic products, with a wide range of applications. Under the trend of environmental protection, low-pollution construction methods are favored by brands and consumers, which helps to expand the technology of in-mold printing to other industries. In addition, in addition to decorating the appearance, the in-mold printing technology can also endow the product with functions such as light transmission and antibacterial, as well as tactile effects such as hand paint and embossing, so as to expand the application range.

C. The rapid production model of the laptop OEM industry in Taiwan

The supply chain of the notebook computer industry is complex, and Taiwanese system factories occupy a dominant position, requiring suppliers to respond quickly. As a designated supplier for brand customers, the company has the opportunity to directly develop products with brand customers and cooperate with Taiwanese system factories to deliver goods, which has a competitive advantage. In addition, under the influence of the Sino-US trade war, China's +1 strategy trend is conducive to the introduction of highly automated IMR processes into new factories.

ii. Negative factors and countermeasures

A. At present, the business focus is concentrated in a single industry, which is susceptible to the impact of changes in the prosperity of a single industry

The company's in-mold printing products are mainly used in notebook computer cases, and the revenue is easily affected by the industrial boom.

Countermeasures:

The company will continue to deepen the notebook market, expand market share, serve white-label customers, and reduce the impact of a single customer. In addition, we will continue to improve the appearance, develop functional products, and expand the product line, so as to attract more laptop brand customers to be willing to use this process method. At the same time, the company will continue to study new materials, increase the added value of products, and expand to other 3C products or automotive components.

B. The laptop industry is highly competitive, and the supply chain is under cost pressure

Lower prices for laptop products, inflation and price reductions from brand customers are putting cost pressures on the supply chain.

Countermeasures:

Continue to study with production units to improve production efficiency, improve yield, reduce costs, and optimize management and production scheduling under the advantages of factory-office integration and new production lines. In addition, we will continue to increase R&D expenditures, develop niche products, and increase product profits.

C. The domestic industry is not agglomerated enough, and key materials need to rely on foreign countries

The domestic industrial structure is weak, and the lack of key materials and technologies makes it difficult to compete with Japan and Germany. Competitors have more opportunities to seize the opportunity and seize the market.

Countermeasures:

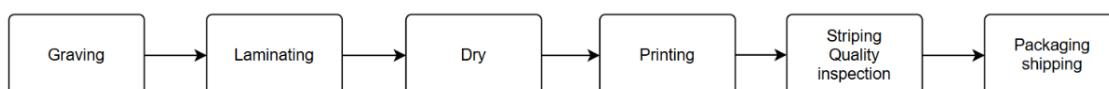
First of all, we cooperate with Japanese suppliers to grasp the latest material information, and secondly, we cooperate with large domestic enterprises to realize the localization of materials and accumulate R&D capabilities. In the talent sector, we actively cooperate with educational institutions to attract talents. It is expected to drive the growth of the emerging domestic printing industry and establish a complete supply chain.

(II). Usage and manufacturing processes for the company's main products

1. Usage for the company's main products

Product item	Important uses or functions
Heat Transfer film /In-mold decoration film	It is mainly used in electronic information products such as notebook computers, tablet computers, game consoles, automotive interior parts and general daily necessities, cosmetics shells, stationery and sports equipment and other livelihood products.

2. Manufacturing processes for main products



(III). State of supply for primary materials

The company's main raw materials are film paper and coatings, and some of the raw materials are currently centralized and single-supplier. In order to maintain product yield and stable material source, the company has entered into a joint cooperation contract with it, and the supplier is committed to the stability of raw material quality, delivery time and cost to ensure that the company will not have the risk of material failure. In addition, in order to reduce the risk of purchase concentration, the R&D unit actively looks for alternative materials, and makes a series of tests and corrections for the compatibility and functionality of raw materials, and some raw materials have been successfully transferred to other suppliers at home and abroad, and the quality and environmental protection attributes of raw materials are in line with the company's product needs. In addition to the above, we can maintain several suppliers for other raw materials to avoid the impact of raw material shortages.

Primary materials	Key Suppliers	State of supply
Coatings	A & B, etc	Good and stable quality
PET	CHANGA & LAND-YEAR,etc	Good and stable quality

(IV). A list of any suppliers and clients accounting for 10 percent or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each.

1. Information on suppliers accounting for 10 percent or more of the company's total procurement amount in either of the 2 most recent fiscal years

Unit : NT\$ thousands

	2023				2024				2025 up to March 31			
	Name	Amount	As a percent age of annual net purchas es (%)	Relat ions hip with the issue r	Name	Amount	As a percent age of annual net purchas es (%)	Relat ions hip with the issue r	Name	Amount	As a percenta ge of annual net purchas es (%)	Relati onship with the issuer
1	Supplier A	154,759	35.95	-	Supplier A	138,522	35.73	-	Supplier A	27,924	31.40	-
2	Supplier B	43,425	10.09	-	Land-Year	47,209	12.18	-	Supplier B	12,683	14.26	-

3	Other	232,241	53.96	-	Supplier AB	39,741	10.25	-	Supplier C	8,945	10.06	-
4				-	Other	162,240	41.84	-	Other	39,386	44.28	-
	Net Purchases	430,425	100.00	-	Net Purchases	387,712	100.00	-	Net Purchases	88,938	100.00	-

Description of changes: There were no significant changes to the main inbound suppliers in Phase II. In 113 years, in order to reduce costs, the purchase volume of United Mail was increased, so that its purchase accounted for 12.18%.

