

Stock Code: 7730

暉盛科技股份有限公司

NANO ELECTRONICS AND MICRO SYSTEM TECHNOLOGIES, INC.

Annual Report for the Fiscal Year 2024



Publication Date: April 30, 2025

Access to the Annual Report

Market Observation Post System: <https://mops.twse.com.tw>

Company Website: [https:// www.nemstek.com.tw](https://www.nemstek.com.tw)

I. Names, Titles, Contact Information of Spokesperson and Deputy Spokesperson

Spokesperson: Chiu Kuan-Lu

Title: Marketing Department Manager

Phone: (06)291-5500

Email: nems_service@nemstek.com.tw

Deputy Spokesperson: Tsai Yu-Jen

Title: Finance Department Manager

Phone: (06)291-5500

Email: nems_service@nemstek.com.tw

II. Address and Contact Information of Headquarters, Branch Offices, and Factories

HQ Address: No. 100, Keji 5th Road, Annan District, Tainan City 709035, Taiwan

HQ Phone: (06)291-5500

III. Contact Details of Stock Transfer Agency

Agency: Grand Fortune Securities Co., Ltd. Stock Registrar Department

Address: 6F, No. 6, Section 1, Zhongxiao West Road, Zhongzheng District, Taipei City, Taiwan

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

Phone: (02)2383-6888

IV. Contact Information of Auditors for the Most Recent Fiscal Year

Auditors: CPA Hsieh Jen-Yao; CPA Li Kuo-Ming

Firm: Crowe (TW) CPAs

Address: 27F-1, No. 6, Siwei 3rd Road, Lingya District, Kaohsiung City, Taiwan

Website: <https://www.crowe.tw>

Phone: (07)331-2133

V. Overseas Securities Listings – Not Applicable

VI. Company Website: <https://www.nemstek.com.tw>

Table of Contents

One. Letter to Shareholders	1
Two. Corporate Governance Report.....	3
I. Board of Directors, Supervisors, General Manager, Deputy General Managers, Assistant Vice Presidents, and Department/Branch Managers	3
II. Remuneration to Directors, Supervisor, General Manager and Deputy General Manager in the Most Recent Year	9
III. Implementation of Corporate Governance.....	14
IV. Accountant Fee Information.....	37
V. Auditor Change Information	37
VI. Disclosure of any Company Chairman, General Manager, or financial/accounting managers who have worked at the auditing firm or its affiliates within the last year, including their names, positions, and employment periods with the auditing firm or its affiliates	37
VII. Share Transfer and Pledge Changes of Directors, Managers, and Shareholders Holding Over 10% During the Latest Fiscal Year and Up to the Annual Report Printing Date	38
VIII. Information on the Top Ten Shareholders by Ownership Percentage, Including Shares Held by Spouses and Relatives within Two Degrees of Kinship.....	39
IX. The Total Number Of Shares Held By The Company, Its Directors, Supervisors, Managers, And Enterprises Directly Or Indirectly Controlled By The Company In Any Single Invested Company, Along With The Aggregated Shareholding Ratio	39
Three. Fundraising Overview	40
I. Capital and Shares	40
II. Corporate Bond Issuance: None.....	42
III. Preferred Stock Issuance: None.	42
IV. Overseas Depository Receipts Issuance: None.....	42
V. Employee Stock Options	42
VI. Issuance of New Shares with Restricted Rights for Employees: None.	43
VII. Issuance of New Shares for Mergers or Acquisitions of Other Companies' Shares: None.....	43
VIII. Implementation Status of Fund Utilization Plans: None.	43
Four. Operating Overview.....	44
I. Business Overview	44
II. Market and Sales Overview.....	58
III. Employee Statistics: Headcount, Average Tenure, Age, and Education Distribution	62
IV. Environmental Expenditures	62
V. Labor Relations.....	63
VI. Information and Communication Security Management	64
VII. Key Contracts.....	64

Five. Review and Analysis of Financial Condition, Financial Performance, and Risk Factors 65

I. Financial Condition 65

II. Financial Performance 67

III. Cash Flow 68

IV. Impact of Major Capital Expenditures on the Company’s Financial and Operational Performance in the Most Recent Fiscal Year..... 69

V. Investment Policy, Key Drivers of Profit or Loss, Remedial Measures, and Investment Plans for the Coming Year 69

VI. Risk Analysis and Assessment 70

VII. Other Important Matters 73

Special Notes 74

I. Related Party Information 74

II. Private Placement of Securities during the Most Recent Fiscal Year and up to the Date of This Annual Report: None. 75

III. Other Necessary Supplementary Information..... 75

IV. During the Most Recent Fiscal Year and up to the Date of This Annual Report, Any Events That Have Had a Significant Impact on Shareholders’ Equity or Securities Prices as Defined under Article 36, Paragraph 3, Subparagraph 2 of the Securities Exchange Act..... 75

Appendix:

Appendix 1: Internal Control System Statement

One. Letter to Shareholders

Dear Our Shareholders:

We present the operational report for the past year as follows:

I. Business Report for 2024

(I) Implementation of the Business Plan

In 2024, the Company focused primarily on the production and sales of plasma ashing systems and plasma etching systems for the IC substrate sector. Additionally, in the semiconductor sector, the main focus was on plasma cleaning systems and plasma etching systems, particularly in advanced packaging.

The key financial results for 2024 are as follows:

Unit: NT\$ thousand

Item (Consolidated)	2023	2024	Increase (Decrease)	Percentage Change
Operating Revenue	762,039	547,630	(214,409)	-28.14%
Operating Costs	470,536	332,690	(137,846)	-29.30%
Gross Profit	291,503	214,940	(76,563)	-26.26%
Operating Expenses	124,904	127,901	2,997	2.40%
Operating Income	166,599	87,039	(79,560)	-47.76%
Non-Operating Income (Expenses)	5,344	25,944	20,600	385.57%
Income Before Tax	171,943	112,983	(58,960)	-34.29%
Net Income After Tax	133,261	86,950	(46,311)	-34.75%
Comprehensive Income	133,215	87,085	(46,130)	-34.63%

(II) Budget Execution Analysis

In 2024, the Company established internal budget targets without disclosing financial projections externally. Due to shifts in industry conditions, the Company's net revenue for 2024 amounted to NT\$547,630 thousand, with a net income after tax of NT\$86,950 thousand. The budgeted revenue for 2024 was NT\$850,728 thousand, and the budgeted net income was NT\$142,181 thousand. The revenue achievement rate was 64.37%, and the net income achievement rate was 61.15%. The decline in profit was primarily attributed to a drop in equipment sales, which significantly affected the Company's overall profitability.

(III) Financial Analysis and Profitability

Item		2023	2024	
Financial Structure (%)	Debt-to-Asset Ratio	34.85%	31.37%	
	Long-term Funds to Fixed Assets Ratio	335.93%	338.37%	
Liquidity (%)	Current Ratio	384.85%	430.15%	
	Quick Ratio	314.60%	390.46%	
Profitability (%)	Return on Assets	12.09%	8.19%	
	Paid-in Capital Ratio	Operating Income	57.72%	30.16%
		Pre-tax Profit	59.58%	39.15%
	Return on Equity	21.03%	11.89%	
Basic Earnings Per Share (NT\$)		\$5.00	\$3.01	

(IV) Research and Development Status

Over the past few years, the Company has successfully developed several high-performance plasma etching systems, primarily serving the semiconductor, advanced packaging, and PCB industries. To address the demands of the 5G industry, the Company has introduced a range of plasma solutions. Furthermore, the Company is actively pursuing initiatives in new energy development, with a focus on energy conservation and carbon reduction.

II. Overview of the 2025 Business Plan

(I) Business Policy

1. Complete the application for the Company's stock listing.
2. Streamline and clearly define production processes.
3. Strengthen human resources training programs and set concrete KPIs for each department.
4. Plan and compile the ESG Sustainability Report.
5. Prioritize the development of advanced packaging and fully dry plasma solutions.

(II) Business Strategy

1. Technological Leadership: Continue to drive advancements in plasma technology, with a specific focus on solutions essential for advanced packaging and IC substrate manufacturing.
2. Supply Chain and Cost Management: Conduct a thorough review of suppliers, material costs, and delivery timelines to adapt to the rapidly evolving economic environment.
3. Agent Development and Training: Identify strong agents in various fields and provide comprehensive training to swiftly expand revenue channels. Strategic Partnerships: Forge strategic alliances with other industries to accelerate the development of new applications and markets.
4. Focus on High-Margin, High-Value Applications: Target the development of high-margin, high-ticket equipment applications, especially in advanced semiconductor packaging.
5. Focus on developing equipment applications with high gross margins and premium pricing, particularly in sectors such as advanced semiconductor packaging and related industries.

III. Impact of External Competitive Environment, Regulatory Environment, and Overall Business Environment

The Company operates in an industry that is relatively insulated from major policy and regulatory changes, both domestically and internationally. To address external competition, the Company continues to advance its plasma technologies, aligning them with industry demands to bolster its competitive edge. In response to rapid economic shifts, the Company is taking steps to mitigate potential impacts on revenue and profitability through cost and inventory management, improving supply chain responsiveness, and developing new equipment and applications.

Wishing all shareholders good health and prosperity.

Thank you.

Chairman: Sung Chun-Yi



General Manager: Hsu Chia-Yuan



Two. Corporate Governance Report

I. Board of Directors, Supervisors, General Manager, Deputy General Managers, Assistant Vice Presidents, and Department/Branch Managers

(I) Directors

1. Directors' Information

April 30, 2025; Unit: Shares, %

Title	Nationality or Place of Registration	Name	Gender and Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding in Others' Name		Experience (Education)	Concurrent Position Held with the Company or Other Companies	Managerial Officer or Director Who is a Spouse or Relative within the Second Degree of Kinship			Remarks
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relation	
Chairman	ROC	Sung Chun-Yi	Male 61~70	2023.05.30	3	2002.05.27	1,581,973	6.03	3,215,973	11.14	307,308	1.06	—	—	•B.S., Department of Electronic and Computer Engineering, National Taiwan University of Science and Technology •General Manager, Kigiant Technology Inc.	•Chairman, Kunshan Branch of NEMS Technologies Co., Ltd.	—	—	—	—
Director	ROC	Kigiant Technology Inc.	—	2023.05.30	3	2002.05.27	4,617,756	17.59	4,362,756	15.12	—	—	—	—	—	—	—	—	—	—
	ROC	Rep.: Chiang Shao-Chieh	Male 61~70	2023.05.30	3	2002.05.27	—	—	—	—	—	—	—	—	•Department of Mechanical Engineering, Taipei Municipal Nei-Hu Vocational High School •Chairman, Nutrim Technology Inc. •Chairman, New Power Team Technology Inc. •Chairman, Kigiant Technology Inc.	—	—	—	—	
Director	ROC	Tseng Kun-Tsan	Male 61~70	2023.05.30	3	2002.05.27	1,522,235	5.80	2,099,235	7.27	—	—	—	—	•B.S., Department of Electronic Engineering, Cheng Shiu University •General Manager, Jiangyin Winpack Tech Co., Ltd. •General Manager, Jiang Yin ACE Electronic Equipments Co., Ltd. •Deputy General Manager, Kigiant Technology Inc.	—	—	—	—	
Director	ROC	Hsu Chia-Yuan	Male 51~60	2023.05.30	3	2002.05.27	1,089,650	4.15	1,246,650	4.32	23,000	0.08	—	—	•Ph.D., Department of Chemical Engineering, National Cheng Kung University	General Manager, NEMS Tech. Inc.	—	—	—	—
Independent Director	ROC	Yen Meng-Feng	Male 51~60	2024.01.26	3	2024.01.26	—	—	—	—	—	—	—	—	•Ph.D., Finance, University of Reading, UK •External Expert Director, Chunghwa Post Co., Ltd. •Chair, Department of Accountancy and Director, Institute of Finance, National Cheng Kung University •Associate Professor, Department of Accountancy and Institute of Finance, National Cheng Kung University	Professor, Department of Accountancy and Institute of Finance, National Cheng Kung University Director, Ditmanson Medical Foundation Chia-Yi Christian Hospital Independent Director, Shin Foong Specialty And Applied Materials Co., Ltd.	—	—	—	—

Title	Nationality or Place of Registration	Name	Gender and Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding in Others' Name		Experience (Education)	Concurrent Position Held with the Company or Other Companies	Managerial Officer or Director Who is a Spouse or Relative within the Second Degree of Kinship			Remarks
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relation	
Independent Director	ROC	Huang Hui-Lin	Female 51~60	2024.01.26	3	2024.01.26	—	—	—	—	—	—	—	—	<ul style="list-style-type: none"> •M.B.A., Department of Finance, National Kaohsiung First University of Science and Technology •Director of General Management Division and Chief Financial Officer, Yen Sun Technology Corp. •Senior Manager, Polaris Securities Co., Ltd. •Senior Associate General Manager, Taishin Securities Co., Ltd. •Chief Financial Officer, Greentek Energy Co., Ltd. 	<ul style="list-style-type: none"> •Director of Finance and Accounting, Yiho International Energy Co., Ltd. •Supervisor, Lusheng Energy Engineering Co., Ltd. •Supervisor, Lusheng One Energy Engineering Co., Ltd. •Supervisor, Yiho Green Energy Co., Ltd. •Director, Yu Feng Enterprise Co., Ltd. •Director, Lifeng Energy Co., Ltd. •Director, Chengchi Energy Co., Ltd. 	—	—	—	—
Independent Director	ROC	Ho Chih-Wen	Male 61~70	2024.01.26	3	2024.01.26	—	—	—	—	—	—	—	—	<ul style="list-style-type: none"> •M.S., Materials Group, Graduate Institute of Mechanical Engineering, National Taiwan University •Deputy General Manager and General Manager, International Semiconductor Technology Ltd. 	—	—	—	—	

2. Major Shareholders of Institutional Shareholders

April 30, 2025; Unit: Shares, %

Name Of Corporate Shareholders	Major Shareholders Of Corporate Shareholders
Kigiant Technology Inc.	Chiang Shao-Chieh 33.46%, Li Chin-Chuan 6.25%, Chiang Ming-Chi 5.65%, Chiang Ming-Yuan 5.65%, Chang Ching-Ching 4.55%、Tseng Kun-Tsan 3.52%, Yeh Hui-Yen 2.94%, Chen Shih-Fang 2.73%, Chen Chuan-Nan 2.73%, Sung Chun-Yi 2.70%

3. Key Shareholders of Institutional Shareholders That Are Legal Entities: Not Applicable

4. Disclosure of Directors' Professional Qualifications and Independence of Independent Directors

Name	Criteria	Professional Qualifications and Experience	Independence Status	No. of Concurrent Independent Directorships in Other Public Companies
Sung Chun-Yi		Please refer to the Directors' information for detailed academic and professional experience. He possesses substantial expertise in business operations and corporate management. He is not subject to any conditions under Article 30 of the Company Act.		–
Kigiant Technology Inc. Rep.: Chiang Shao-Chieh		Please refer to the Directors' information for relevant academic and professional experience. He has significant experience in the semiconductor and automation sectors, as well as corporate management. He is not subject to any conditions under Article 30 of the Company Act.	No spousal or second-degree kinship relationship with other directors. No situations specified in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.	–
Tseng Kun-Tsan		Please refer to the Directors' information for academic and professional background. He has extensive experience in business operations and corporate management. He is not subject to any conditions under Article 30 of the Company Act.		–
Hsu Chia-Yuan		Please refer to the Directors' information for academic and professional background. He has substantial experience in business operations and corporate management. He is not subject to any conditions under Article 30 of the Company Act.		–
Yen Meng-Feng		Please refer to the Directors' information for academic and professional background. He has considerable expertise in corporate finance and financial management. He is not subject to any conditions under Article 30 of the Company Act.		(1)(2)(3)(4)(5) (6)(7)(8)(9)(10) (11)(12)
Huang Hui-Lin		Please refer to the Directors' information for academic and professional background. She has strong experience in business operations, corporate finance, and financial management. She is not subject to any conditions under Article 30 of the Company Act.	(1)(2)(3)(4)(5) (6)(7)(8)(9)(10) (11)(12)	–
Ho Chih-Wen		Please refer to the Directors' information for academic and professional background. He has extensive experience in the semiconductor industry and corporate management. He is not subject to any conditions under Article 30 of the Company Act.	(1)(2)(3)(4)(5) (6)(7)(8)(9)(10) (11)(12)	–

Note: Independence Status of Directors During the Two Years Prior to Election and During Their Term of Office

- (1) Not an employee of the company or its affiliates.
- (2) Not serving as a director or supervisor of the company or its affiliates, except when concurrently serving as an independent director in accordance with the Company Act or local regulations among the company, its parent company, subsidiaries, or fellow subsidiaries.
- (3) Neither the director, their spouse, nor their minor children, nor any proxy acting on their behalf, holds 1% or more of the company's issued shares or ranks among the top ten shareholders.
- (4) Not the spouse, a second-degree relative, or a third-degree direct relative of any managerial personnel listed in Item (1), or of any person listed in Items (2) and (3).
- (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the company's issued shares, ranks among the top five shareholders, or appoints representatives to serve as the company's director or supervisor under Article 27, Paragraphs 1 and 2 of the Company Act (except where the independent director is serving concurrently in accordance with the Company Act or local laws and regulations among the company, its parent company, subsidiaries, or fellow subsidiaries).
- (6) Not a director, supervisor, or employee of another company where the majority of board seats or voting shares are controlled by the same person, except in cases where the independent director is serving concurrently in accordance with the Company Act or local laws and regulations.
- (7) Not a director, supervisor, or employee of another company or organization where the chairman, general manager, or an equivalent position of the company is the same person or the spouse of such a person, except when concurrently serving as an independent director in accordance with the Company Act or local regulations.
- (8) Not a director, supervisor, managerial officer, or shareholder holding 5% or more of a specified company or organization that has financial or business dealings with the company, unless the specified company or organization holds 20% or more but less than 50% of the company's issued shares and is a related entity as permitted by the Company Act or local regulations.
- (9) Not a professional such as an auditor, lawyer, financial consultant, or accountant who has provided relevant services to the company or its affiliates, or the owner, partner, director, supervisor, manager, or spouse of such a professional within the two years before election, with total compensation not exceeding NT\$500,000 (except for service provided as a member of a legally mandated committee, such as the Compensation Committee, Tender Offer Review Committee, or Special Merger and Acquisition Committee).
- (10) Not related to other directors as a spouse or a second-degree relative.
- (11) Not subject to any of the disqualifications specified in Article 30 of the Company Act.
- (12) Not elected as a government, corporation, or representative under Article 27 of the Company Act.

5. Board Diversity and Independence

(1) Current Board Diversity Policy and Implementation Status

Director	Basic Profile					Independent Director Term	Possessed Competencies								
	Nationality	Gender	Employee Status	Age			Operational Judgment	Accounting and Financial Analysis	Crisis Management	Management	Industry Knowledge	International Perspective	Leadership	Decision-Making	
				40-50	51-60										61-70
Sung Chun-Yi	ROC	M			✓	-	✓	✓	✓	✓	✓	✓	✓	✓	
Kigiant Technology Inc. Rep.: Chiang Shao-Chieh	ROC	M			✓	-	✓		✓	✓	✓	✓	✓	✓	
Tseng Kun-Tsan	ROC	M			✓	-	✓		✓	✓	✓	✓	✓	✓	
Hsu Chia-Yuan	ROC	M	✓	✓		-	✓	✓	✓	✓	✓	✓	✓	✓	
Yen Meng-Feng	ROC	M		✓		1 st	✓	✓	✓	✓	✓	✓	✓	✓	
Huang Hui-Lin	ROC	F		✓		1 st	✓	✓	✓	✓	✓	✓	✓	✓	
Ho Chih-Wen	ROC	M			✓	1 st	✓		✓	✓	✓	✓	✓	✓	

The current board members hail from diverse professional backgrounds, providing a wide range of perspectives during board deliberations. The board is composed of seven directors, including three Independent Directors, with extensive expertise in finance, business, chemical engineering, and management. The board's diversity, complementary skill sets, and effective implementation exceed the company's overall competency standards. Moving forward, the diversity policy will be regularly reviewed and updated in line with the board's operations, business environment, and growth objectives. This includes, but is not limited to, criteria on fundamental qualifications and values, as well as professional knowledge and skills, to ensure that board members consistently possess the essential expertise and qualities needed to fulfill their roles. Regarding age distribution, four directors are aged between 61 and 70, while three are under 60. Additionally, the company emphasizes gender balance within the board. Currently, female directors represent 14% of the board, and the company remains committed to increasing this percentage over time.

(2) Achievement Status of Specific Management Targets for Board Diversity Policy

Management Target	Status
Independent directors account for more than one-third of the total board seats	Achieved
Directors concurrently serving as company managers do not exceed one-third of the total board seats	Achieved
Independent directors' tenure does not exceed three terms	Achieved
Adequate and diverse professional knowledge and skills	Achieved

(3) If either gender does not hold at least one-third of the board seats in listed companies, state the reasons and plans for improving gender diversity on the board: Not applicable.

(4) Board Independence

For information on the board's independence, please refer to the directors' profiles, professional qualifications, and independence disclosures presented earlier in this annual report. According to the aforementioned directors' data table, none of the directors have spousal or second-degree kinship relationships with each other; therefore, there is no circumstance violating Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.

(II) General Manager, Deputy General Manager, Assistants to General Manager, Department Heads, and Branch Office Managers

April 30, 2025; Unit: Share; %

Position	Name	Gender	Nationality	Date of Appointment	Shareholding		Spouse's & Minor's Shareholding		Shareholding in Others' Name		Experience (Education)	Positions Currently Held with Other Companies	Managerial officers who are spouses or relatives within the second degree of kinship			Status of Employee Stock Option Certificates Granted to Managerial Officers	Remarks
					No. of Shares	Ratio	No. of Shares	Ratio	No. of Shares	Ratio			Title	Name	Relation		
General Manager	Hsu Chia-Yuan	M	ROC	2002.06.11	1,246,650	4.32	23,000	0.08	-	-	•Ph.D., Department of Chemical Engineering, National Cheng Kung University	-	-	-	-	Note 1	-
Production Department Manager	Foo Yong-Hau	M	ROC	2002.06.11	250,000	0.87	988,081	3.42	-	-	•M.S., Department of Resources Engineering, National Cheng Kung University •R&D Engineer, E&R Engineering Corp.	-	-	-	-	Note 1	-
Marketing Department Manager	Chiu Kuan-Lu	M	ROC	2002.08.14	1,100,488	3.81	-	-	-	-	•M.S., Institute of Aeronautics and Astronautics, National Cheng Kung University •Project Manager, Yan Ching Ling Center, National Cheng Kung University	-	-	-	-	Note 1	-
R&D Department Senior Manager	Liang Kuo-Chao	M	ROC	2019.06.03	240,003	0.83	-	-	-	-	•Ph.D., Department of Chemical Engineering, National Cheng Kung University •Associate Researcher, Institute of Nuclear Energy Research	-	-	-	-	Note 1	-
Customer Service Department Manager	Liu Yi-Ju	F	ROC	2025.02.01	35,750	0.12	-	-	-	-	•Department of Leisure, Recreation and Tourism Management, Southern Taiwan University of Science and Technology	-	-	-	-	Note 1	-
Finance Department Manager and Corporate Governance Officer	Tsai Yu-Jen	M	ROC	2022.12.22	103,100	0.36	-	-	-	-	•M.S., Department of Accounting, National Chengchi University •Deputy Finance Manager, Ears Management & Consultant Company	-	-	-	-	Note 1	-
Audit Supervisor	Tseng Ya-Hsiu	F	ROC	2022.12.22	27,000	0.09	-	-	-	-	•Department of Accounting, Tamkang University •Business Manager, Cathay Securities Corporation •Assistant Manager, Deloitte Taiwan	-	-	-	-	Note 1	-

Note 1: For information regarding the handling of employee stock options, please refer to the corresponding section in this annual report.

II. Remuneration to Directors, Supervisor, General Manager and Deputy General Manager in the Most Recent Year

(I) Remuneration of Directors and Independent Directors for FY2024 (Aggregated Disclosure by Pay Range)

Unit: NTD thousands

Title	Name	Remuneration to Directors								Ratio of total remuneration (A+B+C+D) to net income after tax (%)		Relevant remuneration received by directors who also serve as employees						Ratio of total remuneration (A+B+C+D+E+F+G) to net income after tax (%)		Remuneration received from investees other than subsidiaries or from the parent company		
		Compensation (A)		Severance pay and pension (B)		Director's remuneration (C)		Business execution expenses (D)				Salary, bonus and allowances (E) (Note 1)		Severance pay and pension (F)		Employee's remuneration (G)						
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report		The Company	All companies in the financial report
Chairman	Sung Chun-Yi																					
Director	Kigiant Technology Inc. Rep.: Chiang Shao-Chieh																					
Director	Tseng Kun-Tsan																					
Director	Hsu Chia-Yuan																					
Independent Director	Yen Meng-Feng	6,506	6,506	-	-	1,772	1,772	-	-	8,278 9.52%	8,278 9.52%	5504	5,504	108	108	950	-	950	-	14,840 17.07%	14,840 17.07%	-
Independent Director	Huang Hui-Lin																					
Independent Director	Ho Chih-Wen																					
<p>1. Please specify the remuneration policy, framework, standards, and structure for Independent Directors, including the connection between the compensation amounts and the duties, risks, and time commitment undertaken: Not applicable.</p> <p>2. Apart from the figures disclosed above, any additional compensation received by Directors for services rendered (e.g., consultancy roles for the parent company, entities within the consolidated financial statements, or non-employee consultants for investee companies) in the most recent fiscal year: None.</p>																						

Table of Remuneration Ranges

Remuneration range to Directors of the Company	Names of Director			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	All companies listed in this financial report	The Company	All companies listed in this financial report
Under NT\$1,000,000	Kigiant Technology Inc. Rep. Chiang Shao-Chieh, Tseng Kun-Tsan, Yen Meng-Feng, Huang Hui-Lin, Ho Chih-Wen	Kigiant Technology Inc. Rep. Chiang Shao-Chieh, Tseng Kun-Tsan, Yen Meng-Feng, Huang Hui-Lin, Ho Chih-Wen	Kigiant Technology Inc. Rep. Chiang Shao-Chieh, Tseng Kun-Tsan, Yen Meng-Feng, Huang Hui-Lin, Ho Chih-Wen	Kigiant Technology Inc. Rep. Chiang Shao-Chieh, Tseng Kun-Tsan, Yen Meng-Feng, Huang Hui-Lin, Ho Chih-Wen
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	-	-	-	-
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	-	-	-	-
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	-	-	-	-
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	Sung Chun-Yi, Hsu Chia-Yuan			
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	-	-	-	-
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	-	-	-	-
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	-	-	-	-
More than NT\$100,000,000	-	-	-	-
Total	7 Persons	7 Persons	7 Persons	7 Persons

(II) Remuneration of the General Manager and Deputy General Manager in the Most Recent Year (FY2024) (Aggregated Disclosure by Pay Range)

Unit: NTD thousands

Title	Name	Salary (A)		Severance pay and pension (B)		Bonus and allowances (C)		Employee's remuneration (D)				Ratio of total remuneration (A+B+C+D) to net income after tax (%)		Remuneration received from investees other than subsidiaries or from the parent company
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company		All companies in the financial report		The Company	All companies in the financial report	
								Amount in cash	Amount in shares	Amount in cash	Amount in shares			
General Manager	Hsu Chia-Yuan	2,645	2,645	108	108	2,859	2,859	950	-	950	-	6,562 7.55%	6,562 7.55%	-

Table of Remuneration Range

Remuneration Range to the General Manager and Deputy General Manager of the Company	Name of General Manager and Deputy General Manager	
	The Company	All companies in the financial report
Under NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	-	-
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	-	-
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	-	-
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	Hsu Chia-Yuan	Hsu Chia-Yuan
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	-	-
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	-	-
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	-	-
More than NT\$100,000,000	-	-
Total	1 Person	1 Person

(III) Remuneration for Paid Managerial Officers with Top Five Highest Remuneration: Not Applicable

(IV) Remuneration of Supervisors for FY2024: Not applicable.

(V) Distribution of Employee Compensation to Managers for FY2024

Unit: NTD thousands

	Position	Name	Stock	Cash	Total	Percentage of Net Income After Tax (%)
Manager	General Manager	Hsu Chia-Yuan	-	2,793 (Note 1)	2,793	3.21%
	Production Department Manager	Foo Yong-Hau				
	Marketing Department Manager	Chiu Kuan-Lu				
	Finance Department Manager	Tsai Yu-Jen				

Note 1: The proposed allocation for the current year is based on the distribution ratio actually applied in the prior year.

(VI) Analysis of Remuneration and Its Impact on Financial Performance

A comparative analysis of the proportion of total remuneration paid to the Company's Directors, Supervisors, General Manager, and Deputy General Manager against the net profit after tax for both the Company and all consolidated entities over the past two fiscal years is provided below. This analysis also includes a discussion of the remuneration policy, standards, composition, procedures for determining remuneration, and the correlation between remuneration, business performance, and future risks.

1. Analysis of the Proportion of Total Remuneration Paid to Directors, Supervisors, General Manager, and Deputy General Manager Against Net Profit After Tax for the Past Two Fiscal Years (for the Company and All Consolidated Entities)

Unit: NT\$ Thousand

Year Item	2023				2024			
	Total Remuneration		Percentage of Net Income After Tax (%)		Total Remuneration		Percentage of Net Income After Tax (%)	
	The Company	Consolidated financial statements	The Company	Consolidated financial statements	The Company	Consolidated financial statements	The Company	Consolidated financial statements
Director	4,026	4,026	3.02	3.02	8,278	8,278	9.52	9.52
Supervisor	300	300	0.23	0.23	-	-	-	-
CEO (Note 1) and General Manager	11,420	11,420	8.57	8.57	6,562	6,562	7.55	7.55

Note 1: Sung Chun-Yi resigned as CEO on October 31, 2023, and now exclusively serves as Chairman.

2. Remuneration Policy, Standards, Composition, Determination Procedures, and Correlation with Operational Performance and Future Risks

The compensation for the Company's Directors and Supervisors is explicitly defined in the Company's Articles of Incorporation. For the CEO and General Manager, remuneration, which comprises salary, bonuses, and employee profit-sharing, is determined based on their respective roles, responsibilities, and contributions to the Company, with reference to industry benchmarks. The procedures for setting remuneration follow the guidelines outlined

in the Company's Articles of Incorporation and established approval authorities. During the 2021 and 2022 fiscal years, no remuneration was distributed to Directors or Supervisors. The compensation for the CEO and General Manager was structured with consideration of both future operational risks and their positive alignment with business performance, aiming to strike a balance between risk management for sustainable operations and performance-based incentives.

III. Implementation of Corporate Governance

(I) Board of Directors Meetings

During the most recent fiscal year and up to the date of publication of this annual report, the Board of Directors held 6 (A) meetings. The attendance record of Directors and Independent Directors is detailed as follows:

Position	Name	Actual Attendance (B)	Proxy Attendance	Attendance Rate (%) (B/A)	Remarks
Chairman	Sung Chun-Yi	6	-	100	
Director	Tseng Kun-Tsan	6	-	100	
Director	Hsu Chia-Yuan	6	-	100	
Director	Kigiant Technology Inc. Rep. Chiang Shao-Chieh	5	1	83	
Independent Director	Yen Meng-Feng	6	-	100	
Independent Director	Huang Hui-Lin	6	-	100	
Independent Director	Ho Chih-Wen	6	-	100	

Additional Matters to Be Disclosed

1. In the event of any of the following situations in the operations of the Board of Directors, the date of the board meeting, session number, agenda items, opinions of Independent Directors, and the company’s response to such opinions shall be disclosed:

(1) Matters stipulated under Article 14-3 of the Securities and Exchange Act

Date	Term	Key Resolutions	Independent Director Opinions	Company’s Response to Independent Director Opinions
2024.3.27	7 th Meeting 8 th Term	<ul style="list-style-type: none"> •Proposal regarding the allocation of employee compensation and directors' and supervisors' remuneration for the fiscal year 2023. •Approval of the separate and consolidated financial statements, along with the business report for fiscal year 2023. •Proposal on the distribution of earnings for fiscal year 2023. •Proposal to amend the Company’s Articles of Incorporation. •Proposal to amend the Company’s Procedures for the Acquisition or Disposal of Assets. •Proposal to amend the Company’s Rules of Procedure for Board of Directors Meetings and Audit Committee Charter. •Proposal to establish new Regulations for Directors and Managers’ Remuneration. •Proposal regarding the 2023 Assessment of Internal Control System Effectiveness and the Statement of Internal Control System. •Proposal for the Company’s application to list shares on the stock exchange or OTC market. •Proposal to conduct a cash capital increase through the issuance of new shares as the source for the initial public offering prior to listing (OTC), with existing shareholders fully waiving their subscription rights. •Proposal to set the agenda for the 2024 Annual General Shareholders’ Meeting. •Proposal to extend the credit line with Bank SinoPac •Proposal to review the applicable scope of managers subject to Compensation Committee review and their respective remuneration. 	No	No
2024.6.5	8 th Meeting 8 th Term	<ul style="list-style-type: none"> •Proposal to implement the “Plan for Enhancing the Company’s Financial Reporting Capabilities.” •Proposal to authorize the Company to conduct derivative financial product transactions. •Proposal to revise the internal control system related to the investment cycle. •Proposal to establish the “Review Procedures for Pre-Approval of Non-Assurance Services Provided by Auditors” and the list of pre-approved non-assurance services for 2024. •Proposal regarding the allocation of directors’ and supervisors’ remuneration for fiscal year 2023. •Proposal regarding the first distribution of employee compensation for managers for fiscal year 2023. •Proposal to apply for a credit facility with Yuanta Commercial Bank. 	No	No
2024.8.7	9 th Meeting 8 th Term	<ul style="list-style-type: none"> •Proposal regarding the consolidated financial statements for the second quarter of fiscal year 2024. •Proposal to apply for financial transaction credit facilities with Yuanta Bank. 	No	No
2024.9.11	10 th Meeting 8 th Term	<ul style="list-style-type: none"> •Proposal regarding the second distribution of employee compensation for managers for fiscal year 2023. 	No	No

2024.12.25	11 th Meeting 8 th Term	<ul style="list-style-type: none"> •Proposal to amend and supplement the Company’s various management regulations. •Proposal for the appointment of the Corporate Governance Officer. •Proposal regarding the Company’s operational plan and budget for 2025. •Proposal regarding the Company’s audit plan for 2025. •Proposal regarding the third distribution of employee compensation for managers for fiscal year 2023 and the allocation of year-end bonuses for fiscal year 2024. •Proposal to assess the independence and competence of the Company’s auditors, determine their compensation, and review the list of pre-approved non-assurance services for 2025. 	No	No
2025.3.19	12 th Meeting 8 th Term	<ul style="list-style-type: none"> •Proposal regarding the allocation of employee compensation and directors’ remuneration for fiscal year 2024. •Approval of the separate and consolidated financial statements, along with the business report for fiscal year 2024. •Proposal on the distribution of earnings for fiscal year 2024. •Proposal to increase capital through the issuance of new shares by capitalizing retained earnings. •Proposal to define the scope of grassroots employees within the Company. •Proposal to amend the Company’s Articles of Incorporation. •Proposal regarding the 2024 Assessment of Internal Control System Effectiveness and the Statement of Internal Control System. •Proposal regarding the policy, system, standards, and structure for evaluating directors’ performance and remuneration, including the Chairman’s compensation for 2025. •Proposal regarding the policy, system, standards, and structure for evaluating managers’ performance and remuneration, including managerial compensation for 2025. •Proposal to set the agenda for the 2025 Annual General Shareholders’ Meeting. •Proposal to extend the credit line with Bank SinoPac 	No	No

- (2) Except for the matters mentioned above, there were no board resolutions opposed or qualified by Independent Directors that have been documented or formally submitted in writing.
2. Disclosure of directors’ recusal related to conflict of interest proposals during fiscal year 2024, including directors’ names, proposal details, reasons for recusal, and voting participation:
- (1) On March 27, 2024, when reviewing the proposal to review the applicable scope of managers subject to the Compensation Committee’s review and their remuneration, Director Hsu Chia-Yuan recused himself from voting due to a potential conflict of interest. The remaining directors present raised no objections, and the proposal was approved as submitted.
 - (2) On June 5, 2024, regarding the proposal on the allocation of directors’ and supervisors’ remuneration for fiscal year 2023, Chairman Sung Chun-Yi, Director Hsu Chia-Yuan, Director Tseng Kun-Tsan, and Director Chiang Shao-Chieh, all involved in the remuneration allocation, recused themselves from voting due to conflicts of interest. The Chairman appointed Director Yen Meng-Feng as acting chair to consult with the other attending directors, who raised no objections, and the proposal was approved as submitted. On the same day, regarding the proposal on the first distribution of employee compensation for managers for fiscal year 2023, Director Hsu Chia-Yuan, who also serves as General Manager and is directly affected by the related remuneration, recused himself from voting. The other directors present raised no objections, and the proposal was approved as submitted.
 - (3) On September 11, 2024, regarding the proposal for the second distribution of employee compensation for managers for fiscal year 2023, Director Hsu Chia-Yuan, who also serves as the Company’s General Manager and is directly involved in his own remuneration, recused himself

from voting due to a conflict of interest. The other directors present raised no objections, and the proposal was approved as submitted.

(4) On December 25, 2024, regarding the proposal for the third distribution of employee compensation for managers for fiscal year 2023, Director Hsu Chia-Yuan, who concurrently serves as General Manager and is directly affected by the related remuneration, recused himself from voting due to conflict of interest. The other directors present raised no objections, and the proposal was approved as submitted.

(5) On March 19, 2025, concerning the proposal on the policy, system, standards, and structure for evaluating directors' performance and remuneration, including the Chairman's compensation for 2025, Chairman Sung Chun-Yi and Independent Directors Yen Meng-Feng, Huang Hui-Lin, and Ho Chih-Wen, who were involved in the remuneration allocation, voluntarily and sequentially recused themselves from voting due to conflicts of interest. The remaining directors raised no objections, and the proposal was approved as submitted. Regarding the proposal on the policy, system, standards, and structure for evaluating managers' performance and remuneration, including managers' compensation for 2025, Director Hsu Chia-Yuan, who also serves as General Manager and is directly involved in his own remuneration, recused himself from voting due to conflict of interest. The other directors present raised no objections, and the proposal was approved as submitted.

3. Publicly listed companies are required to disclose details of the Board of Directors' self-assessment or peer review, including the evaluation cycle and period, scope, methodology, and content.

Evaluation Cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Annually	2024/1/1 to 2024/12/31	1. The Board of Directors 2. Individual Board Members 3. Audit Committee 4. Remuneration Committee	1. Internal self-assessment by the Board 2. Self-assessment by individual directors 3. Self-assessment by committee members	1. Board Performance Assessment: (1) Involvement in company operations (2) Enhancement of decision-making quality (3) Board composition and structure (4) Director selection and ongoing education (5) Internal control 2. Individual Director Performance Assessment: (1) Understanding of company goals and missions (2) Awareness of director duties (3) Engagement in company operations (4) Internal relationship management and communication (5) Professional expertise and continuous education (6) Internal control 3. Functional Committee Performance Assessment: (1) Engagement in company operations (2) Understanding of committee responsibilities (3) Quality of committee decisions (4) Committee composition and member appointment (5) Internal control

The self-assessment results have been published on the company's website for reference.

4. Goals for Enhancing Board Functions in the Current and Recent Fiscal Years (such as establishing the

Audit Committee and improving transparency) and Evaluation of Their Implementation

Board Enhancement Goals	Implementation Evaluation
1. Strengthen the Company's oversight function and improve management mechanisms	The Company established the Remuneration Committee on December 27, 2023, and the Audit Committee on January 26, 2024.
2. Continuously improve information transparency	The Company has appointed dedicated personnel responsible for regulatory information disclosure and maintaining updates on the Company website.
3. Proactively foster communication with stakeholders	<ol style="list-style-type: none"> 1. A spokesperson and deputy spokesperson have been appointed to facilitate stakeholder communication, and stakeholders can also submit inquiries and suggestions online via the stakeholder section on the Company's website. 2. Shareholders with proposal rights can submit proposals during the designated period before the annual shareholders' meeting, which will be reviewed by the Board in accordance with relevant regulations.
4. Enhance professional expertise	In 2024, all members of the Board fulfilled the mandatory continuing education requirements. The Company continues to offer diverse external training to strengthen their professional skills.
5. Procure directors' and officers' liability insurance	The Company secured directors' and officers' liability insurance on February 1, 2025, and this was reported to the Board on March 19, 2025.