2. Information on clients accounting for 10 percent or more of the company's total sales amount in either of the 2 most recent fiscal years

Unit : NT\$ thousands

	2023				2024				2025 up to March 31			
	Name	Amount	As a percent age of annual net sales	Relat ions hip with the issue r	Name	Amount	As a percent age of annual net sales	Relat ions hip with the issue r	Name	Amount	As a percent age of annual net sales	Relati onshi p with the issuer
1	Customer A	349,809	29.65	-	Customer A	313,420	26.79	無	Customer A	85,012	35.71	無
2	Customer B	141,254	11.97	-	Customer B	196,758	16.82	無	Customer B	34,672	14.56	無
3	Customer C	120,581	10.22	-	Customer C	151,217	12.93	無	Customer C	28,888	12.13	無
4	Other	567,984	48.16		Other	508,304	43.46	無	Other	89,491	37.60	無
	Net Sales	1,179,628	100.00	-	Net Sales	1,169,699	100.00	無	Net Sales	238,063	100.00	無

Description of changes: There was no significant change in the main sales customers of the second phase.

III. Information on employees for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report

Year		2023	2024	2025 up to April 30
Number of employees (people)	Indirect employees	103	100	100
	Direct employees	123	115	111
	Total	226	215	211
Average age		40.57	41.59	41.83
Average years of service		10.36	11.24	11.44
Distribution of academic background %	Doctoral Degree	0	0	0
	Master's Degree	11.95	12.56	12.80
	College	56.64	57.21	56.87
	Senior high school	31.41	30.23	30.33
	Total	100.00	100.00	100.00

IV. Contribution to environmental protection

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law

violated, and the content of the dispositions) :

Date of Penalty	Penalty Reference Number	Issuing Authority	Violated Legal Provisions	Details of Violation
2025/04/14	Huan-Kong-Gu-Cai-Zi-No. 114040045	Article 62, Paragraph 1, Paragraph 5 of the Air Pollution Control Act	On October 24, 2022, the Company attached the Huan Ji Zi No. 1110124124 Letter to the Huan Kong Solid Cut No. 11100171 on October 18, 2022 for the arbitration, and the deadline was to complete the improvement on December 31, 2022, and the inspection of the improvement completion report was submitted to the Bureau for inspection. However, in accordance with Article 82 of the Air Pollution Control Act, the approved improvement period is limited to one year, and may be extended for another one year if necessary, that is, until October 23, 2024. In accordance with Article 81 of the Air Pollution Control Act and Article 11 of the Enforcement Guidelines for Notification of Penalty for Violation of the Air Pollution Control Act, it shall be deemed that the improvement has not been completed, and the improvement has been violated in Article 62, Paragraph 1, Paragraph 5 of the same Law, and shall be punished on a per-case basis.	A fine of NT\$808,000 will be imposed, and the conditions for correction shall be restricted: the inspection tool improvement completion report shall be submitted to the Bureau for inspection (and a copy of the air pollution improvement completion report shall be submitted together with the adjudication certificate). Restriction date: 2025-06-30. The environmental training is 2 hours.
2025/04/14	Huan-Kong-Gu-Cai-Zi-No. 114040046	Article 62, Paragraph 1, Paragraph 5 of the Air Pollution Control Act	On 24 October 2022, the Bureau issued a letter No. 1110124124 attached to the No. 11100174 dated 18 October 2022 for adjudication, and the deadline was 31 December 2022 to complete the improvement and submit the report of the completion of the improvement to the Bureau for inspection. However, in accordance with Article 82 of the Air Pollution Control Act, the approved improvement period is limited to one year, and may be extended for another one year if necessary, that is, until October 23, 2024. In accordance with Article 81 of the Air Pollution Control Act and Article 11 of the Enforcement Guidelines for Notification of Penalty for Violation of the Air Pollution Control Act, it shall be deemed that the improvement has not been completed, and the improvement has been violated in Article 62, Paragraph 1, Paragraph 5 of the same Law, and shall be punished on a per-case basis.	A fine of NT\$808,000 will be imposed, and the conditions for correction shall be restricted: the inspection tool improvement completion report shall be submitted to the Bureau for inspection (and a copy of the air pollution improvement completion report shall be submitted together with the adjudication certificate). Restriction date: 2025-06-30. The environmental training is 2 hours.

Future response measures (including improvement measures) and possible expenses:

Since the receipt of the Tribunal's letter on 26 October 2022, the following improvement

measures have been implemented as planned, but due to the high capital investment, time-consuming and cumbersome work, the improvement is scheduled to be completed by 31 December 2026.

1. The 3rd and 4th sets of regenerative incinerators can increase the waste treatment capacity and apply for 95% of the treatment capacity of the self-factory coefficient prevention and control equipment.
2. The factory has built a 100% closed gas gathering system for the process.
3. Obtain the air pollutant emission quota of Tainan Industrial Park to meet the air pollutant emission capacity.
4. After obtaining the fixed pollution source as a permit, the Anping plant moved the use of ink and solvent to the Anping plant, and built an activated carbon tower adsorption and desorption system and a closed gas collection system.

V. Labor-management relations

- (I). List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements

1. In addition to handling in accordance with labor-related laws and regulations, the company also provides regular health check-ups and group accident insurance for employees, and establishes an employee welfare committee in accordance with the law to coordinate and plan various welfare measures and operations for employees to improve employee welfare.
 - (1). Welfare subsidy: birthday gifts, wedding gifts, maternity subsidies, hospitalization condolences and funeral condolences, etc. In 2025, the amount of birthday gifts and new travel allowance subsidies will be added.
 - (2). Cultural and recreational activities: year-end lottery party, tourism activities.
 - (3). Other subsidies: three festival gifts, labor day gifts, sports activity subsidies.
2. Employee shareholding and employee remuneration system

Through employee stock subscription and employee remuneration incentives, we will enhance and unite the centripetal force of employees, and look forward to working together and growing with the company.