(II) Audit Committee Operations and Supervisors' Participation in the Board

1. Audit Committee Operations

- (1) On January 26, 2024, during the shareholders' extraordinary meeting, the Company re-elected three Independent Directors who then formed the Audit Committee, replacing the previous Supervisors.
- (2) For fiscal year 2024 and up to the date this annual report was printed, the Audit Committee convened 5 meetings. Attendance of Independent Directors was as follows:

Position	Name	Meetings Attended (B)	Proxy Attendance	Attendance Rate (%) (B/A)	Remarks
Audit Committee Member	Yen Meng-Feng	5	-	100	
Audit Committee Member	Huang Hui-Lin	5	-	100	
Audit Committee Member	Ho Chih-Wen	5	-	100	

Additional Matters to Be Disclosed

1. If any of the following situations arise in the operation of the Audit Committee, the Company shall disclose the date of the Board meeting, session, proposal content, Audit Committee resolution, and the Company's response to the Audit Committee's opinion:

- (1) Matters specified in Article 14-5 of the Securities and Exchange Act.

Date	Term	Key Resolutions	Audit Committee Decision	Company's Handling of the Audit Committee's Opinion
2024.3.27	1 st Meeting 1 st Term	1. Approval of the separate and consolidated financial statements, along with the business report for fiscal year 2023. 2. Proposal on the distribution of earnings for fiscal year 2023. 3. Proposal to amend the Company's Articles of Incorporation. 4. Proposal to amend the Company's Procedures for the Acquisition or Disposal of Assets. 5. Proposal to amend the Company's Rules of Procedure for Board of Directors Meetings and Audit Committee Charter. 6. Proposal regarding the 2023 Assessment of Internal Control System Effectiveness and the Statement of Internal Control System. 7. Proposal for the Company's application to list shares on the stock exchange or OTC market. 8. Proposal to conduct a cash capital increase through the issuance of new shares as the source for the initial public offering prior to listing (OTC), with existing shareholders fully waiving their subscription rights.	The Chairman consulted all attending committee members, and the proposal was unanimously approved without objection.	No
2024.6.5	2 nd Meeting 1 st Term	1. Proposal to implement the "Plan for Enhancing the Company's Financial Reporting Capabilities." 2. Proposal to authorize the Company to conduct derivative financial product transactions. 3. Proposal to revise the internal control system related to the investment cycle. 4. Proposal to establish the "Review Procedures for Pre-Approval of Non-Assurance Services Provided by Auditors" and the list of pre-approved non-assurance services for 2024.	The Chairman consulted all attending committee members, and the proposal was unanimously approved without objection.	No
2024.8.7	3 rd Meeting 1 st Term	1. Proposal regarding the consolidated financial statements for the second quarter of fiscal year 2024. 2. Proposal to apply for financial transaction credit facilities with Yuanta Commercial Bank.	The Chairman consulted all attending committee members, and the proposal	No

			was unanimously approved without objection.	
2024.12.25	4 th Meeting 1 st Term	1.Proposal to amend and supplement the Company's various management regulations. 2.Proposal regarding the Company's operational plan and budget for 2025. 3.Proposal regarding the Company's audit plan for 2025. 4.Proposal to assess the independence and competence of the Company's auditors, determine their compensation, and review the list of pre-approved non-assurance services for 2025.	The Chairman consulted all attending committee members, and the proposal was unanimously approved without objection.	No
2025.3.19	5 th Meeting 1 st Term	1.Approval of the separate and consolidated financial statements, along with the business report for fiscal year 2024. 2.Proposal on the distribution of earnings for fiscal year 2024. 3.Proposal to increase capital through the issuance of new shares by capitalizing retained earnings. 4.Proposal to amend the Company's Articles of Incorporation. 5.Proposal regarding the 2024 Assessment of Internal Control System Effectiveness and the Statement of Internal Control System.	The Chairman consulted all attending committee members, and the proposal was unanimously approved without objection.	No

(2) Apart from the aforementioned items, other resolutions not approved by the Audit Committee but adopted with the consent of more than two-thirds of all directors: None.

2. Implementation of recusal by Independent Directors in proposals involving conflicts of interest, specifying the Independent Director's name, proposal content, reason for recusal, and voting status: None.
3. Communication between Independent Directors and the Internal Audit Supervisor and CPA (including significant matters regarding the Company's financial and operational status, communication methods, and outcomes):
 - (1) Communication between Independent Directors and the Internal Audit Supervisor:
 - A. The Internal Audit Supervisor provides audit reports and follow-up reports on audit deficiencies to Independent Directors at least once per quarter. Additionally, during Audit Committee meetings, the Internal Audit Supervisor presents the audit operations, findings, and follow-up actions to the Independent Directors. The Supervisor follows the Independent Directors' instructions to reinforce audit procedures, ensuring the effectiveness of the internal control system. Communication between the Internal Audit Supervisor and Independent Directors has remained effective.
 - B. The Internal Audit Supervisor and Independent Directors can communicate directly as needed via email, phone, or in-person meetings, maintaining clear and open communication channels.
 - (2) Communication between Independent Directors and CPA
 - A. The Company's certifying CPA conducts at least one annual meeting with the Independent Directors to present the review or audit results of the Company's quarterly and annual financial statements, including those of its overseas subsidiaries. The CPA also reports on internal control audits, the impact of IFRS updates on the Company, and other regulatory matters. The CPA ensures open communication regarding any necessary financial statement adjustments or regulatory changes affecting reporting.
 - B. The CPA and Independent Directors may communicate through Audit Committee meetings or directly via email, phone, or face-to-face meetings as needed.

2. Supervisors' Participation in Board Operations: Not Applicable

On January 26, 2024, during the shareholders' extraordinary meeting, the Company appointed three Independent Directors and established an Audit Committee to assume the functions previously held by the Supervisors. (The first meeting of the first Audit Committee session was held on March 27, 2024).

(III) Corporate governance implementation status and its deviations from Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof

Criteria	Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Y	N	Summary	
I. Has the Company established and disclosed its Corporate Governance Best Practice Principles based on the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has implemented a set of Corporate Governance Best Practice Principles, which outline policies for protecting shareholder rights, strengthening Board functions, respecting stakeholder interests, and enhancing information transparency. For details on these principles, please refer to the Company's official website.	No significant deviation.
II. Shareholder Structure and Shareholders' Rights				
(I) Has the Company established an internal procedure for handling shareholder proposals, inquiries, disputes, and litigations? Are such matters handled according to internal procedures?	V		(I) Apart from engaging a dedicated stock affairs agency to handle shareholder matters, the Company has also formulated the "Internal Procedures for Handling Material Information" and designated specific personnel to manage shareholder suggestions or disputes.	No significant deviation.
(II) Has the Company maintained a register of major shareholders with controlling power as well as a register of persons exercising ultimate control over those major shareholders?	V		(II) The stock affairs agency is tasked with maintaining an updated list of major shareholders exerting actual control over the Company, including their ultimate controllers. Additionally, the agency submits monthly reports on changes in shareholding by directors, managers, and major shareholders holding over 10% of shares, in compliance with regulatory requirements.	
(III) Has the Company established and enforced risk control and firewall systems with its affiliates?	V		(III) The Company has instituted internal guidelines such as the "Operational Procedures for Financial and Business Transactions between Related Parties, Specific Companies, and Group Enterprises," "Guidelines for the Supervision and Management of Subsidiaries," and "Procedures for the Acquisition or Disposal of Assets" to establish risk control mechanisms and implement firewall protections.	
(IV) Has the Company stipulated internal rules that prohibit the Company's insiders from trading securities using information not disclosed to the market?	V		(IV) The Company has developed the "Procedures for the Prevention of Insider Trading" with key control measures to prevent insiders from engaging in securities trading based on undisclosed market information, effectively mitigating insider trading risks.	

Criteria	Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Y	N	Summary	
<p>III. Composition and responsibilities of the Board of Directors</p> <p>(I) Has the Board of Directors established a policy of Board diversity and duly implemented such policy?</p> <p>(II) Has the Company voluntarily established other functional committees, other than the remuneration committee and audit committee that are established in accordance with the law?</p> <p>(III) Has the Company established standards to measure the performance of the Board of Directors, and has the Company implemented such performance evaluation annually? Has the Company submitted the results of performance evaluation to the Board of Directors and adopted them as a reference for determining remuneration for individual Directors and their nomination for reappointment?</p> <p>(IV) Does the Company regularly implement assessments on the independence of CPAs?</p>	V	V	<p>(I) The Company has established the “Corporate Governance Best Practice Principles” and the “Board Election Procedures,” with a policy aimed at promoting diversity within the Board of Directors and implementing a candidate nomination system for director elections, including Independent Directors. The Company is committed to gender diversity, with 7 directors currently serving, including 1 female director, representing 14.28% of the Board.</p> <p>(II) The Company has formed an Audit Committee and a Compensation Committee. The establishment of additional functional committees will be considered as needed.</p> <p>(III) The Company conducts annual board performance assessments under the “Board Performance Evaluation Procedures,” evaluating performance across the following criteria:</p> <ol style="list-style-type: none"> 1. Participation in the Company’s operations 2. Improvement of Board decision-making quality 3. Board composition and structure 4. Director selection and ongoing development 5. Internal control <p>(IV) The Board of Directors conducts an annual review of the independence of the certifying CPAs. When discussing the appointment and independence of the CPAs, the Board reviews the CPA’s resume and independence statement (complying with Statement of Professional Ethics No. 10) to assess their independence. On December 25, 2024, the Board determined that the appointed CPAs fulfilled the Company’s independence criteria.</p>	No significant deviation.

Criteria	Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Y	N	Summary	
IV. Has the TWSE/TPEX listed company appointed qualified and suitable number of corporate governance personnel and appointed a Corporate Governance Officer responsible for matters related to corporate governance (including but not limited to providing Directors and Supervisors with the necessary information for the execution of business, assisting Directors and Supervisors in legal compliance, handling matters related to Board meetings and the shareholders' meetings in accordance with the regulations, and preparing minutes for Board meetings and the shareholders' meetings)?	V		<p>On December 25, 2024, the Board of Directors appointed Finance Department Manager Tsai Yu-Jen as the senior executive responsible for corporate governance matters. This role aims to advance corporate governance practices and enhance the effectiveness of the Board of Directors. The scope of responsibilities and key focus areas for the year include:</p> <ol style="list-style-type: none"> 1. Managing Board and shareholders' meeting-related matters in accordance with relevant laws and regulations. 2. Preparing minutes for Board and shareholders' meetings. 3. Supporting directors in ongoing training. 4. Providing directors with necessary information for business execution. 5. Assisting directors in complying with regulatory requirements. 	No significant deviation.
V. Has the Company set up communication channels for stakeholders (including but not limited to shareholders, employees, customers, and suppliers)? Has a stakeholders' section been established on the Company's website? Has the Company appropriately addressed the major corporate social responsibility (CSR) issues concerned by stakeholders?	V		The Company's website includes a dedicated Stakeholder Section with contact information to address significant corporate social responsibility concerns raised by stakeholders.	No significant deviation.
VI. Has the Company appointed a professional stock affairs agency to deal with affairs related to shareholders' meetings?	V		The Company has designated the Stock Registrar Department of Grand Fortune Securities Co., Ltd. as the professional shareholder services agent to manage shareholders' meeting affairs.	No significant deviation.

Criteria	Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Y	N	Summary	
<p>VII. Information Disclosure</p> <p>(I) Has the Company established a website to disclose information on financial operations and corporate governance?</p> <p>(II) Has the Company adopted other information disclosure channels (e.g., establishing an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, and webcasting investor conferences)?</p> <p>(III) Has the Company announced and declared the annual financial report within two months after the end of the fiscal year? Has it announced and declared the first, second, and third quarterly financial reports and operating conditions of each month as soon as possible before the prescribed period?</p>	V		<p>(I) The Company's official website provides information on financial performance, business operations, and corporate governance.</p> <p>(II) The Company has implemented a spokesperson system and discloses operational information in compliance with disclosure regulations. An English version of the website has also been launched, with shareholders' meeting information regularly updated.</p> <p>(III) The Company has announced and submitted financial reports and monthly business performance updates in accordance with regulatory deadlines. Going forward, depending on operational conditions and regulatory requirements, the Company will consider releasing annual financial reports ahead of schedule.</p>	<p>No significant deviation.</p> <p>The Company has released financial reports and monthly business performance updates within the required regulatory timeframe and has progressively advanced the disclosure schedule.</p>
<p>VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, Directors' and Supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of customer policies,</p>	V		<p>1. Employee Rights: Our company safeguards employee rights by complying with the Labor Standards Act and other relevant laws. We have established an employee welfare committee and legally set aside funds for employee benefits and retirement pensions.</p> <p>2. Employee Care: We conduct regular health checkups and provide medical consultations to support employees' physical and mental well-being. The company continuously enhances the work environment to meet international standards. Employees are free to perform their duties without any physical or psychological coercion, and the company strictly prohibits discrimination based on race, gender, age, religion, or political beliefs.</p> <p>3. Investor Relations: We have a dedicated stock affairs department and a company spokesperson to manage</p>	<p>No significant deviation.</p>

Criteria	Implementation			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Y	N	Summary	
and participation in liability insurance by Directors and supervisors)?			<p>shareholder communications, including handling suggestions and resolving disputes.</p> <p>4. Supplier Relations: Our company maintains fair and cooperative relationships with suppliers.</p> <p>5. Stakeholder Rights: The company appoints a spokesperson to serve as a contact point. Stakeholders may reach out through this dedicated channel or use the contact information listed on the company website to protect their rights.</p> <p>6. Directors' and Supervisors' Continuing Education: All directors possess the necessary professional expertise and complete the legally mandated annual continuing education requirements.</p> <p>7. Risk Management Policies and Standards Execution: Our internal control and risk management systems, along with key management policies, require Board of Directors' approval for any amendments or new implementations.</p> <p>8. Customer Relations Policy: The company maintains strong and positive relationships with its customers.</p> <p>9. Directors' Liability Insurance: We have secured liability insurance for directors to enhance corporate governance and safeguard shareholder interests.</p>	
IX. Improvements made in response to the results of Corporate Governance Evaluation in the most recent year conducted by the Corporate Governance Center of TWSE, and improvement measures and plans of priority for items yet to be improved: Not Applicable.				

Table 1: "Director Training Overview for Fiscal Year 2023"

Position	Name	Date of Training	Organizing Entity	Course Title	Hours
Chairman	Sung Chun-Yi	2024/1/26	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulations – Understanding Regulatory Supervision for Senior Executives of Listed Companies	3
Director	Kigiant Technology Inc. Rep.: Chiang Shao-Chieh	2024/1/26	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulations – Understanding Regulatory Supervision for Senior Executives of Listed Companies	3
Director	Tseng Kun-Tsan	2024/1/26	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulations – Understanding Regulatory Supervision for Senior Executives of Listed Companies	3
Director	Hsu Chia-Yuan	2024/1/26	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulations – Understanding Regulatory Supervision for Senior Executives of Listed Companies	3
Independent Director	Yen Meng-Feng	2024/1/26	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulations – Understanding Regulatory Supervision for Senior Executives of Listed Companies	3
Independent Director	Huang Hui-Lin	2024/1/26	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulations – Understanding Regulatory Supervision for Senior Executives of Listed Companies	3
Independent Director	Ho Chih-Wen	2024/1/26	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulations – Understanding Regulatory Supervision for Senior Executives of Listed Companies	3
Chairman	Sung Chun-Yi	2024/6/5	Corporate Operating and Sustainable Development Association	Business and Merger & Acquisition Strategies for Taiwanese Companies Amidst Global Political and Economic Dynamics	3
Director	Kigiant Technology Inc. Rep.: Chiang Shao-Chieh	2024/6/5	Corporate Operating and Sustainable Development Association	Business and Merger & Acquisition Strategies for Taiwanese Companies Amidst Global Political and Economic Dynamics	3
Director	Tseng Kun-Tsan	2024/6/5	Corporate Operating and Sustainable Development Association	Business and Merger & Acquisition Strategies for Taiwanese Companies Amidst Global Political and Economic Dynamics	3
Director	Hsu Chia-Yuan	2024/6/5	Corporate Operating and Sustainable Development Association	Business and Merger & Acquisition Strategies for Taiwanese Companies Amidst Global Political and Economic Dynamics	3
Independent Director	Yen Meng-Feng	2024/6/5	Corporate Operating and Sustainable Development Association	Business and Merger & Acquisition Strategies for Taiwanese Companies Amidst Global Political and Economic Dynamics	3
Independent Director	Huang Hui-Lin	2024/6/5	Corporate Operating and Sustainable Development Association	Business and Merger & Acquisition Strategies for Taiwanese Companies Amidst Global Political and Economic Dynamics	3

Position	Name	Date of Training	Organizing Entity	Course Title	Hours
Independent Director	Ho Chih-Wen	2024/6/5	Corporate Operating and Sustainable Development Association	Business and Merger & Acquisition Strategies for Taiwanese Companies Amidst Global Political and Economic Dynamics	3
Chairman	Sung Chun-Yi	2024/8/7	Corporate Operating and Sustainable Development Association	Compliance with Board Regulations, Legal Responsibilities of Directors and Independent Directors, and Case Studies	3
Director	Kigiant Technology Inc. Rep.: Chiang Shao-Chieh	2024/8/7	Corporate Operating and Sustainable Development Association	Compliance with Board Regulations, Legal Responsibilities of Directors and Independent Directors, and Case Studies	3
Director	Tseng Kun-Tsan	2024/8/7	Corporate Operating and Sustainable Development Association	Compliance with Board Regulations, Legal Responsibilities of Directors and Independent Directors, and Case Studies	3
Director	Hsu Chia-Yuan	2024/8/7	Corporate Operating and Sustainable Development Association	Compliance with Board Regulations, Legal Responsibilities of Directors and Independent Directors, and Case Studies	3
Independent Director	Huang Hui-Lin	2024/8/7	Corporate Operating and Sustainable Development Association	Compliance with Board Regulations, Legal Responsibilities of Directors and Independent Directors, and Case Studies	3
Independent Director	Ho Chih-Wen	2024/8/7	Corporate Operating and Sustainable Development Association	Compliance with Board Regulations, Legal Responsibilities of Directors and Independent Directors, and Case Studies	3
Chairman	Sung Chun-Yi	2024/11/27	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulations	3
Director	Kigiant Technology Inc. Rep.: Chiang Shao-Chieh	2024/11/27	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulations	3
Director	Tseng Kun-Tsan	2024/11/27	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulations	3
Director	Hsu Chia-Yuan	2024/11/27	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulations	3
Independent Director	Yen Meng-Feng	2024/11/27	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulations	3
Independent Director	Huang Hui-Lin	2024/11/27	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulations	3
Independent Director	Ho Chih-Wen	2024/11/27	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulations	3

(IV) Composition and Operations of the Compensation Committee

1. Information on Compensation Committee Members

April 30, 2025

Position	Criteria	Qualifications and Experience	Independence Status	No. of Other Public Companies' Compensation Committee Positions
	Name			
Independent Director (Convener)	Yen Meng-Feng	Refer to the annual report for information on directors' professional qualifications and independence	Refer to the previously disclosed information on directors' professional qualifications and independence	1
Independent Director	Huang Hui-Lin	Refer to the annual report for information on directors' professional qualifications and independence		-
Independent Director	Ho Chih-Wen	Refer to the annual report for information on directors' professional qualifications and independence		-

2. Compensation Committee Operations Overview

- (1) The Company's Compensation Committee consists of three members.
- (2) The current term for committee members is from December 27, 2023, to May 29, 2026. During the most recent fiscal year (2024) and up until the publication date of this report, the Compensation Committee convened five (A) times. Member qualifications and attendance are as follows:

Position	Name	Attendance (B)	Proxy Attendance	Attendance Rate (%) (B/A)	Remarks
Convener	Yen Meng-Feng	5	0	100	
Member	Huang Hui-Lin	5	0	100	
Member	Ho Chih-Wen	5	0	100	

Additional Disclosures:

- I. If the Board of Directors does not adopt or modifies the recommendations made by the Compensation Committee, the following information must be disclosed: date of the Board meeting, session, proposal content, resolution outcome, and the Company's response to the Compensation Committee's opinions. If the compensation approved by the Board is more favorable than the Committee's recommendation, the differences and reasons must be stated: None.
- II. If any committee member has dissenting or qualified opinions regarding Compensation Committee resolutions, and such opinions are documented or presented in writing, the date of the Compensation Committee meeting, session, proposal content, opinions of all members, and the handling of such opinions must be disclosed: None.

(3) Key Resolutions of the Compensation Committee During the Most Recent Fiscal Year and Up to the Publication Date of the Annual Report

Date	Term	Key Resolutions	Resolution Outcome of the Compensation Committee	Company's Handling of Compensation Committee Opinions
2024.3.27	1 st Meeting 1 st Term	1.Proposal regarding the allocation of employee compensation and directors' and supervisors' remuneration for the fiscal year 2023. 2.Proposal to establish new Regulations for Directors and Managers' Remuneration. 3.Proposal to review the applicable scope of managers subject to Compensation Committee review and their respective remuneration.	The Chairman consulted all attending committee members, and the proposal was unanimously approved without objection.	No
2024.6.5	2 nd Meeting 1 st Term	1.Proposal regarding the allocation of directors' and supervisors' remuneration for fiscal year 2023. 2.Proposal regarding the first distribution of employee compensation for managers for fiscal year 2023.	The Chairman consulted all attending committee members, and the proposal was unanimously approved without objection.	No
2024.8.7	3 rd Meeting 1 st Term	1.Proposal regarding the second distribution of employee compensation for managers for fiscal year 2023.	The Chairman consulted all attending committee members, and the proposal was unanimously approved without objection.	No
2024.12.25	4 th Meeting 1 st Term	1.Proposal for the appointment of the Corporate Governance Officer. 2.Proposal regarding the third distribution of employee compensation for managers for fiscal year 2023 and the allocation of year-end bonuses for fiscal year 2024.	The Chairman consulted all attending committee members, and the proposal was unanimously approved without objection.	No
2025.3.19	5 th Meeting 1 st Term	1.Proposal regarding the allocation of employee compensation and directors' remuneration for fiscal year 2024. 2.Proposal regarding the policy, system, standards, and structure for evaluating directors' performance and remuneration, including the Chairman's compensation for 2025. 3.Proposal regarding the policy, system, standards, and structure for evaluating managers' performance and remuneration, including managerial compensation for 2025.	The Chairman consulted all attending committee members, and the proposal was unanimously approved without objection.	No

(V)Fulfillment of sustainable development and its deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof:

Criteria	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Y	N	Summary	
I. Has the Company established the governance framework for promoting sustainable development and an exclusively (or part-time) dedicated unit for promoting it? Is the executive level authorized by the Board of Directors to handle relevant affairs? What is the status of the monitoring the implementation of the policy by the Board of Directors?	V		The Company has adopted the “Sustainable Development Best Practice Principles,” through which the Board of Directors periodically reviews corporate governance practices and actively promotes corporate social responsibility.	No significant deviation
II. Has the Company assessed the environmental, social, and corporate governance risks related to its operations based on the principle of materiality and established related risk management policies or strategies?	V		The Company has adopted the "Sustainable Development Best Practice Principles," striving to balance sustainable operations and profitability while emphasizing environmental protection, social responsibility, and corporate governance. These principles are integrated into the Company's management strategies and daily operations, with efforts to participate in social welfare initiatives and enhance the disclosure of corporate social responsibility information.	No significant deviation
III. Environmental Issues 1. Has the Company established a suitable environmental management system based on its industrial characteristics?	V		The Company’s industry characteristics do not involve environmental pollution concerns.	
2. Has the Company committed to improving the efficiency of utilizing various resources and using recycled materials with low impacts on the environment?	V		Besides installing recycling bins for resource sorting, the Company actively promotes the social responsibility of recycling resources. The Company has invested in environmentally sustainable equipment focused on energy efficiency and green energy, and has disclosed the investment amount, equipment details, and quantifiable data on energy savings and carbon reduction. 1. Equipment: 99.99 kWp (kilowatt-peak) solar photovoltaic system 2. Investment: NT\$3,660,000 3. Energy-saving performance: In 2024, the system generated 148,080 kWh of electricity. Based on a carbon emission factor of 0.474 kg CO _{2e} per kWh, this generation reduced carbon emissions by approximately 70 tons of CO ₂ .	No significant deviation

Criteria	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Y	N	Summary	
3. Has the Company assessed the present and future potential risks and opportunities of climate change for the entity, and taken measures to respond to related issues?	V		The Company is committed to supporting the government's environmental protection initiatives on energy conservation and carbon reduction while closely monitoring the impact of climate change on its operations.	
4. Has the Company calculated its GHG emissions, water consumption, and total waste weight in the past two years, and formulated policies for energy conservation, reductions of GHG and water consumption, or other waste management?		V	The Company actively aligns with the government's environmental protection initiatives, continuing to implement paperless operations to reduce annual paper usage.	No significant deviation
IV. Social Issues 1. Has the Company formulated management policies and procedures following relevant regulations and international human rights treaties?	V		The Company recognizes and voluntarily adheres to internationally accepted human rights standards, including the "Universal Declaration of Human Rights," "UN Global Compact," "UN Guiding Principles on Business and Human Rights," and "International Labour Organization." The Company complies with labor laws by establishing work regulations, employee handbooks, and other personnel policies to safeguard employees' legal rights and interests.	
2. Has the Company formulated and implemented reasonable employee benefits measures (including compensation, days-off, and other benefits, etc.), and appropriately link the operating performance or results to employee compensation?		V	The Company has implemented work rules and personnel policies that fully comply with the Labor Standards Act, covering key employment terms such as minimum wage, working hours, leave entitlements, pension contributions, labor and health insurance, and compensation for occupational injuries. An Employee Welfare Committee, elected by the employees, is responsible for administering a range of employee benefits. The Company's compensation policy is merit-based, taking into account individual capabilities, contributions to the Company, and overall performance, with a strong link to business results. According to amendments to the Articles of Incorporation approved by the Board of Directors, the Company shall allocate between 2% and 10% of its annual profits for employee compensation. Of this amount, at least 45% must be distributed to rank-and-file employees, ensuring that business performance is fairly reflected in employee rewards. The Company is committed to promoting workplace diversity and equality by ensuring equal pay and advancement opportunities for	No significant deviation

Criteria	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Y	N	Summary	
			both male and female employees. Women hold 25% of managerial positions. The Company also hires employees with disabilities in accordance with legal requirements and provides inclusive job assignments and accessible workplace facilities to support their needs.	
3. Has the Company provided a healthy and safe work environment and has it organized health and safety training for its employees on a regular basis?	V		The Company complies with relevant safety regulations by clearly marking areas or facilities where safety or occupational hazards may exist and by providing necessary protective equipment. All employees are required to complete general occupational safety training every three years to strengthen safety awareness and prevent workplace incidents. Regular health check-ups are also arranged for employees. In the current year, the Company reported zero cases of occupational injuries and zero fire incidents.	
4. Has the Company established effective career development and training plans for its employees?	V		Each department within the Company is tasked with developing and implementing career development and training plans tailored to employees' skills and expertise.	
5. Has the Company complied with relevant laws and regulations and international standards for its products and services respecting customer health and safety, customer privacy, marketing, and labeling, and formulated relevant consumer protection policies and grievance procedures?	V		As the Company specializes in customized products, all client-specific specifications and production requirements are strictly followed as outlined in the contracts and are treated with confidentiality. To safeguard client privacy, the Company has implemented a "Personal Data Protection Management Policy" that governs the secure handling and use of personal information. Additionally, all transaction details are protected in line with confidentiality agreements to prevent any unauthorized disclosure. For any customer concerns or complaints, the Company's official website features dedicated "Stakeholders" and "Contact Us" sections, offering direct service hotlines and a feedback box to ensure prompt and comprehensive response to all inquiries.	
6. Has the Company formulated a supplier management policy that requires suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights? How well are those policies implemented?	V		The Company has implemented both the "Supplier and Contract Manufacturer Management Procedures" and the "Supplier Corporate Social Responsibility Guidelines" to ensure that its suppliers meet standards related to environmental protection and workplace safety. These measures reinforce a shared commitment to social and environmental responsibility and encourage joint	The Company does not currently assess the environmental or social impact of its suppliers' past activities.

Criteria	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Y	N	Summary	
			efforts toward green technology development. The Company also conducts regular annual evaluations to assess and ensure supplier compliance.	
V.Has the Company, following internationally recognized principles or guidelines, prepared and published reports, such as its sustainability report, to disclose non-financial information of the Company? Has the Company received assurance or certification of the aforesaid reports from a third-party accreditation institution?		V	Looking ahead, the Company plans to compile a sustainability report in accordance with internationally accepted reporting standards and the timeline outlined in the "New Corporate Governance Blueprint."	The Company has not yet prepared a sustainability report but is gradually implementing measures in compliance with regulatory requirements.
VI. If the Company has established its own sustainability guidelines in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies," please describe any operational differences between the Company's practices and the established principles: The Company has adopted its "Sustainability Best Practice Principles" in line with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies." Any differences in implementation have been addressed as previously stated.				
VII. Additional information relevant to the Company's sustainability efforts:				
<p>1. Giving Back to Society NEMS is dedicated to social contribution and regularly organizes charitable initiatives to support low-income families. These programs, which include the distribution of essential supplies, are carried out with active employee participation, reflecting the Company's commitment to compassion and social responsibility. The Company will continue to invest in public welfare to foster a more caring and positive society.</p> <p>2. Community Engagement NEMS places strong emphasis on local community engagement, aiming to create a warm, supportive environment through meaningful actions. Ahead of major holidays, the Company delivers gift packages to local senior citizens, with employees personally delivering the items and engaging in conversations to foster connection and care. These efforts highlight the Company's dedication to being a responsible corporate citizen.</p> <p>3. Supporting Children Are Us with Compassion NEMS actively supports social causes by partnering with the Children Are Us Foundation, purchasing their products as corporate gifts to spread love and goodwill. This initiative not only conveys support but also helps create stable employment opportunities for individuals with developmental disabilities. The Company remains committed to advocating for vulnerable communities and building a more inclusive and compassionate society.</p> <p>For more details, please refer to the Corporate Social Responsibility section on the Company's official website: https://www.nemstek.com.tw.</p>				

(VI) Fulfillment of the ethical corporate management, deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and reasons thereof

Criteria	Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Y	N	Summary	
<p>I. Establishment of ethical corporate management policies and programs</p> <p>(I) Has the Company established the ethical corporate management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and practices and the commitment of the Board of Directors and senior management to rigorously and thoroughly implement such policies?</p> <p>(II) Has the Company established a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?</p> <p>(III) Has the Company specified in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implemented them and review the prevention programs on a regular basis?</p>	Y	N	<p>(I) The Company has developed the "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," and "Code of Ethical Conduct for Directors and Managers," all of which are disclosed on the Company's website. These guidelines outline the foundation for implementing ethical business practices and emphasize the Board of Directors and management's commitment to maintaining ethical operations.</p> <p>(II) To mitigate unethical behavior, the Company has strengthened preventive measures in its regulations and external communications, particularly focusing on high-risk business activities. Additionally, employee education and awareness programs are conducted to reinforce the Company's commitment to ethical practices, the principles behind them, and the consequences of non-compliance. The content of these programs aligns with the preventive measures stipulated in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," ensuring that employees clearly understand the standards they are expected to follow, thereby reducing potential instances of unethical conduct.</p> <p>(III) The Company has established the "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," "Code of Ethical Conduct for Directors and Managers," and "Code of Conduct for Employees" to provide a comprehensive framework for ethical business conduct. These guidelines clearly outline the standards employees must adhere to when performing their duties. Additionally, the Company has established a reporting mechanism and disciplinary procedures for handling suspected violations, ensuring that such incidents are properly managed and reviewed.</p>	No significant deviation

Criteria	Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Y	N	Summary	
<p>II. Fulfillment of ethical corporate management</p> <p>(I) Has the Company evaluated business partners' ethical records and include ethics-related clauses in the business contracts signed with the counterparties?</p> <p>(II) Has the Company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?</p> <p>(III) Has the Company established policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?</p> <p>(IV) Has the Company established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans, and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?</p> <p>(V) Has the Company regularly organized internal and external educational training on ethical management?</p>	V		<p>(I) When entering into contracts, the Company includes provisions requiring compliance with its ethical business management policy. Should any party engage in unethical conduct during business activities, the other party has the right to unconditionally terminate or rescind the contract at any time.</p> <p>(II) The General Manager's Office is responsible for developing the ethical business management policy. Upon discovering any unethical behavior, the handling process and subsequent review and improvement actions must be reported to the Board of Directors.</p> <p>(III) The "Code of Ethical Conduct for Directors and Managers" establishes appropriate channels for directors and managers to proactively disclose any potential conflicts of interest with the Company.</p> <p>(IV) The Company has implemented an "Accounting System" and an "Internal Control System" for adherence by management and employees. Additionally, procedures to prevent insider trading have been established to ensure compliance with ethical business policies. Internal auditors conduct periodic checks on regulatory compliance. Verified reports of violations prompt appropriate corrective actions or legal measures to maintain the system's effectiveness.</p> <p>(V) Company supervisors provide ongoing training and awareness programs for employees. New employees also receive orientation on internal policies and relevant laws.</p>	No significant deviation
<p>III. Status for enforcing whistleblowing systems in the Company</p> <p>(I) Has the Company established specified whistleblowing and incentive systems and convenient whistleblowing channels? Are appropriate personnel assigned to the accused</p>	V		<p>(I) The Company has established a "Whistleblowing Policy," providing clear and accessible channels for reporting, and designating appropriate departments to handle reported cases.</p>	No significant deviation

Criteria	Implementation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Y	N	Summary	
party? (II) Has the Company established the standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms? (III) Has the Company provided protection to whistleblowers against receiving improper treatment?			(II) Confidentiality measures and investigation procedures for whistleblowing are outlined in the "Ethical Business Management Procedures and Code of Conduct." Employees who suspect or identify violations of laws, regulations, ethical standards, or the code of conduct may report to designated personnel such as Independent Directors, managers, or internal audit supervisors. (III) All reports will be handled confidentially, and the Company is committed to fully protecting whistleblowers from retaliation or any unfair treatment.	
IV. Enhancing information disclosure Has the Company disclosed its Ethical Management Best Practice Principles and the results of its implementation on the Company's website and MOPS?	V		The Company has made disclosures on both the Market Observation Post System and its official website (https://www.nemstek.com.tw).	No significant deviation
V. Where the Company has established its own Ethical Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies," please describe any derivation from the Principles and its operations: No significant deviation.				
VI. Other important information to facilitate a better understanding of the Company's ethical corporate management operations: No.				

(VII) Additional information to report that would further clarify the company's corporate governance practices: No

(VIII) Disclosure regarding the status of internal control system implementation includes:

1. Internal Control Statement: Refer to Appendix 1.
2. If an accountant has been entrusted to conduct a special review of the internal control system, the accountant's review report should be disclosed: None.

(IX) Key resolutions from the shareholders' and board meetings during the most recent fiscal year and up to the printing date of this annual report:

1. Significant resolutions passed at the shareholders' meeting for fiscal year 2024

Date	Key Resolutions
2024.6.28	1. Approval of the business report and financial statements for fiscal year 2023 2. Proposal on the distribution of earnings for fiscal year 2023. 3. Amendments to the Company's Articles of Incorporation. 4. Amendments to the Procedures for Acquisition or Disposal of Assets. 5. Proposal to conduct a cash capital increase through the issuance of new shares as the source for the initial public offering prior to listing (OTC), with existing shareholders fully waiving their subscription rights. 6. Proposal to establish the Company's Rules of Procedure for Board of Directors Meetings

2. For important Board of Directors resolutions, please refer to the Board operations section in the 2024 Annual Report.

(X) For the most recent fiscal year and up to the printing date of the annual report, if any directors or supervisors have expressed dissenting opinions on important resolutions passed by the Board of Directors with records or written statements, their main contents: None.

IV. Accountant Fee Information

Unit: NT\$ Thousand

Accounting Firm	CPA	Audit Period	Audit Fees	Non-Audit Fees					Remarks
				System Design	Business Registration	Human Resources	Others	Subtotal	
Crowe (TW) CPAs	Hsieh Jen-Yao	FY 2024	1,600	None	84	None	460	544	-
	Li Kuo-Ming								

Note: Non-audit fees cover tax certification services, verification of documents related to capital increase through retained earnings, and internal control audits for public offerings.

(I) If there is a change in the auditing firm and the audit fees in the year of change decrease compared to the previous year, both the audit fees before and after the change and the reasons must be disclosed: None.

(II) If audit fees decrease by more than 10% from the prior year, the amount, percentage, and reasons for the reduction must be disclosed: None.

V. Auditor Change Information: None.

VI. Disclosure of any Company Chairman, General Manager, or financial/accounting managers who have worked at the auditing firm or its affiliates within the last year, including their names, positions, and employment periods with the auditing firm or its affiliates: None.

VII. Share Transfer and Pledge Changes of Directors, Managers, and Shareholders Holding Over 10% During the Latest Fiscal Year and Up to the Annual Report Printing Date

(I) Changes in Shareholding and Pledges by Directors, Managers, and Shareholders Holding More Than 10%

Unit: Shares

Position	Name	2024		Up to the printing date of the annual report in 2025	
		Change in Shares Held	Change in Pledged Shares	Change in Shares Held	Change in Pledged Shares
Chairman and Major Shareholder	Sung Chun-Yi (Note1)	(146,000)	–	–	–
Director and Major Shareholder	Kigiant Technology Inc.	(255,000)	–	–	–
	Rep.: Chiang Shao-Chieh	–	–	–	–
Director	Tseng Kun-Tsan	(123,000)	–	–	–
Director and General Manager	Hsu Chia-Yuan	(73,000)	–	–	–
Independent Director	Yen Meng-Feng	–	–	–	–
Independent Director	Huang Hui-Lin	–	–	–	–
Independent Director	Ho Chih-Wen	–	–	–	–
Production Department Manager	Foo Yong-Hau	–	–	–	–
Marketing Department Manager	Chiu Kuan-Lu	(75,000)	–	(5,000)	–
Finance Department Manager	Tsai Yu-Jen	1,200	–	1,900	–

Note 1: The individual has been a major shareholder of the Company since September 22, 2023.

(II) Related party information regarding share transfers: None.

(III) Related party information regarding share pledges: None.

VIII. Information on the Top Ten Shareholders by Ownership Percentage, Including Shares Held by Spouses and Relatives within Two Degrees of Kinship

April 30, 2025; Unit: Shares; %

Name	Shares Held Personally		Shares Held by Spouse and Minor Children		Shares Held in Nominee Names		Names and Relationships of Related Top Ten Shareholders or Those Who Are Spouses/Relatives Within Two Degrees		Remark
	No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio	Name	Relationship	
Kigiant Technology Inc.	4,362,756	15.12	-	-	-	-	-	-	-
Rep.: Chiang Shao-Chieh			-	-	-	-	-	-	-
Sung Chun-Yi	3,215,973	11.14	307,308	1.06	-	-	Fang Shu-Ching	1 st Degree of Kinship	-
							Sung Hung-Yi	1 st Degree of Kinship	
Sigurd UTC Corporation	2,518,090	8.73	-	-	-	-	-	-	-
Rep.: Huang Shin-Yang			-	-	-	-	-	-	-
Tseng Kun-Tsan	2,099,235	7.27	-	-	-	-	-	-	-
Tsai Ping-Ju	1,422,424	4.93	-	-	-	-	-	-	-
Hsu Chia-Yuan	1,246,650	4.32	23,000	0.08	-	-	-	-	-
Chiu Kuan-Lu	1,100,488	3.81	-	-	-	-	-	-	-
Sung Cheng-Hao	1,063,590	3.69	-	-	-	-	Sung Chun-Yi	1 st Degree of Kinship	-
							Sung Hung-Yi	2 nd Degree of Kinship	
Sung Hung-Yi	1,030,280	3.57	-	-	-	-	Sung Chun-Yi	1 st Degree of Kinship	-
							Sung Cheng-Hao	2 nd Degree of Kinship	
Fang Shu-Ching	988,081	3.42	250,000	0.87	-	-	-	-	-

Note: The suspension period for share transfers for the shareholders' meeting is from April 20, 2025 to June 18, 2025. April 16, 2025 is the last trading day in the market.