- (1). The total amount of remuneration paid to the company's managers and employees is calculated based on the profit status stated in the accountant's financial visa in the current year, and the total amount is calculated according to the following:

The total remuneration of the current year of the manager (A) = the total remuneration of all employees in the current year × B %

Note 1: The total remuneration of all employees in the current year is stipulated in the Articles of Association: If the Company makes a profit in the year, it shall allocate not less than 2% of the remuneration of employees and not more than NT\$500,000 for the remuneration of directors.

Note 2: B % is determined by the chairman and general manager within the range of 25%~45%.

- (2). The remuneration of individual employees of managers shall be paid in August of each year according to the company's profit growth, personal annual performance appraisal, position held, time invested, and personal contribution.

- (3) Proposal bonus: Hold a proposal improvement activity once a year, the amount of which shall be approved by the chairman of the board of directors before the activity and announced together with the proposal method.
- (4). Hard work bonus: In order to motivate the morale of employees and encourage their hard work, if the employee remuneration cannot be paid due to poor profitability in the current year, the company will pay the bonus according to the situation.

The average salary adjustment for all employees in 2024 is 3.7%, of which the highest individual salary is 17.4% (including promotion salary adjustment).

Year	2024	2023
Salary adjustment (%)	3.7%	1.3%

3. Training refresher

Human resources are the key factors of the company's competitive advantage, in order to strengthen the competitiveness of human resources and enterprises, the company not only strengthens the quality of employees and provides training channels to assist employees in continuous growth and improvement, but also further enhances the professional ability of employees and the core competitiveness of the enterprise, so as to achieve the goal of sustainable operation.

- (1). Internal training: education and training for new employees, internal education and training of the department, professional skills training, quality training, industrial safety and health training.
- (2). External training: Heads of departments and employees can apply to participate in courses and training organized by external organizations according to their work needs.

The contents of the Company's 2024 education training are as follows

Course Projects	Number of shifts	Total number of people	Total hours	Fee (thousand)
Corporate Governance	14	24	81	36
Supervisor training	5	66	465	170
Professional training	36	80	471	144
General training	2	7	21	-
Total	57	177	1,038	350

Obtaining relevant licenses by persons related to the transparency of financial information:

The Company has not yet obtained the relevant licenses for the personnel involved in the transparency of financial information.

(II). Retirement systems and the status of their implementation

The Company has established the "Employee Retirement Regulations" for employees who are formally employed, and has established the "Labor Retirement Reserve Supervision Committee", according to which the payment of employees' pensions is calculated on the

basis of years of service and the average recurring salary for the six months prior to retirement. The company allocates the labor retirement reserve on a monthly basis, and the special account is deposited in the Bank of Taiwan.

1. Conditions for self-resignation (Article 53 of the Labor Standards Law, Nanshi Lao Zi No. 09715553240), employees may apply for retirement under any of the following circumstances:

- (1) Those who have worked for more than 15 years and are at least 50 years old.
- (2) Those who have worked for more than 25 years.
- (3) Those who have worked for more than 10 years and are at least 60 years old.

2. Compulsory retirement (Article 54 of the Labor Standards Law), an employer shall not compel an employee to retire unless he or she falls under any of the following circumstances:

- (1). Those who have reached the age of 65.
- (2) Loss of mind or physical disability to be able to work.

Recently (2021 – May 2025), a total of 4 employees of the Company have applied for retirement in accordance with the employee retirement measures, and their employee pensions have been paid in accordance with the law. With effect from July 1, 2005, if an employee chooses to retire under the Labor Pension Ordinance, the Company will pay 6% of his monthly salary to the personal pension account of the Labor Insurance Bureau.

(III.). The retirement system of appointed managers and its implementation

The Company has established the "Administrative Measures for the Retirement and Resignation of Appointed Managers" for the appointed managers, and the payment of the retirement pension of the appointed managers is calculated on the basis of the length of service and the remuneration of the month of retirement.

1. Self-resignation conditions: The appointed manager may apply for retirement under one of the following circumstances:

- (1) Those who have worked for more than 15 years and are at least 55 years old.
- (2) Those who have worked for more than 25 years.

2. Compulsory retirement: The company may force the appointed manager to retire under any of the following circumstances:

- (1) Those who have reached the age of 60.
- (2) Loss of mind or physical disability to be able to work.

Recently (2018), the Company has a total of 1 appointed manager who applied for retirement in accordance with the Appointed Manager Retirement Measures, and his pension has been paid in accordance with the law.

(IV). Status of labor-management agreements and measures for preserving employees' rights and interests :

The Company complies with relevant laws and regulations to protect the rights and interests of employees and holds regular labor-management meetings. Through the above channels, employees can communicate with the Company in a two-way manner regarding the Company's various systems and working environment, in order to maintain harmonious interactions between employers and employees and to ensure that the rights and interests of

the employees are dealt with in a fair and reasonable manner. In addition, the Company has established an Employee Welfare Committee in accordance with the law to handle various employee welfare matters, and organizes various cultural and recreational activities from time to time to enhance the harmonious working atmosphere and cohesion.