IX. The Total Number of Shares Held by the Company, Its Directors, Supervisors, Managers, and Enterprises Directly or Indirectly Controlled by the Company in Any Single Invested Company, along with the Aggregated Shareholding Ratio:

Not applicable.

Three. Fundraising Overview

I. Capital and Shares

(I) Source of Capital

1. Capital Formation Process

April 30, 2025; Unit: NT\$ thousand; Thousands Shares

Year / Month	Issued Price (NT\$)	Authorized Capital		Paid-In Capital		Remarks		
		No. of Shares	Amount	No. of Shares	Amount	Sources of Share Capital	Capital Increase by Assets Other Than Cash	Others
2019.5	10	28,000	280,000	19,204	192,048	Capital increases from retained earnings: NT\$64,016 thousand	None	Note 1
2019.8	14	28,000	280,000	22,831	228,311	Capital increases from cash injections: NT\$36,263 thousand	None	Note 2
2022.10	10	28,000	280,000	26,256	262,558	Capital increases from retained earnings: NT\$34,247 thousand	None	Note 3
2023.11	19	60,000	600,000	28,860	288,598	Capital increases from employee stock option conversions: NT\$26,040 thousand	None	Note 4

Note 1: Approved under document Fu-jing-gong-shang-zi No. 10800342820 on May 21, 2019.

Note 2: Approved under document Fu-jing-gong-shang-zi No. 10800421770 on August 28, 2019.

Note 3: Approved under document Fu-jing-gong-shang-zi No. 11100203850 on October 5, 2022.

Note 4: Approved under document Fu-jing-gong-shang-zi No. 11200316000 on November 8, 2023.

2. Types of Shares

April 30, 2025; Unit: Shares

Share Type	Authorized Capital Stock			Remarks
	Outstanding Shares	Unissued Shares	Total	
Registered Common Stock	28,859,776	31,140,224	60,000,000	Non-listed (OTC) shares

3. Disclosure of approved amounts, planned issuance, and issued securities for capital raised through a general registration system: Not applicable.

(II) List of Principal Shareholders

April 30, 2025; Unit: Shares

Shares	Number of Shares Held	Shareholding Percentage
Name of Principal Shareholders		
Kigiant Technology Inc.	4,362,756	15.12%
Sung Chun-Yi	3,215,973	11.14%
Sigurd UTC Corporation	2,518,090	8.73%
Tseng Kun-Tsan	2,099,235	7.27%
Tsai Ping-Ju	1,422,424	4.93%
Hsu Chia-Yuan	1,246,650	4.32%
Chiu Kuan-Lu	1,100,488	3.81%
Sung Cheng-Hao	1,063,590	3.69%
Sung Hung-Yi	1,030,280	3.57%
Fang Shu-Ching	988,081	3.42%

(III) Dividend Policy and Implementation Status

1. Dividend Policy as Defined in the Articles of Incorporation

Following the close of each fiscal year, the Company shall allocate its earnings in the following order: after covering all taxes and compensating for prior years' losses, 10% of the remaining earnings shall be appropriated as a legal reserve. Once the legal reserve reaches the amount of paid-in capital, further appropriations may be waived. Subsequently, the remaining earnings shall be appropriated or reversed as a special reserve in accordance with applicable laws and regulations. If a balance remains after the above allocations, it may be combined with accumulated undistributed earnings, and the Board of Directors shall draft a distribution proposal. Should the earnings distribution be executed through the issuance of new shares, the proposal shall be submitted to the shareholders' meeting for approval.

In cases where the distribution of dividends, bonuses, or any portion of the legal reserve or capital reserve is to be carried out in cash, the Board of Directors may proceed upon obtaining approval from two-thirds of the directors present at a meeting attended by more than half of all directors. Such resolutions must be reported to the shareholders' meeting.

The Company's dividend policy is devised based on the consideration of current and prospective development plans, the investment environment, capital requirements, and market competition, while also balancing the interests of shareholders. A minimum of 10% of the distributable earnings for the current year shall be allocated as shareholder dividends. However, if the accumulated distributable earnings are less than 5% of the paid-in capital, no dividend distribution shall be made. Dividends may be distributed in cash or stock, with the cash dividend comprising no less than 10% of the total distribution. In the event of substantial investment or development initiatives, dividends may be fully distributed in the form of stock.

2. Implementation Status

The 2024 earnings distribution proposal was approved by the Board of Directors on March 19, 2025. The proposed distribution includes a stock dividend of NT\$57,719,550, achieved through the issuance of 5,771,955 new common shares, and a cash dividend of NT\$28,859,776. This proposal will be presented for approval at the Annual General Meeting scheduled for June 18, 2025.

(IV) Impact of the Proposed Stock Dividend Distribution on Business Performance and Earnings Per Share

Since the Company has not released a comprehensive financial forecast for fiscal year 2024, the potential impact of the proposed stock dividend distribution on business performance and earnings per share is not applicable.

(V) Compensation for Employees and Directors

1. Ratios or Ranges of Compensation for Employees and Directors as Stipulated in the Articles of Incorporation

If the Company reports a profit for the fiscal year, the allocation of compensation for directors and employees shall adhere to the following ratios: (1) Directors' Compensation: Not exceeding 6%. Independent Directors are excluded from receiving compensation. (2) Employees' Compensation: Between 2% and 10%. In the event of accumulated losses, such losses must be covered before distributing any compensation. The distribution of compensation to directors and employees shall be determined by the Board of Directors and reported at the shareholders' meeting.

Employee compensation in the first item may be distributed in the form of cash or stock as resolved by the Board of Directors. Eligible recipients may include employees of subsidiaries or affiliated companies who meet the prescribed criteria.

2. Basis for Estimating Employee and Director Compensation, Calculation Basis for Stock-Based Employee Compensation, and Accounting Treatment in Case of Discrepancies

The Company estimates employee and director compensation based on the allocation ratios specified in the Articles of Incorporation, recognizing the amounts as salary expenses. If the actual distribution amount differs from the estimated amount, the variance shall be accounted for as a change in accounting estimate and adjusted in the financial statements of the distribution year.

3. Board Resolution on Compensation Distribution

- (1) Employee and Director Compensation Distributed in Cash or Stock; Disclosure of Any Variance Between the Actual Distribution Amount and the Estimated Expense, Including Reasons and Treatment

On March 19, 2025, the Board of Directors approved the distribution of employee compensation totaling NT\$9,781 thousand and director compensation of NT\$1,772 thousand for fiscal year 2024, both in cash. The actual distribution amounts were consistent with the previously estimated amounts, with no variances.

- (2) Ratio of Employee Compensation Distributed in Stock to the Total of Net Income After Tax and Total Employee Compensation as Stated in the Individual or Separate Financial Statements for the Current Period: Not applicable.

- (3) Actual Distribution of Employee, Director, and Supervisor Compensation for the Previous Fiscal Year (Including Number of Shares, Amounts, and Share Prices); Disclosure of Variances Between Actual Distribution and Estimated Amounts, Including Reasons and Treatment

The distribution of employee compensation amounting to NT\$12,606 thousand and director and supervisor compensation of NT\$3,486 thousand for fiscal year 2023 was approved by the Board of Directors on March 27, 2024, and reported at the shareholders' meeting on June 28, 2024. The compensation was fully disbursed by December 31, 2024. There were no discrepancies between the actual distribution amounts and the previously estimated amounts.

(VI) Share Buyback: None.

II. Corporate Bond Issuance: None.

III. Preferred Stock Issuance: None.

IV. Overseas Depositary Receipts Issuance: None.

V. Employee Stock Options

- (I) Status of Unexpired Employee Stock Options as of the Date of Annual Report Publication and Their Impact on Shareholders' Equity: None.

(II) Cumulative Employee Stock Options Acquired by Managers and the Top Ten Employees in Terms of Stock Options as of the Annual Report Publication Date — Including Names, Acquisition Details, and Subscription Status

Unit: Thousand shares; NT\$ thousand; %

	Position	Name	Shares Acquired	Percentage of Total Issued Shares	Executed				Unexecuted			
					Shares Subscribed	Subscription Price (NT\$)	Subscription Amount	Percentage of Total Issued Shares	Shares Subscribed	Subscription Price (NT\$)	Subscription Amount	Percentage of Total Issued Shares
Manager	CEO	Sung Chun-Yi	1,030	3.57	1,030	19	19,570	3.57	—	—	—	—
	General Manager	Hsu Chia-Yuan										
	Production Department Manager	Foo Yong-Hau										
	Marketing Department Manager	Chiu Kuan-Lu										
	Finance Department Manager	Tsai Yu-Jen										
Employee	Senior Manager	Liang Kuo-Chao	920	3.19	920	19	17,480	3.19	—	—	—	—
	Senior Manager	Lu Chao-Yuan										
	Manager	Chang Shih-Kun										
	Manager	Juan Ching-Lun										
	Manager	Liu Yi-Ju										
	Manager	Chen Wei-Hsiang										
	Manager	Tsai Tsung-Yi										
	Manager	Ma Yen-Hui										
	Manager	Tseng Ya-Hsiu										
Engineer	Wu Chi-Yu											

(III) Private Placement of Employee Stock Options Status in the Last Three Years and Up to the Annual Report Publication Date: None.

VI. Issuance of New Shares with Restricted Rights for Employees: None.

VII. Issuance of New Shares for Mergers or Acquisitions of Other Companies' Shares: None.

VIII. Implementation Status of Fund Utilization Plans: None.

Four. Operating Overview

I. Business Overview

(I) Scope of Business

1. Primary Business Activities

The Company specializes in providing comprehensive plasma solutions and equipment for cleaning, etching, and surface modification processes across multiple industries. These include the semiconductor, IC substrates, PCB, flat panel display, LED optoelectronics, solar energy sectors, and general industrial applications. The company engages in the research, development, manufacturing, and sales of plasma equipment and related systems.

2. Revenue Composition by Business Category

Unit: NT\$ thousand; %

Product Category \ Year	2023		2024	
	Amount	%	Amount	%
Equipment Sales	702,258	92.16	493,569	90.13
Maintenance Services	59,781	7.84	54,061	9.87
Total	762,039	100.00	547,630	100.00

3. Current Product and Service Portfolio

Industry	Products
PCB	Plasma Cleaning Machines, Plasma Etching Machines, Plasma De-Residue Machines, Plasma Drilling Machines
Semiconductor	Plasma Cleaning Machines, Plasma Etching Machines, Plasma Polarization Machines, Plasma Photoresist Removal Machines
Optoelectronics	Plasma Cleaning Machines, Plasma Etching Machines, Plasma Polarization Machines, Plasma Surface Treatment Machines
Others	Plasma Cleaning Machines, Plasma Biochemical Treatment Machines, Plasma Exhaust Treatment Systems, PFC Plasma Decomposition Systems, Plasma Wastewater Treatment Systems, Plasma High-Temperature Waste Reduction Systems

4. Planned Products/Services Under Development

Industry	Products
PCB	Plasma Solutions for Anisotropic Etching in Micro-Line Circuits
Semiconductor	Plasma Wafer Reclamation Systems, Plasma Wafer Thinning Systems, Plasma Wafer Cutting Systems
Optoelectronics	Plasma Cleaning and Etching Systems for PLP Processes
Others	Plasma Solutions for Energy Efficiency, Carbon Reduction, and New Energy Applications

(II) Industry Overview

1. Industry Status and Development

Plasma technology has consistently been a key element in the production of microelectronic devices. Over time, its applications have expanded across multiple industries, becoming indispensable in various fields. Our company utilizes plasma technology to research, develop, and manufacture a comprehensive range of equipment, including dry plasma cleaning systems, plasma etching systems, and plasma surface modification equipment.

Plasma cleaning and etching are well-established, cost-effective, and environmentally friendly surface treatment methods. Unlike conventional wet cleaning, plasma ion cleaning leverages high temperatures or intense electromagnetic fields to dissociate surface materials, releasing ions and free radicals that break the molecular bonds of organic or inorganic contaminants. During this process, reactive gases introduced into the chamber are ionized to produce positive and negative ions and free radicals. These particles interact with surface contaminants, converting them into gaseous compounds such as CO₂ and H₂O, which are then evacuated by the vacuum system. A major advantage of plasma cleaning is its lack of environmental pollutants. After plasma treatment, surfaces revert to a contamination-free state, allowing for bonding or subsequent processing without generating hazardous waste. Plasma etching is a critical process in semiconductor manufacturing, using reactive gases to etch surface materials and remove contaminants. The etched materials are converted to gas and extracted through the vacuum system, effectively increasing surface area and enhancing surface properties. Dry plasma etching technology has been extensively adopted in optoelectronics and semiconductor industries, achieving a high degree of maturity. However, with ongoing advancements in technology, the specifications for etching processes are becoming increasingly precise. For example, semiconductor wafer processing has evolved from micron-scale accuracy to nanoscale precision. To meet the growing demand for high precision and performance, etching processes not only require further refinement in silicon wafer processing but also present opportunities for new applications in emerging industries. Additionally, plasma surface modification technology enables the introduction of specific functional groups onto surfaces to facilitate adhesion or bonding. Plasma treatment induces the formation of free radicals within the molecular structure, enhancing surface compatibility with other materials.

The company's key product application areas encompass advanced semiconductor packaging, ABF substrates, PCBs, and sectors related to new energy and environmental applications. Below is an analysis of the current landscape and development trends in these industries:

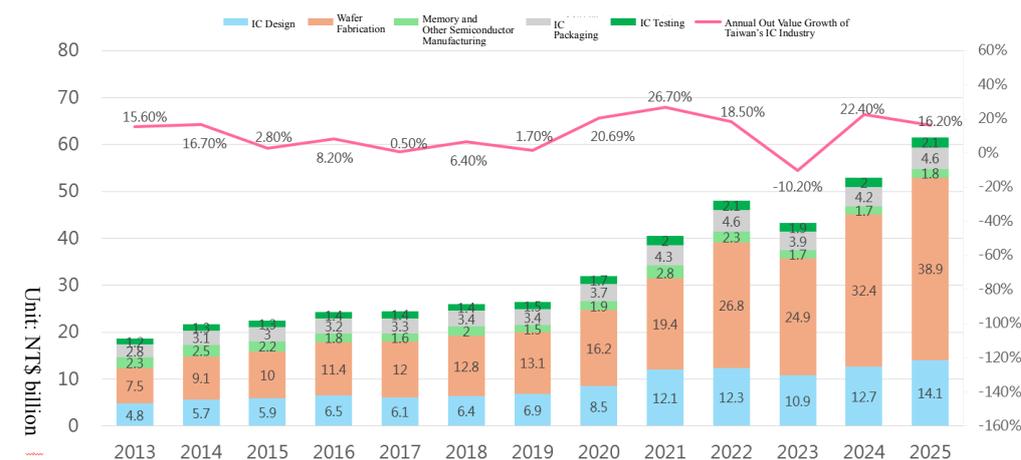
(1) Advanced Semiconductor Packaging Industry

Fueled by the rising demand for high-performance computing (HPC) and artificial intelligence, the advanced semiconductor packaging market is undergoing substantial expansion. In 2025, Taiwan's wafer foundry sector is expected to generate NT\$3.9 trillion in output value, with all IC industry segments anticipated to exhibit positive growth. IC manufacturing continues to be the cornerstone of Taiwan's IC industry, with wafer foundry operations leading the charge with a projected 20.1% annual growth rate (see Figure 1). Advanced packaging has become the next major growth driver for the semiconductor sector, spurred by the increasing demand for 2.5D/3D heterogeneous integration packaging, particularly for HPC and generative AI chips. Mid-to-high-end applications, such as high-bandwidth memory (HBM) stacking and Chiplet architectures, rely heavily on advanced packaging technologies like through-silicon vias (TSV) and microbumps, further accelerating investment in this sector.

Key players in the advanced packaging market include wafer foundries, IDMs, and OSAT providers. Industry giants such as TSMC, Intel, and Samsung have committed substantial resources to advanced packaging technology development—examples include TSMC’s CoWoS and Intel’s Foveros—as they ramp up capacity to handle surging demand from HPC and AI markets. On the OSAT front, global packaging and testing capacity is concentrated among a select few dominant players. ASE Technology Holding Co., Ltd. (ASE) is the largest OSAT provider globally, followed by Amkor and Siliconware Precision Industries Co., Ltd. (SPIL), with the top three companies collectively commanding approximately 40% of the market share (source: semi.org). These major OSAT firms are leveraging advanced packaging technologies such as wafer-level packaging (WLP) and flip-chip to sustain revenue growth rates that continue to outstrip the industry average. As competition intensifies, major players are positioning advanced packaging as a critical area of investment, aggressively expanding capacity to maintain a technological and production lead.

The Company is dedicated to developing plasma dry processing equipment tailored to advanced packaging applications, providing comprehensive surface treatment and etching solutions for both wafer-level and package-level processes. For example, in the Hybrid Bonding process for chip heterogenous integration, the Company has introduced plasma copper oxide removal systems capable of efficiently eliminating oxide layers at Cu-Cu bonding interfaces, thus enhancing bonding yield and reliability. For Fan-Out packaging processes, the Company’s vacuum plasma technology is employed in key steps such as the removal of photoresist residues from redistribution layers (RDL) and surface modification prior to chip bonding, ensuring precise and uniform processing of large-sized substrates. Utilizing core technologies such as high-density plasma source design, the Company offers comprehensive and consistent treatment capabilities for advanced packaging substrates. This niche, customized technology enables rapid response to the specific demands of emerging processes such as FOWLP and FOPLP, delivering essential equipment solutions that enhance yield and performance for clients. By capitalizing on these technological strengths, the Company positions itself as a strategic partner within the advanced packaging value chain, serving as a key collaborator for wafer fabs and OSAT providers and unlocking the growth potential of the advanced packaging sector.

Figure 1. Taiwan IC Industry Output



Source: TSIA

(2) ABF Substrate Industry

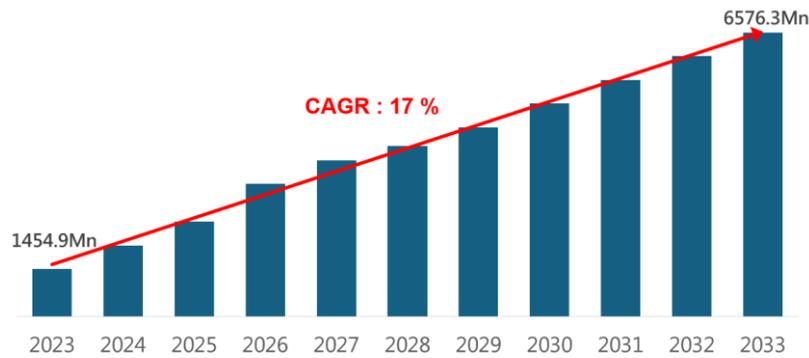
ABF substrates (Ajinomoto Build-up Film substrates) serve as critical bases for high-end IC packaging. Driven by soaring demand for advanced chips like CPUs, GPUs, and AI accelerators, the market currently faces supply shortages. In 2023, the global ABF

substrate market was valued at around USD 1.45 billion and is forecasted to reach approximately USD 6.58 billion by 2033, representing a compound annual growth rate (CAGR) of 17% (see Figure 2). This strong growth primarily stems from surging demand for ABF substrates used in advanced packaging technologies such as Flip-Chip BGA, spanning industries like 5G communications, high-performance computing (HPC), graphics processors, servers, and automotive electronics. The intense market demand in recent years has strained supply capacity: between 2021 and 2025, ABF substrate demand is expected to grow by roughly 16% annually. To ease this supply gap, Japanese supplier Ajinomoto plans to expand its ABF film production capacity by about 14% per year over the next four years (source: Ajinomoto Japan). Geographically, ABF substrate production is highly concentrated in Asia, with Taiwan as the largest global production hub, accounting for roughly 32.8% of total production value, followed closely by Japan at 27.6% and South Korea at 27.0%. Together, these three regions make up nearly 90% of the market (source: digitimes.com). This concentration illustrates the dominance of a few Asian manufacturers and underscores ABF substrates as an essential component within the advanced packaging supply chain.