- (V). List any losses suffered by the company in the past two fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

VI. Cybersecurity Management

- (I). Describe the structure of cybersecurity risk management, cybersecurity policies, specific management solutions, resources committed towards cybersecurity management and so forth.

1. Information and communication security risk management framework

The Company has established a sound information security risk management framework, which is coordinated by the information department and has set up an information security management committee. The committee is convened by the general manager and includes information, audit and unit heads, and is responsible for regularly assessing internal and external information security risks, and formulating and supervising relevant protective measures. At the same time, the company has introduced the ISO/IEC 27001 information security management system to ensure that the risk management process meets international standards.

2. Information Security Policy

In order to ensure the confidentiality, integrity and availability of information assets, the Company has formulated the "Information Security Policy", which mainly includes: Protect customer information and company sensitive information from unauthorized access or leakage.

Establish a mechanism for reporting and responding to information and communication security incidents to reduce potential damages.

Regularly review and update information security measures to respond to the evolving threat landscape.

This policy has been reviewed and approved in July 2024 and published on the company's website.

3. Specific management plan

The Company has formulated the following operating procedures for the processing of information systems:

- (1). Information security policies and management measures
- (2). Security regulations for the use of information computers
- (3). Computer management and replacement methods
- (4) Measures for the preservation of electronic files of departing personnel
- (5). Management measures for the use of wireless networks in the science and technology factory area

In order to implement the internal control system and maintain information security, the security regulations and procedures are reviewed and evaluated annually to ensure the appropriateness and effectiveness of the operation.

This is explained in more detail in the following subsections.

(1) Information Security Policy

- A. Ensure the security of the company's data, systems, equipment and network

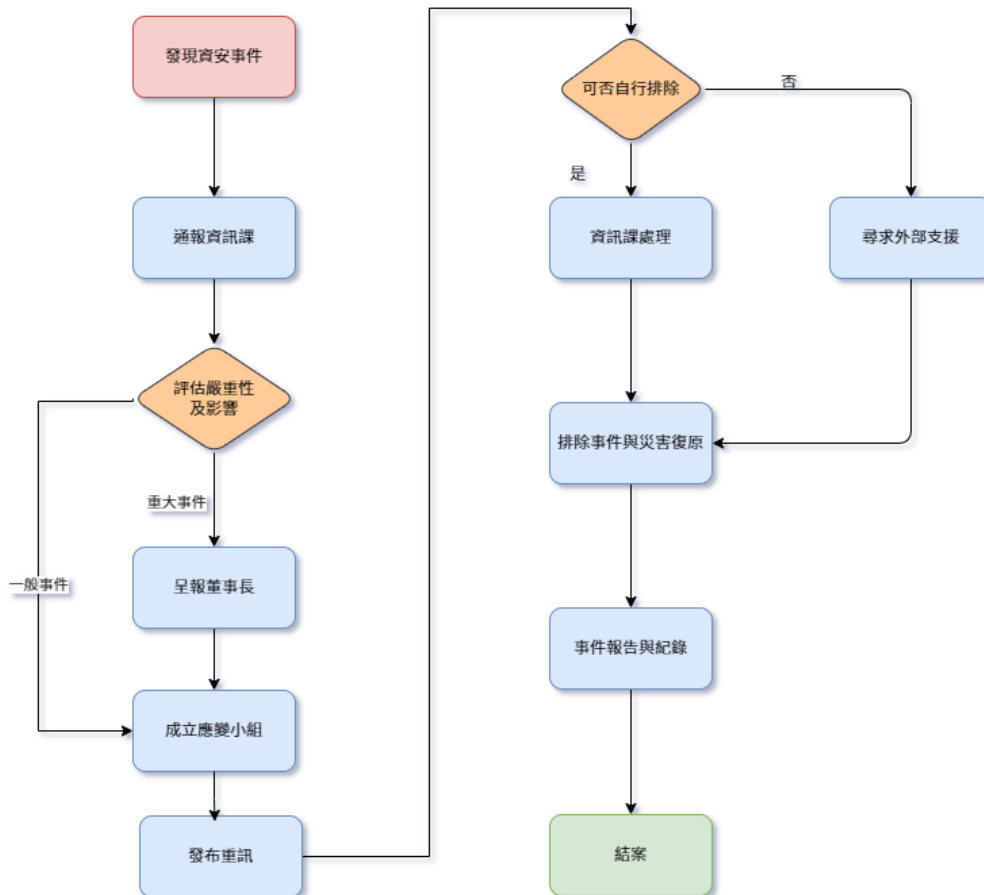
communications, and prevent external intrusion and destruction.

B. Ensure that system information, account access rights, and system changes are authorized by the company's prescribed procedures.

C. Implement destruction procedures and destroy all end-of-life computer storage media to avoid accidental exposure and leakage of data.

D. Maintain the reliability of data and systems, and maintain normal operation in the event of a single point of failure.

(2) Information Security Incident Notification Procedures



(3) Information security network architecture

The Information Division of the Company is responsible for information security, and regularly reports to the Managers on the operation of information security management. The company's internal systems are equipped with security defense systems and email content security control systems to avoid harmful website links, spam emails and other threats. Anti-virus software is deployed on the internal host and endpoint console, which can update the virus pattern and identify malicious behavior characteristics in real time, and can block viruses, Trojans, worms, ransomware, and malicious programs in folders in real time, effectively reducing the risk of damage by hackers.

(4) System account

System account lifecycle management and permissions Account management set the user's account and authority according to each business scope and rights and responsibilities, and the access to data needs to be applied and approved by each authority and responsibility supervisor through the approval process before it can be used and changed. Once the user leaves the original position, the user's account and authority will be revoked immediately to prevent unauthorized use.