Currently, the world's top five IC substrate manufacturers together control more than half of the market. These include Taiwan's Unimicron, holding about 16.0% market share; South Korea's Samsung Electro-Mechanics (SEMCO) at 9.9%; Japan's IBIDEN at 9.3%; Austria's AT&S at 9.1%; and Taiwan's Nan Ya PCB at 8.7% (source: digitimes.com). These industry leaders are aggressively expanding their production capacities to meet the rapidly increasing demand for FC-BGA substrates. For instance, Unimicron and Kinsus Interconnect Technology have invested billions of New Taiwan Dollars over recent years to ramp up advanced substrate manufacturing lines, aiming to seize business opportunities in the HPC and AI markets. Other key competitors include U.S.-based TTM Technologies, Siliconware Precision Industries (ASE Group), and Japan's Kyocera. These firms have penetrated the substrate market through mergers, acquisitions, and strategic partnerships, focusing on high-growth areas like 5G and high-performance computing to sustain their competitive edge. In summary, while emerging Chinese players are attempting to enter the advanced substrate sector, the production of high-end substrates globally remains primarily concentrated in Taiwan, Japan, and South Korea, maintaining a relatively stable supply structure.

The company has developed an all-dry plasma treatment technology for ABF substrate manufacturing, offering a vital alternative to conventional wet processes. ABF substrates consist of epoxy resin and SiO₂ fillers, whose material properties make etching particularly challenging. Our plasma equipment performs direct dry etching on the ABF dielectric layer without using liquid chemicals, achieving fast etch rates and high selectivity, while allowing precise control over surface roughness. This technology is applicable to patterning and drilling of inner circuit layers, ensuring strong interface adhesion between multilayer dielectric materials and copper conductors. Additionally, the fully dry process minimizes the environmental impact and yield issues associated with traditional wet chemical processes, improving overall process stability. We also possess advanced technology for vertical etching of microvias without enlarging the via diameter on ABF substrates, enabling the formation of vertical sidewalls and preventing hole expansion that restricts wiring density. These innovations make our equipment an essential solution for high-end substrate manufacturers seeking to increase I/O density and yield. Given the current tight supply and demand in the ABF substrate market, our technology enhances the performance and throughput of individual substrates, offering significant benefits to the entire supply chain and reinforcing our strategic role in the advanced IC substrate sector.

Figure 2. Global ABF Substrate Market Growth Trend



Source: Spherical Insights, October 2024

(3) PCB Industry

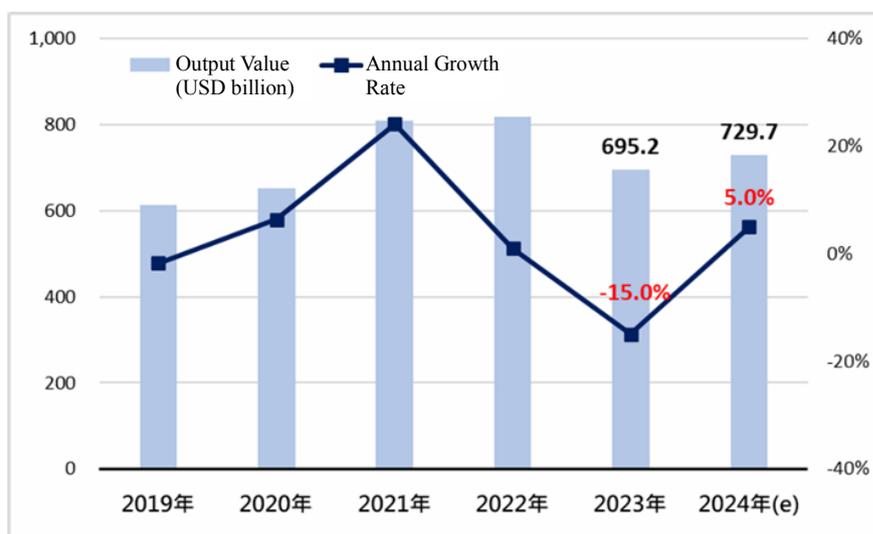
The PCB industry serves as the foundation of electronic hardware. While it is a mature market, it continues to grow driven by 5G devices, electric vehicles, and IoT applications. In 2023, the global PCB market size reached about USD 69.52 billion. However, due to weak consumer electronics demand, inflation, and inventory adjustments, the industry experienced a significant decline with a -15% growth rate—the largest drop in recent years. Forecasts indicate a recovery in 2024, with market value rebounding to approximately USD 72.97 billion and growth turning positive at 5%, signaling a gradual stabilization. With a market size of roughly USD 62.0 billion in 2019 and an estimated USD 72.97 billion in 2024, the five-year compound annual growth rate (CAGR) stands around 3.3%. Overall, the PCB market faces short-term volatility but maintains solid long-term growth prospects (see Figure 3). The market's steady growth reflects consistent demand for traditional consumer electronic PCBs, complemented by new growth drivers such as automotive electronics and high-performance computing modules. Regionally, Asia remains the dominant hub for PCB manufacturing and consumption. The Asia-Pacific region—encompassing Mainland China, Taiwan, South Korea, and Japan—accounts for the world's largest and fastest-growing PCB market. Taiwanese firms hold the top position in global PCB output value, with Mainland China trailing closely due to its extensive manufacturing infrastructure. South Korea's PCB industry has surged recently, surpassing Japan to become the world's third-largest producer by output value. The PCB market is highly fragmented with numerous players, resulting in relatively low market concentration. Leading manufacturers hold only single-digit market shares individually. In 2021, top global PCB revenue leaders included Taiwan's Zhen Ding Technology and Unimicron, Japan's Nippon Mektron, and the U.S.-based TTM Technologies. These companies offer a broad range of products from rigid PCBs to flexible and HDI boards, contributing to a diverse and fiercely competitive market landscape.

Due to the wide range of PCB applications, from consumer electronics to automotive and industrial control, various types of PCB manufacturers coexist and compete. Taiwan is home to several globally leading PCB manufacturers such as Zhen Ding Technology, Unimicron, Compeq Manufacturing, and Tripod Technology, which hold advantages in high-end HDI boards and IC substrates. Meanwhile, Japanese manufacturers have long been established in the flexible PCB and automotive PCB sectors, with flagship companies like Nippon Mektron consistently ranking among the top in global revenue. In recent years, a number of large Chinese PCB manufacturers including Shennan Circuits, Shenzhen Kinwong Electronic, and Wus Printed Circuit have risen rapidly, fueled by the robust growth of the local electronics industry. The U.S. and Europe

primarily focus on serving niche markets that demand high reliability such as military and aerospace PCBs, with companies like TTM Technologies and Jabil in the U.S., and Germany’s Würth Elektronik specializing in industrial and automotive boards. Since manufacturers in each region have their own strengths, the global PCB market exhibits a highly competitive and diversified landscape. Large corporations are expanding capacity and pursuing mergers and acquisitions to increase market share, while small and medium enterprises focus on niche markets for survival. Overall, the industry continues to develop toward higher layer counts, higher density, and greater flexibility.

In PCB manufacturing, our plasma surface treatment and micro-etching equipment play a vital role in enhancing the capabilities of high-density circuit board production. Traditional drilling and chemical processes increasingly struggle to meet the demands for sub-millimeter microvias and fine line widths. Our vacuum plasma system performs hole wall desmearing and surface roughening to ensure the reliability of plated through holes and adhesion between laminated layers. In particular, for advanced HDI boards and multilayer stacking, our technology achieves vertical, non-expanding microvia etching, maintaining straight via walls without enlarging the holes, which improves via density and precision. The plasma treatment also offers excellent uniformity, delivering consistent results across large boards and minimizing size variations between the board edges and center. This is essential for manufacturing large PCBs and panel-level packaging substrates. Additionally, our dry plasma process reduces pollution and waste treatment challenges associated with conventional chemical methods, supporting the electronics industry’s move toward environmental sustainability. Backed by deep plasma technology expertise, our company supplies equipment to leading PCB and electronics manufacturers. Looking forward, as the demand for high-density, high-reliability PCBs grows with 5G devices, wearable technology, and advanced automotive driver assistance systems, our plasma technology will become increasingly significant. Its unique technical advantages establish a niche for our company within the traditional PCB market and drive long-term operational growth, highlighting the strategic importance and application potential of our technology in the PCB industry.

Figure 3. Global PCB Industry Output and Growth Rate Trends



Source: Prismark, Taiwan Institute of Economic Research Industry and Economic Database, August 2024

(4) New Energy and Environmental Protection Industry

A. Methane Pyrolysis for Hydrogen Production

In 2020, the U.S. hydrogen market was valued at approximately \$16.7 billion and is projected to exceed \$30 billion by 2030, with a compound annual growth rate (CAGR) of 8.7% (see Figure 4). This growth is largely fueled by hydrogen’s

increasing strategic role in the global energy transition, particularly driven by clean energy policies that are expanding its use in transportation, heavy industry, and energy storage. Technologically, methane pyrolysis is seen as a promising low-carbon method because it directly converts methane into hydrogen and solid carbon without producing carbon dioxide. Our company holds a competitive edge in this area through its high-temperature plasma pyrolysis equipment, which effectively breaks down methane at high temperatures without catalysts, generating high-purity hydrogen while simultaneously recovering solid carbon. This technology aligns well with the global push toward green energy and carbon neutrality.

Figure 4. U.S. Hydrogen Market Size and Growth Trends

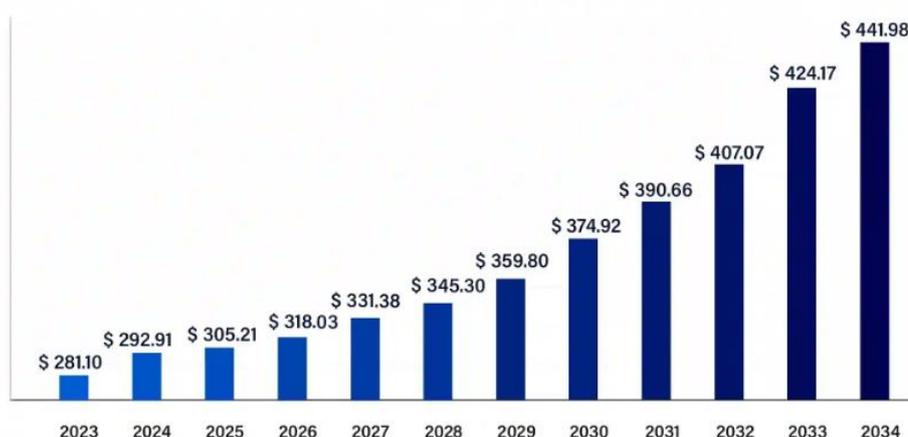


Source: Grand View Research

B. Solid Waste Management

In 2024, the global solid waste management market was valued at approximately \$292.91 billion and is expected to reach about \$441.98 billion by 2034, growing at a compound annual growth rate (CAGR) of 4.2% (see Figure 5). This steady growth reflects the rising global focus on sustainable development and resource recycling. Accelerated urbanization and industrialization, population growth, and stricter environmental regulations have significantly increased demand for effective waste treatment solutions such as waste segregation, resource recovery, and energy conversion. Especially in Asia, Europe, and North America, smart waste management technologies, waste-to-energy systems, and the circular economy are expanding rapidly, driving overall market growth. Our company's plasma treatment technology offers strong application potential in this sector. By using high-temperature plasma to convert hazardous waste into harmless substances while recovering usable energy, our technology enhances both the efficiency and environmental benefits of waste management.

Figure 5. Global Solid Waste Management Market Size and Growth



Source: Precedence Research, August 2024

C. Semiconductor Exhaust Gas Treatment

The global semiconductor equipment market is experiencing steady growth, with its size projected to reach \$133.07 billion in 2025 and expand to \$162.45 billion by 2030, at a compound annual growth rate (CAGR) of 4.07% (see Figure 6). This growth reflects ongoing investments worldwide despite industry fluctuations, driven by advancements in advanced manufacturing processes, high-performance computing (HPC), artificial intelligence (AI), automotive electronics, and 5G technology. Exhaust gas treatment technology within semiconductor equipment is receiving increasing focus. As process nodes shrink and equipment density increases, effective handling of harmful gases generated during manufacturing is essential for maintaining production stability, meeting environmental regulations, and ensuring workplace safety. Our company’s plasma treatment equipment offers strong application potential by efficiently breaking down harmful gases into harmless substances, thereby improving the environmental sustainability of semiconductor manufacturing and supporting global green manufacturing initiatives.

Figure 6. Global Semiconductor Equipment Market Size Forecast



Source: Mordor Intelligence, March 2025

2. Industry Value Chain: Upstream, Midstream, and Downstream Integration

Section	Definition	Description
Upstream	Suppliers of components, materials, and modules	<p>The upstream segment consists of suppliers providing essential parts and materials for plasma equipment manufacturing. These suppliers form the foundation of the Company's R&D and production capabilities.</p> <ul style="list-style-type: none"> ● Mechanical parts: vacuum chambers, structural frames, machined components ● Electrical control systems: power modules, voltage regulators, electronic and control units ● Vacuum systems: vacuum pumps, valves, pressure sensors, and controllers ● Materials: RF electrodes, high-temperature ceramics for plasma chambers, quartz glass, specialty alloys, and surface coating materials
Midstream	Plasma Equipment Design, Integration, and Manufacturing	<p>The Company occupies the midstream segment of the value chain, where it integrates raw materials and components into high-end equipment for advanced electronics production. This includes:</p> <ul style="list-style-type: none"> ● Product development and engineering design of key systems such as vacuum chambers, RF modules, and gas mixing systems ● Manufacturing and system integration of plasma process equipment, including vacuum plasma cleaners, etching machines, photoresist removal systems, polarization units, and thermal cracking equipment ● Development of AI-driven smart manufacturing platforms and custom automation solutions
Downstream	End-Market Customers for Equipment Applications	<p>The Company supplies its equipment to end customers in both electronics and non-electronics sectors, focusing on high value-added applications.</p> <ul style="list-style-type: none"> ● Semiconductor industry: includes wafer fabrication plants and packaging/testing facilities involved in advanced packaging, wafer reclamation, and wafer surface treatment ● IC substrate and PCB industry: substrate manufacturers producing ABF, BT, HDI, rigid-flex boards, and IC probe boards ● PCB sector: customers requiring processing equipment for HDI, multilayer (MLB), flexible, and specialty boards ● Green energy and environmental sectors: applications such as hydrogen production via methane cracking, solid waste management, and semiconductor exhaust gas treatment ● Other specialized fields: processing of medical consumables, biosensing devices, automotive plastic parts, and surface treatments in the cosmetics industry

3. Product Development Trends and Competitive Landscape

The Company has maintained a long-term focus on developing plasma surface treatment technologies and equipment. Our product portfolio includes both vacuum and atmospheric plasma platforms, serving industries such as advanced semiconductor packaging, ABF/BT/glass substrates, printed circuit boards, high-end displays, electric vehicle modules, and environmentally friendly manufacturing processes. In response to global manufacturing upgrades and ESG transformation trends, we continue to drive technological innovation and modular design while leveraging differentiated niche strategies and strong local adaptability to secure a leading competitive position in the global market.

(1) Development Trends

A. Advanced Processes Driving a Rapid Increase in Demand for Plasma Fabrication

As advanced packaging technologies such as FOWLP, CoWoS, Hybrid Bonding, wafer regeneration, and Chiplet architectures gradually move into mass production, the need for dry surface treatment is steadily increasing. Our products—including copper oxide removal systems, wafer cleaning and etching machines, and polarization treatment modules—have been successfully adopted by clients worldwide, delivering critical solutions for next-generation advanced manufacturing processes.

B. Transition to Dry and Large-Area Uniform Processing in ABF and Glass Substrates

To resolve warpage and residual adhesive issues in ABF materials, we developed the world's only large-area (850x750mm) dry etching equipment for ABF substrates capable of mass production. This technology has been extended to FOPLP and glass substrates, providing global IC substrate manufacturers with a unique competitive edge.

C. Growth of Green Process Technologies Fueling High-Temperature Plasma Pyrolysis Equipment

In response to net-zero carbon goals and ESG mandates, we have independently developed efficient plasma flame treatment equipment used in methane pyrolysis for hydrogen production ($\text{CH}_4 \rightarrow \text{C} + 2\text{H}_2$), decomposition of PFC exhaust gases, and real-time pyrolysis of medical and industrial waste. We are among the few Taiwanese suppliers in the environmental high-temperature pyrolysis equipment sector.

D. Evolving from “Process Equipment” to “Integrated Solution Services”

Beyond selling individual machines, we leverage modular system architectures and AI-driven process data platforms to help clients tailor process parameters and automate workflows. This approach improves equipment performance and process yield, embodying the “Process as a Service” business model.

(2) Competitive Landscape

A. Strategic Focus on Technology Niches to Avoid Competition in Standard Markets

Unlike major U.S. and Japanese manufacturers who concentrate on standard wafer processing equipment, our company has deliberately positioned itself in challenging, highly customized, and non-standard applications such as ABF etching, polarization packaging, and copper bonding treatments. This strategy has enabled us to successfully break into the supply chains of leading semiconductor firms in the U.S. and top substrate manufacturers in Japan.

B. Established Track Record in Mass Production of Large-Area Dry Etching for ABF Substrates

Our equipment has been reliably mass-produced by leading Japanese companies in the ABF substrate sector and is steadily expanding its presence among customers in Taiwan, the U.S., and Europe. This market's high technical entry barriers have given us a significant first-mover advantage.

C. Diverse Product Portfolio Spanning Multiple Industries, Mitigating Risks and Enabling Cross-Sector Growth

Our products serve industries including semiconductors, PCBs, displays, biomedical sensors, renewable energy, and exhaust treatment. The portfolio encompasses plasma etching, plasma polarization, dry resist stripping, plasma exhaust treatment, and methane pyrolysis technologies, ensuring stable revenue streams while fueling growth in emerging markets.

D. Close Collaborative R&D with Customers and Strong IP Protection Locking in Core Technologies

Besides holding numerous patents in areas such as modular design, gas flow management, and inductive coupling, we safeguard critical process advantages through proprietary know-how. Our equipment integrates tightly with client processes to achieve holistic optimization, reinforcing customer reliance on our technology.

E. Local Manufacturing and Immediate Service Offer a Competitive Edge That Global Players Cannot Match

With our own production facilities and integrated local supply chains, we respond swiftly to customer customization needs and provide timely upgrades and maintenance, particularly delivering speed and cost advantages across Asia.

(III) Technology and R&D Overview

1. Technical Expertise and Research & Development Scope

Our company leverages proprietary plasma core technologies to develop a highly autonomous, modular plasma equipment platform that integrates applications across multiple industries. This platform serves sectors including semiconductors, IC substrates, printed circuit boards, renewable energy, and environmental protection, featuring significant technical barriers and deep R&D expertise. The following outlines our technology levels and key R&D focus areas:

(1) Technical Level Description

A. Independently Developed Core Plasma Process Modules

All critical components of our plasma equipment, including RF systems, gas flow design, vacuum chambers, thermal controls, and electromagnetic field configurations, are entirely developed in-house without relying on foreign OEMs, ODMs, or standard assembly vendors. This gives us strong proprietary technology and allows us to disassemble and recombine modules flexibly to adapt processes across different applications, forming a versatile platform architecture.

B. Process Capabilities Across Multiple Application Domains

Our technologies cover vacuum plasma processes such as cleaning, photoresist removal, etching, polarization, and high-temperature cracking; atmospheric plasma types including RF, arc, microwave, and array configurations; as well as efficient plasma flame applications like methane cracking and waste treatment. These processes support wafer regeneration, advanced packaging, substrate etching, and plasma polarization of materials such as PZT and PVDF, while also extending into emerging fields like energy and environmental equipment, including methane cracking, PFC treatment, and medical waste gas management.

C. Modular Design and Smart Manufacturing Competence

- a. Developed a cross-process modular platform with separated modules, processes, and control systems.
- b. Integrating manufacturing execution systems (MES), AI-based process monitoring, and self-learning parameter adjustment capabilities (currently in development).
- c. Able to swiftly deliver comprehensive solutions encompassing process, machinery, software, and services tailored to customer requirements.