(5) Continuous operation of the information system

The system and files are backed up weekly and monthly, and are regularly backed up to the off-site. Regularly carry out data recovery test drills every year to ensure the preservation of information and materials, so as to reduce the risk of data loss caused by natural disasters and man-made disasters without warning.

(6) Handling the implementation of information security advocacy in 2024

In 2024, we will conduct two security promotions, with the themes of "Social Engineering Drill Report" and "Generative AI Social Engineering and Fraud Information Security Publicity", and report and analyze the company's information security incidents in the supervisor meeting.

(7) Joined the Taiwan Computer Network Crisis Management and Coordination Center

TWCERT/CC is the window for reporting and assisting enterprises in information security incidents in China, providing consulting and coordination assistance services for enterprise information security incidents, promoting information security information sharing, holding information security publicity activities, and cultivating corporate information security awareness.

(8) In the most recent year and as of the date of printing of the annual report, if the losses, possible impacts and countermeasures suffered due to major information security incidents cannot be reasonably estimated, the facts that cannot be reasonably estimated shall be stated: there is no such situation.

4. Invest resources in information and communication security management

In order to strengthen the security management of information and communications, the Company actively invests relevant resources, as follows:

Human Resources: Set up an information security response team, headed by the head of the information department, and coordinated by network management personnel, responsible for supervising the implementation of information security policies, incident response and daily monitoring.

Professional introduction and certification: Hire external ISO/IEC 27001 consultants to provide professional guidance and assist in the establishment of information security management system; At the same time, a third-party audit was arranged, and the company successfully obtained the ISO27001 certificate in December 2024 to verify that the company's information security management complies with international standards.

Financial investment: In 2024, the information security-related expenses will be approximately NT\$1.29 million, including consulting fees, audit costs, and information security equipment upgrades.

The above-mentioned resource investment has effectively improved the company's information security protection capabilities, and reported the implementation results to the board of directors.

(II). List any losses suffered by the company in the most recent 2 fiscal years and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:None.

VI. Major contracts

As of the date of printing of the annual report, the supply and marketing contracts, technical cooperation contracts, engineering contracts, long-term loan contracts and other important contracts affecting the rights and interests of shareholders that are still in force and due in the most recent year are as follows:

If the company has entered into supply and marketing contracts with important suppliers and customers, in principle, the contracts are renewed annually without major restrictions.

Nature of Contract	Party	Beginning and end dates	Main Contents	Restrictions
Long-term borrowing contracts	First Bank	2022.04.28~2042.04.28	The land of the factory is leased and repurchased The grace period is three years, and the principal will be repaid monthly from 2025.05.28	None.

Five. Review of Financial Conditions, Operating Results, and Risk Management

I. Financial Position

Unit: NT\$ thousand; %

Item \ Year	2024	2023	Variation	
			Amount	%
Current assets	\$ 1,499,435	\$ 1,418,048	81,387	5.74
Property, plant and equipment	787,376	806,859	(19,483)	(2.41)
Intangible assets	0	0	0	0.00
Other assets	42,806	44,296	(1,490)	(3.36)
Total assets	2,329,617	2,269,203	60,414	2.66
Current liabilities	302,706	397,384	(94,678)	(23.83)
Non-current liabilities	171,285	201,141	(29,856)	(14.84)
Total liabilities	473,991	598,525	(124,534)	(20.81)
Share capital	365,892	365,892	0	0.00
Capital surplus	324,441	324,441	0	0.00
Retained earnings	1,165,293	980,345	184,948	18.87
Total shareholders' equity	1,855,626	1,670,678	184,948	11.07
Description of major changes (for items with changes of 20% or more between the consecutive periods and the absolute changes reaching the amount of NT\$10 million): The decrease in current liabilities and total liabilities was mainly due to the increase in the repayment of short-term borrowings and the payment of air pollution control fees in 2024.				

II. Financial Performance

(I). Statement of Comparative Analysis of Financial Performance

Unit: NT\$ thousand; %

	2024	2023	Amount increase (decrease)	Variation (%)
Operating incomes	1,169,699	1,179,628	(9,929)	(0.84)
Operating costs	705,710	725,442	(19,732)	(2.72)
Gross profits	463,989	454,186	9,803	2.16
Operating expenses	244,166	247,003	(2,837)	(1.15)
Operating profit	219,823	207,183	12,640	6.10
Non-operating incomes and expenses	122,533	36,080	86,453	239.61
Profits before tax	342,356	243,263	99,093	40.73
Income tax expense	66,323	48,099	18,224	37.89
Net income for the period	276,033	195,164	80,869	41.44
Other comprehensive income for the period	388	1,244	(856)	(68.81)
Total comprehensive income for the period	276,421	196,408	80,013	40.74
Description of major changes (for items with changes of 20% or more between the consecutive periods and the absolute changes reaching the amount of NT\$10 million): :				
1. Increase in non-operating income and expenses: Mainly due to the significant increase in foreign exchange benefits due to the appreciation of the US dollar in 2024 compared with 2023.				
2. The increase in net profit before tax, income tax expense, net profit for the period and total comprehensive profit and loss for the period was mainly due to the significant increase in foreign exchange income and net profit of the industry due to the appreciation of the US dollar in 2024 compared with 2023.				
3. Decrease in other comprehensive profit or loss for the period: Mainly due to the decrease in the remeasurement of the defined benefit plan in 2024 compared with 2023.				

(II). Sales volume forecast and the basis therefor, and the effect upon the company's financial operations as well as measures to be taken in response:

In the laptop market, a pandemic has caused the laptop market to undergo a significant transformation. Before the pandemic, the market growth was stagnant, with annual sales of about 150 million units, and the industry was generally concerned about the substitution effect of tablets and mobile phones. However, after the outbreak of the pandemic, the demand

for working from home and remote learning surged, and the functionality of laptops was re-recognized by the market, with annual sales reaching a new high of 247 million units. After the pandemic, as countries gradually deregulated, the market experienced overconsumption and inventory adjustments, and sales declined for two consecutive years. However, according to digitimes research data, during the period of 2024~2029, the global laptop shipment will be at a cagr of 4%, and it is expected to reach 179 million units in 2025 and exceed the sales scale of 200 million units again in 2028. The new normal after the epidemic has repositioned the demand for laptops in the fields of consumer, commercial, education and gaming to a high point, and various brand manufacturers are also actively developing multiple application areas to further stimulate market demand. In addition, the tightening of global environmental regulations has pushed the notebook computer process to shift to low-VOC spraying or spray-free methods, which brings more development order opportunities for the company's IMR spray-free process. As a major supplier to the notebook computer industry, we will actively grasp market trends and expand the scope of IMR process applications.

In addition, in the home appliance segment, the company has been actively expanding the application of IMR technology in home appliances in recent years. With the increasing demand of consumers for the appearance and texture of home appliances, as well as the rise of environmental awareness, the potential of IMR technology in the home appliance market is gradually emerging. Compared with the traditional spraying process, IMR technology can not only achieve richer designs, but also effectively reduce volatile organic compound (VOC) emissions, which is in line with the trend of environmental protection. The company plans to continue to develop new home appliance applications this year, such as sweepers and purifiers, in the hope of obtaining new orders in the home appliance market. With the improvement of the requirements for appearance, texture and environmental protection of home appliances, the company expects that IMR products have good development potential in the home appliance market. In the future, we will actively cooperate with home appliance brand manufacturers to develop products that meet market demand, and enhance our competitiveness in the home appliance market through technological innovation and product differentiation.

The company has extensive experience in the notebook industry and is a major supplier, and the demand for IMR products will continue to grow due to the new normal after the pandemic and environmental regulations. In the home appliance market, we are actively developing new projects and expect to receive more orders in this field. In the future, we will continue to invest R&D resources to enhance the application scope and added value of IMR technology, and actively expand overseas markets to seek new growth opportunities. At the same time, the company will strengthen the cooperative relationship with suppliers and customers, and establish a stable supply chain and sales channels to ensure the quality and delivery of products. In addition, the Company continues to pay attention to market trends and technological developments, and adjusts its business strategies in a timely manner to respond to market changes and competitive challenges.

III. Cash Flow

(I). Analysis of cash flow variations for the most recent year

Item \ Year	2024	2023	Amount increase (decrease)
Net cash generated from (used in) operating activities	69.84	54.40	28.38
Net cash generated from (used in) investing activities	142.26	142.36	(0.07)
Net cash generated from (used in) financing activities	3.80	6.66	(42.94)
Analysis of cash flow variations: The increase in cash flow ratio was mainly due to the decrease in current liabilities due to the repayment of short-term borrowings and the increase in air pollution control fees in 2024. The decrease in cash reinvestment ratio was mainly due to the increase in cash dividends paid in 2024.			

(II). Cash flow analysis for the coming year :

Unit: NT\$ thousand

Opening cash balance (1)	Net Cash flow from Operating Activities (2)	Net Cash flow from Activities (3)	Estimated cash balance (inadequacy) (4)=(1)+(2)+ (3)	Financing of cash deficits	
				Investment plans	Financing plan
28,027	251,701	249,958	29,770	0	0
Analysis of changes in cash flows for the coming year : Cash inflow: mainly net profit from business and depreciation of equipment. Cash outflow: mainly related to the purchase of equipment and the distribution of cash dividends. Expected remedies for cash shortfalls and liquidity analysis : None.					

IV. Material capital expenditures in the last year and impacts on financial position and business performance

Utilization of Major Capital Expenditures and Sources of Funds:

Unit: NTD Thousand

Project	Source of Funds	Actual or Estimated Completion Date	Investment	Actual or Expected Status of Spending				
				2021	2022	2023	2024	2025
Additional equipment	Working Capital	113.1~113.12	108,199	9,000	12,000	41,383	44,524	1,292

In order to improve production efficiency and reduce VOCs concentration in the workplace, the company will purchase additional coating machines and VOCs treatment equipment in

2024 to effectively increase production and reduce the harm of VOCs to humans and the environment.

V. Reinvestment policy for the last year, the main reasons for the profits/losses, the plan for improving re-investment profitability, and investment plans for the next year : N/A.

VI. Analysis of Risk Management

(I). The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future

1. Interest rate fluctuations

Unit: NT\$ thousand

Item \ Year	2024		2023	
	Amount	to net operating revenues ratio	Amount	to net operating revenues ratio
Interest income	40,227	3.44	31,046	2.63
Interest expense	4,501	0.38	3,788	0.32
Net interest income and expenditure	35,726	3.06	27,258	2.31

The Company's interest rate risk is mostly derived from financial assets and borrowings. In the past two years, due to the rise in US dollar interest rates, the Company's financial assets measured at amortized cost have generated higher interest income, and the US Federal Reserve has announced three interest rate cuts since September 2024, which has generated a certain degree of interest rate risk on the Company's US dollar financial assets, and the ratio of net interest income and expenditure to operating income in the past two years has been between 2.31% and 3.06%. The Company obtains better interest rate conditions through dealings with a number of financial institutions, and continues to review and grasp the trend of interest rate changes, so as to increase income and reduce the impact of interest rate changes on the Company while taking into account safety and liquidity.