(2) Research and Development Performance and Investment

A. R&D Investment Intensity

- a. The Company allocates around 5% of its annual revenue to research and development.
- b. It has built interdisciplinary teams combining expertise in plasma technology, materials science, mechanical control, thermal flow simulation, and artificial intelligence.

B. International Partnerships and Industry-Academic-Research Collaborations

The Company has formed collaborative projects with research institutes and universities across Taiwan, Japan, and the United States, fostering strong industry-academia partnerships.

C. Future Development Directions

Development Area	Key Focus
Technological Innovation	<ul style="list-style-type: none"> ● Enhance modular plasma platform technology to improve customization and broaden application scope ● Advance next-generation plasma flame and high-temperature cracking systems, including hydrogen energy applications
Application Expansion	<ul style="list-style-type: none"> ● Broaden focus from semiconductor packaging and PCBs to emerging sectors such as green energy, hydrogen production, exhaust gas, and solid waste treatment ● Develop critical processes for technologies like TGV, FOPLP, and Hybrid Bonding
ESG Technology Strategy	<ul style="list-style-type: none"> ● Invest in developing low-carbon plasma dry processes as alternatives to conventional wet processes ● Create energy-efficient, carbon-reducing, and environmentally sustainable solutions, such as hydrogen production and exhaust gas decomposition
International Market Growth	<ul style="list-style-type: none"> ● Strengthen collaborative development with leading wafer fabs and PCB manufacturers in Japan, the US, and Taiwan ● Improve local customer integration and expand global footprint
Patent and IP Protection	<ul style="list-style-type: none"> ● Intensify patent portfolio centered on in-house innovations, emphasizing modular designs including mechanical structures, plasma chambers, and control software ● Extend patent coverage to hydrogen energy and environmental protection technologies
R&D Enhancement	<ul style="list-style-type: none"> ● Allocate over 5% of annual revenue to R&D annually ● Apply the Ansoff Matrix framework for new product and market development, driving product platform strategies and modular upgrades

2. R&D Personnel and Their Educational Backgrounds

Unit: Number of People

Education Level		2023		2024		As of April 30, 2025	
		Count	%	Count	%	Count	%
Breakdown	PhD	2	22.22	2	22.22	2	22.22
	Master's	5	55.56	5	55.56	5	55.56
	Bachelor's	2	22.22	2	22.22	2	22.22
	Total	9	100.00	9	100.00	9	100.00
Average Years of Experience		5.68		6.08		6.56	

3. R&D Spending and Achievements Over the Past Two Years

(1) R&D Spending

Unit: NT\$ thousands

Item \ Year	2023	2024
R&D Expenses	27,880	23,958
Net Revenue	762,039	547,630
R&D Expenses as a Percentage of Net Revenue (%)	3.66	4.37

Note: Figures for 2023 and 2024 are consolidated financial statement data.

(2) Successful Technologies and Products Developed

Year	Product
2019	◆ DC plasma torch equipment for waste treatment
2020	◆ Atmospheric plasma equipment for removing polymer residues on wafer backsides
	◆ Inductive high-density plasma reactive ion etching equipment for anisotropic dry etching
2021	◆ Microwave atmospheric plasma equipment for metal oxide removal
2022	◆ Arc-type atmospheric plasma equipment for hydrogen production via methane cracking
	◆ Dielectric barrier discharge atmospheric plasma equipment for methane conversion
2023	◆ Wide-area microwave atmospheric plasma equipment for metal oxide removal
	◆ Microwave plasma torch equipment for hydrogen production via methane cracking
2024	◆ Large-area array microwave plasma system

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

1. Short-Term Plans

- (1) Develop plasma applications and markets within the 5G communications supply chain
- (2) Promote hardware and software for continuous plasma equipment
- (3) Advance high-performance plasma etching applications targeting semiconductors, IC substrates, advanced packaging, and Micro-LED technologies
- (4) Respond to the electronics industry's urgent ESG needs by fully developing all-dry plasma processes to overcome bottlenecks and environmental issues caused by wet and energy-intensive manufacturing processes for fine-line circuitry
- (5) Establish targeted collaborations with leading upstream and system manufacturers in Europe, the U.S., and Japan

2. Long-Term Plans

- (1) Expand into PCB and semiconductor back-end market applications in Europe, the U.S., and Southeast Asia, broadening the range of applications
- (2) Conduct market research and development focused on energy-saving, carbon reduction, new energy, and industrial air pollution control
- (3) Leverage plasma technology's eco-friendly and low-energy advantages to offer carbon reduction and sustainable manufacturing solutions
- (4) Enhance product quality and after-sales support, maintain a commitment to sustainable business operations, foster a strong corporate culture, actively engage in community service, and prioritize social responsibility

- (5) Track market developments to grow market share, build a global plasma market presence, and establish a worldwide leadership brand
- (6) Align with emerging trends such as 5G, AI high-speed networks, and VR/AR applications by combining the company's core technologies with other expert domains, continuing R&D investment, and actively developing niche new products to diversify the product portfolio and expand market reach

II. Market and Sales Overview

(I) Market Analysis

1. Sales Regions of Main Products and Services

Unit: NT\$ Thousands; %

Region \ Year	2023		2024	
	Amount	%	Amount	%
Taiwan	293,679	38.54	261,590	47.77
Mainland China	303,803	39.87	236,825	43.25
United States	64,560	8.47	2,176	0.40
Austria	50,151	6.58	23,681	4.32
Others	49,846	6.54	23,358	4.26
Total	762,039	100.00	547,630	100.00

2. Market Share

The Company specializes in manufacturing various plasma equipment primarily serving the semiconductor, PCB, and optoelectronics sectors. Domestic competitors include UVAT, ENR, and Skytech, while international competitors are Korea-based Jinsung, U.S.-based March, Japan's Nissin, and China's Boffotto. According to the Taiwan Institute of Economic Research's July 2024 data, Taiwan's electronic and semiconductor machinery manufacturing industry (covering semiconductors, printed circuit boards, flat panel displays, and other electronic production equipment) recorded sales of NT\$158.021 billion in 2023. Our domestic market share stands at approximately 0.48%. For exports, China is our primary market. Taiwan's exports of electronic and semiconductor production equipment to China reached NT\$31.757 billion in 2023, with our company holding roughly a 0.96% share of that market. Overall, there is substantial room for growth ahead.

3. Future Market Supply and Demand and Growth Outlook

Based on forecasts from the Taiwan Institute of Economic Research, Taiwan's PCB industry output is projected to reach NT\$774.5 billion in 2024, with an annual growth rate of 8.0%, signaling a market rebound after previous declines. Taiwanese manufacturers are actively expanding into emerging fields such as AI servers, electric vehicles, and low-earth orbit satellites, with the positive effects of these investments gradually becoming apparent. Moreover, driven by geopolitical factors, Taiwanese companies are moving production capacity to Southeast Asia. The introduction of new capacity is expected to drive industry output and capital expenditures higher in 2025. In the semiconductor segment, rising global capital expenditures combined with Taiwan's improved international competitiveness are expected to fuel growth in semiconductor equipment sales in 2025. Additionally, panel equipment sales are anticipated to increase alongside a recovery in the downstream panel sector. Consequently, industry sales are projected to grow in 2025, and with better operating performance, capital expenditures are also expected to rise.

The PCB industry, especially in IC substrates, is continually challenged by finer circuitry, more complex and numerous stacking layers, and environmental concerns. As a result, nano-level clean dry plasma etching has become increasingly essential. With rising demand for precision ICs driven by applications such as 5G, AI high-speed networks, and virtual reality, our company's high-speed plasma etching machines developed for advanced semiconductor packaging are steadily gaining a larger share of overall equipment sales. Over many years, we have honed plasma processing technologies that deliver high etch rates and uniformity. Coupled with extensive expertise in equipment integration and production monitoring connectivity, we effectively boost production yields, improve customer efficiency and quality, and enable clients to generate higher product value. This strengthens their competitive edge in the market.

4. Competitive Advantages

(1) Comprehensive and Experienced R&D Team

Our management and technical teams each have over 20 years of experience in plasma technology. They are highly skilled in navigating industry shifts, product development trends, manufacturing, and marketing, allowing them to quickly identify market dynamics and thoroughly understand the challenges involved in product processes. This expertise enables us to provide clients with timely, professional, and comprehensive support, greatly aiding both existing product promotion and new product development.

(2) Proprietary Advanced Plasma Technology and Patents

We focus on independently developing cutting-edge plasma technologies, delivering advanced plasma equipment and solutions across the industry. Our specialized R&D teams continuously expand their capabilities, and we actively secure patents and certifications to maintain technological leadership and avoid price wars in mature sectors. Our current patents mainly cover high-density vacuum plasma and atmospheric plasma technologies.

(3) High Barriers to Market Entry and Leading Position in the Supply Chain

We proactively collaborate with leading upstream brands from Europe, the U.S., and Japan through technology discussions, testing, partnerships, and certifications to maintain a strong sales position in the industry supply chain. Furthermore, we obtain necessary safety, environmental, and electrical certifications tailored to current and future client needs, effectively raising barriers for competitors attempting to enter the market.

5. Development Outlook: Opportunities, Challenges, and Strategic Responses

(1) Opportunities

A. Product Miniaturization

Plasma solutions provide a dry, eco-friendly process capable of treating features at micron and even nanometer scales. As electronic products become more intricate, traditional wet processes involving acids or alkalis are becoming less effective. In the PCB industry, for instance, the size of blind and buried vias continues to shrink, making it harder for wet chemicals to fully clean resin residues inside these tiny holes. Plasma processing utilizes atomic-level ions and radicals to effectively remove these residues, making it indispensable for handling such small features. Our company strengthens the role and necessity of plasma technology by developing new plasma methods and optimizing processing parameters.

B. ESG-Driven Energy Conservation and Environmental Regulations

With governments worldwide enforcing stricter environmental regulations, conventional wet processing faces challenges including wastewater treatment, heavy chemical use, high energy consumption, and significant space and labor requirements. Dry plasma processing offers a cleaner, more sustainable alternative. We remain committed to lowering plasma operation costs while advancing cleaner plasma technologies.

C. Industry 4.0 and Production Monitoring Demands

In response to demands for finer product quality, contamination control, efficient production management, energy savings, carbon reduction, and labor reduction, global companies and supply chains increasingly prioritize Industry 4.0 and production monitoring adoption. Our company has developed production monitoring software and hardware standards for over a decade, positioning us to swiftly address these needs and create high entry barriers for potential new competitors.

(2) Challenges

A. Price Competition from Regional Rivals

The entry of new regional competitors, especially from mainland China, has intensified price-cutting to win orders.

Response Strategy:

We focus on developing innovative models and technologies to avoid direct competition with mature products. We secure patents for our technologies and equipment to deter new entrants. Additionally, obtaining various safety certifications and approvals from key customers further raises barriers to entry for competitors.

B. Business Performance Influenced by Customer Industry Cycles

Our revenues primarily come from the electronics sector, which experiences short, volatile business cycles. This volatility means fluctuations in our customers' industries can significantly affect our revenue.

Response Strategy:

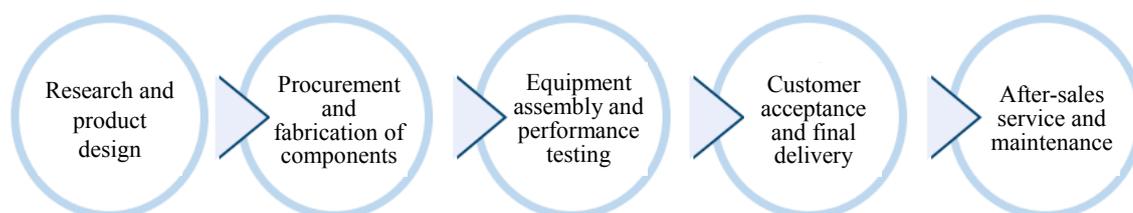
We continuously advance a range of cutting-edge plasma technologies, closely monitoring industry needs and applications. Our core plasma technologies and solutions lead the market and are applied across key electronics sectors, including semiconductors, IC substrates, PCBs, and optoelectronics. This approach not only strengthens our competitiveness but also mitigates the risk of significant revenue fluctuations caused by downturns in any single industry. Additionally, by controlling costs and inventory, enhancing supply chain responsiveness, and developing new applications and equipment, we minimize impacts on both our revenue and profitability.

(II) Key Applications and Production Process of Core Products

1. Key Applications

Category	Overview
Plasma Cleaning Equipment	Used for dry cleaning and surface treatment of both electronic and non-electronic components. Commonly employed in processes across semiconductor, PCB, optoelectronics, SMT, biomedical devices, plastics, and automotive parts.
Plasma Etching Equipment	Performs dry etching on polymer or metal surfaces. Widely applied in semiconductor manufacturing, advanced packaging, IC substrate fabrication, and Micro-LED production.
Plasma Polarization Equipment	Applies plasma-based polarization to piezoelectric materials, supporting the production of under-display fingerprint sensors, thermal management devices, motion sensors, and health monitoring sensors.
Plasma Surface Treatment Equipment	Modifies surface characteristics of various products (e.g., enhancing hydrophilicity or surface texture) to improve downstream process performance, such as better adhesion, coating quality, or printability.

2. Production Process of Key Applications



(III) Supply Status of Key Raw Materials

Material Name	Supply Status
Power Supply Units	Stable
Vacuum Pumps	Stable
Mechanical Components	Stable
Flow Meters	Stable
Vacuum Components	Stable

(IV) Analysis of Major Changes in Gross Profit Margin by Product Line or Business Segment Over the Past Two Fiscal Years

1. Year-over-Year Comparison of Gross Margin by Product Line

Category	Plasma Equipment		Maintenance Services	
	2023	2024	2023	2024
Net Revenue	702,258	493,569	59,781	54,061
Gross Profit	265,665	191,687	25,838	23,253
Gross Margin	37.83	38.84	43.22	43.01
Margin Variance	2.66		-0.48	

2. Explanation for Gross Margin Variances Over 20%: Not applicable.

(V) Key Suppliers and Customers

1. Names of suppliers accounting for more than 10% of total purchases in either of the past two fiscal years, including purchase amounts and proportions, along with reasons for changes

Unit: NTD thousands; %

Item	2023				2024			
	Supplier	Amount	% of Total Annual Purchases	Relationship with Company	Supplier	Amount	% of Total Annual Purchases	Relationship with Company
1	B1	36,704	14.92	None	B3	27,743	12.94	None
2	B2	31,327	12.73	None	B4	24,485	11.43	None
3	B3	27,617	11.23	None	B1	20,926	9.76	None
4	B4	27,415	11.14	None	B2	12,414	5.79	None
-	Others	122,933	49.98	None	Others	128,756	60.08	None
	Total	245,996	100.00		Total	214,324	100.00	

Explanation of Variance:

The fluctuation in procurement figures is mainly attributable to changes in the product mix. The company continues to maintain stable and positive relationships with its suppliers and contract manufacturers.

2. Customers accounting for more than 10% of annual net sales in either of the past two years, including the respective sales amounts and proportions, along with explanations for year-on-year changes

Unit: NTD thousands; %

Item	2023				2024			
	Customer	Amount	% of Total Annual Purchases	Relationship with Company	Customer	Amount	% of Total Annual Purchases	Relationship with Company
1	A1	127,069	16.67	None	A3	78,619	14.36	None
2	A2	107,190	14.07	None	A4	65,425	11.94	None
3	A3	19,008	2.50	None	A1	42,701	7.80	None
4	A4	43,825	5.75	None	A2	18,912	3.45	None
-	Others	464,947	61.01		Others	341,973	62.45	
	Total	762,039	100		Total	547,630	100.00	

Explanation for Change:

The shifts in customer contribution were mainly the result of internal organizational changes within customer companies and fluctuations in their order volumes.

III. Employee Statistics: Headcount, Average Tenure, Age, and Education Distribution

Year		2023	2024	2025 (as of April 30)
Employees (Persons)	Direct	33	24	27
	Indirect	33	43	46
	Total	66	67	73
Average Age (Years)		40.12	40.63	41.15
Average Tenure (Years)		8.06	8.56	7.90
Education Background Distribution (%)	Doctorate	4.55	4.48	5.48
	Master's Degree	18.18	23.88	20.55
	Bachelor's/College Level	72.72	67.16	69.86
	High School/Vocational	4.55	4.48	4.11

IV. Environmental Expenditures

- (I) Status of compliance with legal requirements regarding the need for permits for pollution control facilities or pollutant discharge, payment of environmental fees, or establishment of dedicated environmental staff
- (II) The company's core business involves the assembly and maintenance of plasma equipment. These processes do not generate significant pollution, and therefore, the company is not required to obtain pollution control or discharge permits, pay pollution prevention fees, or appoint dedicated environmental personnel.
- (III) Investments in key equipment for environmental pollution prevention, including their intended functions and expected benefits: None.
- (IV) Improvements undertaken in the past two fiscal years and up to the date of this prospectus regarding environmental issues, including the resolution of any pollution-related disputes: None.
- (V) Environmental losses incurred in the past two years and up to the date of this prospectus, including penalties or violations identified in regulatory inspections. Relevant details should include penalty dates, reference numbers, violated provisions, nature of the violation, and penalty outcomes. Disclosure should also include any current or projected related costs and mitigation plans. If costs cannot be reasonably estimated, this should be explicitly stated: None.
- (VI) The current environmental impact and the effect of any improvements on profitability,

competitive positioning, and capital expenditure, along with any significant planned environmental capital expenditures over the next two years: None.

V. Labor Relations

(I) Employee Welfare, Training, Retirement System, and Labor-Management Agreements

1. Employee Benefits, Development Programs, and Implementation

The Company is committed to fostering a supportive work environment and prioritizes employee well-being. In compliance with Taiwan's Labor Standards Act, the Company provides labor insurance, national health insurance, and contributes to employee retirement funds. Based on business performance, the Company also offers year-end bonuses and merit-based salary adjustments. In accordance with legal requirements, the Company allocates welfare funds and has established an Employee Welfare Committee. Employees receive bonuses for the Dragon Boat and Mid-Autumn Festivals, regular complimentary health check-ups, group insurance coverage, annual year-end gatherings, occasional company-sponsored trips, and financial subsidies for significant life events such as weddings and funerals.

To support employee growth and reinforce operational excellence, the Company executes annual training programs in line with national talent development initiatives. These programs are designed to improve technical expertise, enhance productivity, and strengthen the focus on product quality across all departments.

2. Retirement System and Implementation Status

(1) Domestic Employees: In compliance with Taiwan's Labor Pension Act (new system), the Company contributes 6% of each local employee's monthly salary to their individual pension account maintained by the Bureau of Labor Insurance. Employees who meet the statutory retirement requirements may apply directly to the authorities for withdrawal of their pension funds. The Company's retirement policy is established in accordance with the Labor Standards Act and related labor regulations.

(2) Foreign Employees: The Company adheres to the provisions of the Labor Standards Act for expatriate employees under the legacy retirement system. Retirement contributions are made monthly to a dedicated account with the Bank of Taiwan. Pension disbursements are calculated based on years of service and the average monthly salary over the six months prior to retirement. For the first 15 years of service, employees earn two benefit units per year; from the 16th year onward, they earn one unit per year, with a cap of 45 units in total.

3. Labor-Management Relations and Employee Rights Safeguards

The Company emphasizes transparent and respectful communication with employees. In addition to holding regular labor-management meetings, it maintains various internal channels for dialogue. Management and staff collaborate constructively, fostering mutual respect and offering feedback to support the Company's continuous development. To date, labor relations have been harmonious and characterized by trust and effective interaction.

In line with applicable labor laws and regulations, the Company has established employment contracts, workplace rules, and various internal policies. These clearly outline employee rights, responsibilities, and benefit entitlements, ensuring comprehensive protection of employee interests.

(II) Disclosure of any losses incurred by the Company due to labor disputes in the most recent two fiscal years and up to the date of this prospectus (including findings from labor inspections involving violations of the Labor Standards Act, specifying the date of disposition, reference number, violated provisions, nature of the violation, and details of the disposition), as well as any known or potential future losses and corresponding response measures. If such losses cannot be reasonably estimated, a statement must be provided: None.

VI. Information and Communication Security Management

(I) Explanation of the company's information security risk management framework, policies, specific management measures, and the resources dedicated to information security management

1. Information Security Risk Management Framework

The Company's General Manager directly supervises information security, covering security management of all computer equipment, network security, firewall administration, and protection against computer viruses and malware.