2. Exchange rate fluctuations

Unit: NT\$ thousand

Item \ Year	2024		2023	
	Amount	to net operating revenues ratio	Amount	to net operating revenues ratio
Exchange gain (loss)	85,501	7.31	5,734	0.49

In order to reduce the impact of exchange rate changes on profit and loss, in addition to paying close attention to the range of market exchange rate fluctuations and possible

future trends, and converting currencies in a timely manner to avoid the erosion of profits caused by significant exchange losses caused by exchange rate fluctuations, the Company also signed derivative financial product trading contracts for hedging to reduce the impact of exchange rate changes on profits and losses.

3. The effect upon the company's profits (losses) of the inflation and response measures to be taken in the future:

According to the annual growth rate of the consumer price index (CPI) in April 2025 announced by the Comptroller's Office of the Administrative Agency, the annual growth rate of 2.03%, the Company has not yet had a significant impact due to inflation, and in the future, under the influence of geopolitics and tariff trade wars, the uncertainty of inflation will increase, the Company will pay attention to the fluctuations of the price index, adjust the inventory and product prices, so as to avoid a significant impact on profit and loss due to cost changes.

- (II). Policies on high-risk and highly-leveraged investments, loans to external parties, endorsements/guarantees, and trading of derivatives; describe the main reasons for the profits/losses incurred and future response measures.

The use of the company's funds is based on safety as the highest consideration, and there is no high-risk, high-leverage investment. If necessary, it will be handled in accordance with the "Procedures for Acquiring or Disposing of Assets" set by the Company. In addition, on January 21, 2025, the Board of Directors of the Company has approved the abolition of the "Regulations on the Operation of Fund Lending to Others" and the "Procedures for Endorsement and Guarantee", so the above behaviors will not occur.

- (III). Research and development work to be carried out in the future, and further expenditures expected for research and development work

1. Future R&D plans :

Recent Annual Plan	Current progress	R&D expenses to be reinvested (\$)	Amount of completion Time of delivery	The main factors influencing the success of future R&D
INSH/P type Probation	Screen printing material is determined	25 million	Q3 2026	The R t R screen printing equipment combined with screen printing improves the touch of INS
Slightly tactile film(emboss)	Totem design	15 million	Q2 2026	Embossing equipment to establish the texture to build
Metal transfer films	Material development	2.5 million	Q2 2026	Glue development Customer's process section cooperation

Recent Annual Plan	Current progress	R&D expenses to be reinvested (\$)	Amount of completion Time of delivery	The main factors influencing the success of future R&D
				and production stability
Low VOC coatings	VOC material formulation development and printing testing	1 million	Q2 2025	Material development, process methods and reliability requirements
PMMA ink development	Material development, tight problem	1.5 million	Q2 2025	Unit price, recycling issues

2. R&D expenses are expected to be invested

In order to respond to the increasing demand for high-value-added exterior materials, the company plans to carry out comprehensive material and product development in a number of key technologies, and is expected to invest corresponding R&D funds to enhance product competitiveness in the three major application areas of notebook computers, home appliances and automotive interior parts.

The estimated funding will be mainly used for the following five major material development directions:

- a. Texture development: According to the needs of different markets for visual differentiation, we will develop textures with optical changes, three-dimensional effects or realistic effects of natural materials, so as to enhance the diversity and recognition of product design.
- b. Haptic development: By introducing different tactile coating technologies such as soft touch, dry and anti-slip, the human-machine interface experience of the product is improved, especially for the palm rest area of laptops, home appliance control panels and touch components in the car.
- c. Metal transfer technology: We will develop a metal texture transfer process suitable for plastic substrates to achieve the coexistence of lightweight and metal texture, so as to meet the needs of metal aesthetics for automotive and high-end home appliances.
- d. Self-repairing materials: Invest in the development of coating technology with scratch self-healing function to improve the durability and appearance life of products, especially for automotive interior decoration parts and electronic equipment shells that are frequently used in daily life.
- e. Screen printing technology: By combining the delicacy of gravure printing with the function and thickness of screen printing, the product can achieve both internal and external advantages.

The above material technologies will be integrated and applied to three types of products: notebooks, home appliances and automobiles. It is estimated that about 45 million yuan will be invested in the trial production of materials, molds and equipment during the development period in the next 2-3 years, and gradually introduce them into mass production applications. The company expects to establish a high-performance thin film platform across three major industries in the next three years through this series of technology layouts, creating more product value and innovation possibilities for customers.

(IV). Financial impacts and response measures in the event of changes in local and foreign regulations :

The execution of the Company's various businesses is handled in accordance with the relevant laws and regulations of the competent authorities, and it pays attention to important policy changes and legal changes at home and abroad at any time to fully grasp external information, and has not been affected by important domestic and foreign policy and legal changes in the near future.

(V). 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

In recent years, artificial intelligence (AI) has become a hot focus in the technology industry, with far-reaching implications for various industries, and the laptop industry is no exception. According to digitimes research, the advent of ai pcs is expected to push the laptop market back on a growth track. However, the development potential and application scenarios of AI PCs are still full of unknowns, but major laptop brands have actively invested in related development. If brands can successfully develop AI PCs with killer applications, the laptop industry is expected to usher in a new wave of sales peaks. The company will closely monitor the development trend of AI PC and evaluate its potential impact on market demand, while actively maintaining close cooperation with mechanical molding plants to respond to market changes.

In addition, the trade war between China and the United States is becoming increasingly severe, and the "China+1" strategy of decentralizing the supply chain has become an irreversible trend. In the short term, this trend will have a limited impact on the company, but in the long term, decentralized production may lead to problems such as the relocation of production bases. Our film coating technology, which has a high degree of automation, facilitates rapid replication during the transfer of production bases, and is a preferred process solution. We will continue to work closely with mechanical molding plants and actively seek new business and product opportunities to respond to changes in the industry. At the same time, the company will actively respond to the challenges brought about by the fragmentation of the supply chain and use its technological advantages to open up new business opportunities.

In addition to focusing on the development of AI PCs, the company will also actively expand overseas markets and seek new growth opportunities. In the face of the rapid development of technology, the company will continue to invest in R&D resources to enhance the application scope and added value of IMR technology, and actively expand overseas markets to seek new growth opportunities. In addition, the Company will continue to pay attention to market trends and technological developments, and adjust its business strategies in a timely manner to respond to market changes and competitive challenges. At

the same time, the company will strengthen the cooperative relationship with suppliers and customers, and establish a stable supply chain and sales channels to ensure the quality and delivery of products.

(VI). Crisis management, impacts, and response measures in the event of a change in corporate image

In 2023, the Company received a case from the Tainan Municipal Environmental Protection Bureau to re-approve the Air Pollution Control Fee, amending the amount to be paid in the amount of NT\$123,598,845, which has been applied for in installments in accordance with the law and will be paid in 2023, which will not affect the Company's operations. In addition, the company also actively cooperates with the competent authorities to continuously optimize the relevant equipment and places in the factory, and the company's [volatile organic compounds closed exhaust system] is the first production process operation site in Tainan Science and Industry Zone that meets the consent of the Environmental Protection Bureau [meets the requirements of closed negative pressure collection efficiency of 100%], and will continue to work closely with the competent authorities in the future to ensure that the relevant control measures meet the requirements of environmental protection laws and regulations.

Countermeasures :

We understand the importance of environmental protection to the earth and the only way for the long-term operation of the company, and we will continue to strengthen internal management and operating procedures to avoid the recurrence of such discrepancies. In addition to adding air pollution prevention and control equipment in accordance with the established plan and reporting to the Environmental Protection Bureau of the Tainan City Government for confirmation, the company continues to strengthen the regular maintenance and maintenance of air pollution prevention and control equipment to maintain the best removal efficiency of the prevention and control equipment and implement environmental protection policies.

(VII). Expected benefits, risks, and response measures in relation to mergers and acquisitions :
None.

(VIII). Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken : None.

(IX). Risks and response measures associated with concentrated sales or purchases :

1. Concentrate Purchases

The company's main raw materials are coatings, inks and film papers. In the early stage of operation, some key materials can only be obtained from foreign manufacturers, in order to ensure product yield and stable material source, we have signed a joint cooperation contract with foreign suppliers to maintain stable delivery time and quality of raw materials, and jointly develop new materials to strengthen partnerships. At the same time, in order to avoid the risk of material failure from a single supplier, the R&D unit actively tests the applicability of

materials from other suppliers, and has successively introduced a second supplier and looked for local suppliers to produce similar products.

2. Concentrate Sales

In terms of sales , The company's main customers are notebook computer case manufacturers, and these manufacturers are brand customers or ODM system factories designated partners. The company's development project directly cooperates with the notebook computer brand, and delivers the case to the designated chassis manufacturer according to the requirements of the brand customer. In order to ensure smooth delivery, brand customers usually designate 2 to 3 machine molding factories to cooperate, and adjust the order quantity according to the production situation, effectively avoiding the risk of a single machine factory taking on too many orders.

The risk of concentration of sales is relatively low, as the mechanical molding plant is almost exclusively designated for the end customer, the brand customer coordinates supply chain issues, and these brand customers are mostly internationally recognized.

- (X). Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken : None.
- (XI). Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken : None.
- (XII). Litigation or non-litigation , Final and Non-appealable and Pending Material Litigious, Non-litigious or Administrative Legal Proceedings involving the Company, the Directors and the President during the Most Recent Year and up to the Annual Report Publication Date : None.
- (XIII). Other significant risks and response measures : None.

VII. Other important matters : None.

Six. Special Disclosures

I. Summary of affiliated companies

According to Article 369-1 of the Company Act, an affiliated enterprise refers to an enterprise that exists independently and has the following relationships with each other.

- (I). A company with control and affiliation
- (II). Companies that invest in each other

Since the Company and other companies do not have a control or subordination relationship as defined in Article 369-2 of the Companies Act, or a presumed control or subordination relationship under Article 369-3 of the Companies Act, it is not necessary to issue an affiliate report.

II. Private placement of securities in the last year and up until the publication date of the annual report: None.

III. Other matters that require additional description:

As of the date of printing of the annual report, the company has not completed the commitments and handling of the over-the-counter as follows :

Commitments on the OTC	Handling of commitments
The Company undertakes that when necessary, the Company may request the Company to entrust an accountant or institution designated by the Center to conduct an external professional inspection according to the scope of the audit designated by the Center, and submit the results of the inspection to the Center, and the Company shall bear the relevant costs.	The Company will comply with the rules.

Seven. If any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

Sentien Printing Factory Co., Ltd.

Chairman : JHANG-SHAN, HUANG