2. Information Security Policies

The Company has established internal controls for computerized information processing, including role-based system access and data backup and maintenance procedures for employees to follow. Auditors annually review compliance with these controls to evaluate the effectiveness of risk management and the handling of anomalies, thereby mitigating information security risks.

3. Management Measures and Resource Allocation for Information Security

IT personnel continuously update, maintain, and monitor network security systems such as firewalls. The Company conducts yearly information security training to raise employee awareness of security risks. Moreover, a disaster recovery plan is maintained and tested annually by IT staff to ensure it remains relevant and effective given current conditions.

(II) Explanation of losses, potential impacts, and countermeasures related to major information security incidents over the past two years and up to the date of this prospectus printing. If a reasonable estimate cannot be made, the reason for the inability to estimate must be stated: None.

VII. Key Contracts

Contract Type	Party Involved	Contract Term	Main Terms	Restriction Clauses
Credit Agreement	Cathay United Bank	2022.02.20-2037.02.20	Long-term secured loan	Secured by land and factory mortgages
Credit Agreement	Cathay United Bank	2022.02.20-2037.02.20	Long-term secured loan	Secured by land and factory mortgages
Credit Agreement	Cathay United Bank	2020.10.12-2037.02.20	Long-term secured loan	Secured by land and factory mortgages
Credit Agreement	Cathay United Bank	2021.02.01-2025.10.12	Medium-term secured loan	Secured by land and factory mortgages
Credit Agreement	Cathay United Bank	2024.02.20-2025.02.20	Short-term loan	-
Credit Agreement	Bank SinoPac	2024.06.30-2025.06.30	Short-term secured loan (working capital)	Secured by full deposit certificates based on outstanding debt
Credit Agreement	Yuanta Commercial Bank	2024.11.18-2025.11.17	Short-term secured loan (working capital)	Secured by USD time deposit certificates
Credit Agreement	Yuanta Commercial Bank	2024.11.18-2025.11.17	Derivative financial instrument (hedging limit) USD 300,000	-

Five. Review and Analysis of Financial Condition, Financial Performance, and Risk Factors

I. Financial Condition

(I) Consolidated Financial Condition Comparison Table

Unit: NT\$ Thousand

Item \ Year	2023	2024	Difference	
			Amount	Percentage (%)
Current Assets	806,262	793,825	(12,437)	(1.54)
Property, Plant and Equipment	265,100	266,746	1,646	0.62
Intangible Assets	2,474	2,036	(438)	(17.70)
Other Assets	26,207	24,532	(1,675)	(6.39)
Total Assets	1,100,043	1,087,139	(12,904)	(1.17)
Current Liabilities	209,498	184,548	(24,950)	(11.91)
Non-current Liabilities	173,856	156,539	(17,317)	(9.96)
Total Liabilities	383,354	341,087	(42,267)	(11.03)
Share Capital	288,598	288,598	0	0.00
Capital Surplus	55,390	55,390	0	0.00
Retained Earnings	372,827	402,047	29,220	7.84
Other Equity	(126)	17	143	(113.49)
Total Equity	716,689	746,052	29,363	4.10
1. Significant changes (those with a change exceeding 20% and amounting to more than NT\$10 million) and their impact analysis: None.				

Note: The annual financial data have been audited and verified by certified public accountants.

(II) Individual Financial Condition Comparison Table

Unit: NT\$ Thousand

Item \ Year	2023	2024	Difference	
			Amount	Percentage (%)
Current Assets	801,637	781,682	(19,955)	(2.49)
Property, Plant and Equipment	0	6,212	6,212	100.00
Intangible Assets	265,071	266,698	1,627	0.61
Other Assets	2,474	2,036	(438)	(17.70)
Total Assets	26,182	24,288	(1,894)	(7.23)
Current Liabilities	1,095,364	1,080,916	(14,448)	(1.32)
Non-current Liabilities	204,166	178,325	(25,841)	(12.66)
Total Liabilities	174,509	156,539	(17,970)	(10.30)
Share Capital	378,675	334,864	(43,811)	(11.57)
Capital Surplus	288,598	288,598	0	0.00
Retained Earnings	55,390	55,390	0	0.00
Other Equity	372,827	402,047	29,220	7.84
Total Equity	(126)	17	143	(113.49)
Current Assets	716,689	746,052	29,363	4.10
Significant changes (those with a change exceeding 20% and amounting to more than NT\$10 million) and their impact analysis: None.				

Note: The annual financial data have been audited and verified by certified public accountants.

II. Financial Performance

(I) Consolidated Operating Results Comparative Analysis

Unit: NT\$ Thousand

Item \ Year	2023	2024	Difference	
			Amount	Percentage (%)
Revenue	762,039	547,630	(214,409)	(28.14)
Operating Costs	470,536	332,690	(137,846)	(29.30)
Gross Profit	291,503	214,940	(76,563)	(26.26)
Operating Expenses	124,904	127,901	2,997	2.40
Operating Profit	166,599	87,039	(79,560)	(47.76)
Non-operating Income and Expenses	5,344	25,944	20,600	385.48
Income Before Tax	171,943	112,983	(58,960)	(34.29)
Income Tax Expense	38,682	26,033	(12,649)	(32.70)
Net Income for the Period	133,261	86,950	(46,311)	(34.75)
Total Comprehensive Income for the Year	133,215	87,085	(46,130)	(34.63)
Significant changes (those with a change exceeding 20% and amounting to more than NT\$10 million) and their impact analysis:				
<ol style="list-style-type: none"> 1. The decreases in operating revenue, operating costs, gross profit, and operating profit were mainly due to the deferral of orders from existing customers and lower-than-expected order volume from new customers. 2. The increase in non-operating income and expenses was primarily caused by fluctuations in exchange rates. 3. The decreases in income before tax, net income, and total comprehensive income were mainly due to the decline in operating revenue and the impact of exchange rate fluctuations on non-operating items. 				

Note: The annual financial data have been audited and verified by certified public accountants.

(II) Individual Operating Results Comparative Analysis

Unit: NT\$ Thousand

Item \ Year	2023	2024	Difference	
			Amount	Percentage (%)
Revenue	762,120	546,155	(215,965)	(28.34)
Operating Costs	469,860	336,907	(132,953)	(28.30)
Gross Profit	292,260	209,248	(83,012)	(28.40)
Operating Expenses	120,481	123,158	2,677	2.22
Operating Profit	171,779	86,090	(85,689)	(49.88)
Non-operating Income and Expenses	84	26,748	26,664	31,742.86
Income Before Tax	171,863	112,838	(59,025)	(34.34)
Income Tax Expense	38,602	25,888	(12,714)	(32.94)
Net Income for the Period	133,261	86,950	(46,311)	(34.75)
Total Comprehensive Income for the Year	133,215	87,085	(46,130)	(34.63)
Significant changes (those with a change exceeding 20% and amounting to more than NT\$10 million) and their impact analysis:				
<ol style="list-style-type: none"> 1. The decreases in operating revenue, operating costs, gross profit, and operating profit were mainly due to deferred orders from existing customers and lower-than-expected orders from new customers during the year. 2. The increase in non-operating income and expenses was primarily caused by the impact of exchange rate fluctuations. 3. The decreases in income before tax, net income for the period, and total comprehensive income for the year were mainly due to the decline in operating revenue compared to the previous year, as well as a reduction in non-operating income and expenses resulting from exchange rate fluctuations. 				

Note: The annual financial data have been audited and verified by certified public accountants.

(III) Projected Sales Volume, Underlying Assumptions, Potential Impact on Future Operations and Financial Performance, and Response Measures

Considering shifts in the broader economic environment, industry cycles, the Company's strategic direction, and ongoing R&D activities, we continuously monitor market dynamics. The recent changes in our financial position and performance have not had a material adverse effect on the Company. Overall operations remain stable, with no notable irregularities, and as such, no contingency plan is currently required.

III. Cash Flow

(I) Analysis of Annual Cash Flow Variations

1. Analysis of FY2024 Consolidated Cash Flow Changes

Unit: NT\$ Thousands

Item \ Year	2023	2024	Change Amount	% Change
Operating Activities	134,631	172,288	37,657	27.97
Investing Activities	(5,056)	(23,739)	(18,683)	369.52
Financing Activities	17,387	(68,755)	(86,142)	(495.44)

Analysis of Cash Flow Changes:

1. Operating Activities: Net cash inflow increased in FY2024, mainly due to the collection of warranty-related payments for equipment, which led to higher cash inflows from accounts receivable. Further contributing factors included a reduction in inventory, contract liabilities, and other payables, as the Company continued to enhance inventory management practices.
2. Investing Activities: Net cash outflow increased in FY2024 compared to the previous year, mainly due to an increase in pledged time deposits.
3. Financing Activities: Net cash outflow increased in FY2024 compared to the previous year, primarily due to scheduled repayments of long-term borrowings and the distribution of cash dividends.

2. Analysis of FY2024 Individual Cash Flow Changes

Unit: NT\$ Thousands

Item \ Year	2023	2024	Change Amount	% Change
Operating Activities	133,142	173,120	39,978	30.03
Investing Activities	(5,214)	(29,060)	(23,846)	457.35
Financing Activities	17,387	(68,755)	(86,142)	(495.44)

Analysis of Cash Flow Changes:

1. Operating Activities: Net cash inflow rose in FY2024, primarily driven by collections of warranty-related payments for equipment, which increased cash inflows from accounts receivable. Additional contributors included reductions in inventory, contract liabilities, and other payables. The Company's ongoing efforts in inventory optimization further improved cash flow from operations.
2. Investing Activities: The increase in net cash outflow was largely due to a higher volume of pledged time deposits.
3. Financing Activities: Net cash outflow expanded as the Company repaid long-term borrowings in installments and issued cash dividends during the year.

(II) Liquidity Status and Contingency Plans

For both FY2024 and FY2023, the Company's current assets exceeded its current liabilities, and cash flows from operating activities were positive in both years. As such, no liquidity shortfalls were identified, and no remedial action plan is required.

(III) Forecast of Cash Flow Liquidity for the Coming Year

1. Consolidated Liquidity Forecast for FY2025

Unit: NT\$ Thousands

Opening Cash Balance (1)	Operating Cash Inflows (2)	Investing Cash Flows (3)	Financing Cash Flows (4)	Net Ending Balance (1)+(2)+(3)+(4)	Contingency Plan	
					Capital Investment	Treasury Management
465,474	172,977	(17,466)	194,142	815,127	-	-
Cash Flow Summary:						
1. Operating Activities: Operating cash flow is expected to remain positive in FY2025, driven by steady revenue and profitability.						
2. Investing Activities: The net cash outflow from investing activities was mainly attributable to the planned construction of a cleanroom and associated equipment investments.						
3. Financing Activities: Although repayments of long-term debt due within the year and dividend distributions will result in outflows, the company anticipates net inflows from a planned capital raise.						

2. Individual Liquidity Forecast for FY2025

Unit: NT\$ Thousands

Opening Cash Balance (1)	Operating Cash Inflows (2)	Investing Cash Flows (3)	Financing Cash Flows (4)	Net Ending Balance (1)+(2)+(3)+(4)	Contingency Plan	
					Capital Investment	Treasury Management
458,858	170,303	(16,200)	194,142	807,103	-	-
Cash Flow Summary:						
1. Operating Activities: Continued stable revenue and profitability are expected to support positive cash flows from core operations in FY2025.						
2. Investing Activities: The net cash outflow from investing activities was mainly attributable to the planned construction of a cleanroom and associated equipment investments.						
3. Financing Activities: While repayments of maturing long-term debt and dividend payouts will lead to outflows, a planned cash capital increase is expected to provide sufficient financing inflows.						

IV. Impact of Major Capital Expenditures on the Company's Financial and Operational Performance in the Most Recent Fiscal Year: None.

V. Investment Policy, Key Drivers of Profit or Loss, Remedial Measures, and Investment Plans for the Coming Year

(I) Investment Policy

The Company's investment strategy focuses on sustainable growth and long-term business development. Investments are directed toward ventures that complement core operations or help expand the Company's business scope. The Company adheres to established internal guidelines, including an "Investment Lifecycle Framework" and "Procedures for Acquisition or Disposal of Assets," to govern investment decisions and maintain oversight over financial and operational impacts.

(II) Primary Factors Affecting Profit or Loss and Improvement Measures: All subsidiaries are consolidated into the Company's financial statements.

Unit: NT\$ Thousands / Foreign Currency Thousands

Investee Company	Principal Operations	Investment Amount	Book Value	Investment Income (Loss)	Key Cause of Profit or Loss	Remedial Measures
Stable Promise Group Co., Ltd.	General investment holding	USD 500	6,212	1,142	Profit resulted from full ownership interest in Kunshan Branch of NEMS Technologies Co., Ltd.	Implement cost control initiatives for Kunshan Branch of NEMS Technologies Co., Ltd.
Kunshan Branch of NEMS Technologies Co., Ltd.	Trade and after-sales services for electronic components	RMB 3,318	6,212	1,142	Profit attributable to effective personnel and cost control in Kunshan Branch of NEMS Technologies Co., Ltd.	Maintain headcount control, enforce cost management policies

Note: The Company's investment in Kunshan Branch of NEMS Technologies Co., Ltd. is made through Stable Promise Group Co., Ltd.

(III) Investment Plan for the Coming Year

Following the completion of planned investments in equipment and the renovation of Kunshan Branch of NEMS Technologies Co., Ltd.'s office during fiscal year 2024, the Company expects the benefits of these investments to gradually materialize. Therefore, no new capital injections into subsidiaries are anticipated in 2025. The Company's long-term investment approach remains conservative and focused, aligning with its broader strategic development plans and prioritizing investments that support its core business. The Company will continue to monitor and manage its existing investment portfolio to ensure alignment with performance targets and strengthen overall investment returns.

VI. Risk Analysis and Assessment

(I) Effects of Interest Rate and Exchange Rate Fluctuations, and Inflation on the Company's Profitability, and Corresponding Mitigation Strategies

1. Interest Rate Fluctuations

(1) Impact on Profit and Loss

In fiscal year 2024, the Company reported interest income of NT\$4,112 thousand, up from NT\$2,837 thousand in 2023, accounting for 3.64% and 1.65% of its pre-tax income, respectively. Interest expenses were NT\$3,300 thousand in 2024 and NT\$3,196 thousand in 2023, representing approximately 2.92% and 1.86% of pre-tax income. These expenses primarily resulted from bank borrowings for land purchases and facility construction. The Company monitors interest rate trends and its relationships with financial institutions to manage funding costs. As of 2024 and the publication date of this prospectus, the impact of interest rate movements on earnings remains limited.

(2) Future Mitigation Measures

The Company maintains a strong capital structure with ample internal liquidity.

Financial planning is based on a prudent and conservative approach, with an emphasis on safeguarding capital deployment. The Company will continue to adjust its use of funds as needed in response to interest rate trends and strategic development needs, thereby minimizing the impact of rate volatility on profitability.

2. Exchange Rate Fluctuations

(1) Impact on Profit and Loss

The Company generates approximately 52% of its revenue from exports and 48% from domestic sales, with most transactions settled in U.S. dollars. After receiving payments, foreign currency is typically placed in conservative time deposits. The Company does not engage in speculative or arbitrage-driven forex activities. In fiscal years 2024 and 2023, the Company recorded net foreign exchange gains of NT\$22,349 thousand and NT\$3,170 thousand, respectively. These gains were mainly due to a relatively large foreign currency position and resulting valuation differences from year-end exchange rate fluctuations. As more payments are collected, the average cost of the Company's foreign currency holdings is expected to decrease. Up to the date of this prospectus, the impact of exchange rate changes on the Company's earnings has been minor. The Company will continue to adjust its foreign currency exposure as appropriate.

(2) Future Mitigation Measures

- A. A designated staff member is tasked with regularly consulting with partner banks to closely monitor exchange rate developments.
- B. The Company maintains foreign exchange deposit accounts with its key banking partners. Based on actual cash needs and expected currency trends, the Company will determine the timing of forward contracts, foreign exchange conversions, or retention of funds in FX deposit accounts.

3. Impact of Inflation

As of the end of fiscal year 2024 and the publication date of this annual report, inflation has not had a material impact on the Company's financial results. Looking ahead, the Company expects the effect of inflation on earnings to remain limited. Nonetheless, it will continue to monitor inflation's impact on input costs and, if necessary, implement price adjustments or cost control measures to mitigate any adverse effects on operations.

(II) Policy Regarding High-Risk and High-Leverage Investments, Lending of Funds, Endorsements and Guarantees, and Derivatives Transactions; Key Profit or Loss Drivers and Future Strategies

The Company has consistently operated with a focus on its core business and a pragmatic mindset. Our financial strategy emphasizes caution and stability, and we do not engage in high-risk or high-leverage investments. To ensure proper governance, the Company has adopted internal policies including the "Procedures for Lending Funds and Making Endorsements or Guarantees" and the "Procedures for Acquiring or Disposing of Assets," which serve as the basis for regulatory compliance. In fiscal year 2024 and up to the publication date of this prospectus, the Company has not conducted any high-risk or leveraged investments, fund lending to third parties, or derivatives trading.

(III) Future R&D Initiatives and Projected R&D Spending

1. Upcoming R&D Initiatives

Project	Description	Objective
Large-Area Atmospheric Plasma Nozzle	Development of a mid-frequency wide-area plasma head	To remove oxidation from copper pillars and enhance the reliability of direct copper-to-copper bonding
ABF Etching	Development of ICP-RIE ABF etching system	To replace laser drilling in substrate manufacturing

Pre-Underfill Cleaning	Development of a high-density microwave plasma system	To eliminate void defects during underfill dispensing
------------------------	---	---

2. Projected R&D Investment

The Company and its subsidiaries plan to allocate approximately NT\$9 million toward R&D efforts in fiscal year 2025. This funding is earmarked for new product and technology development. Moving forward, the Company will adjust its R&D investment based on evolving market needs, operational performance, technological progress, and product rollout timelines to ensure sustained competitiveness in core technologies.

(IV) Effects of Key Domestic and International Policy or Legal Changes on the Company's Financial and Business Operations, and Response Measures

The Company operates in full compliance with relevant domestic and international regulations and adopts appropriate management strategies. In parallel, it continuously develops new technologies and products aligned with industry trends to expand its market presence. Management remains vigilant in tracking significant policy shifts and legal updates worldwide, enabling timely adjustments to the Company's business strategies in response to evolving market conditions. As of the end of the latest fiscal year and the publication date of this annual report, there have been no major domestic or international policy or legal changes that have had a material impact on the Company's financial position or business performance.

(V) Impact of Technological Evolution (Including Cybersecurity Risks) and Industry Shifts on the Company's Financial and Business Operations, and Response Measures

To respond to ongoing technological advancements and industry evolution, the Company actively recruits skilled professionals and strengthens its research and development capabilities. Continuous investment is made into strategic and emerging technologies to stay ahead of market and technology trends. This positions the Company to quickly develop innovative solutions, apply critical technologies to its competitive products, and maintain a strong market position.

As of the latest fiscal year and up to the publication date of this report, there have been no significant technological changes—including cybersecurity risks—or industry shifts that have materially affected the financial or operational status of the Company or its subsidiaries.

(VI) Impact of Changes in Corporate Image on Crisis Management and Response Strategies

The Company upholds integrity and sound management as its foundational principles. Since its inception, it has operated in full compliance with all applicable laws and regulations, establishing a strong corporate brand and image through excellence in technology, product quality, and customer service. It also fosters effective internal communication and maintains positive labor relations to uphold a solid corporate reputation. As of the latest fiscal year and the publication date of this report, no events have occurred that would negatively impact the Company's corporate image.

(VII) Anticipated Benefits, Potential Risks, and Response Strategies for Mergers and Acquisitions

As of the latest fiscal year and the publication date of this report, the Company has no active plans for mergers or acquisitions.

(VIII) Anticipated Benefits, Potential Risks, and Response Strategies for Plant Expansion

As of the latest fiscal year and the publication date of this report, the Company has no ongoing or planned plant expansion projects.

(IX) Impact, Risks, and Mitigation Measures Related to Major Changes in Shareholding by Directors, Supervisors, or Shareholders Holding Over Ten Percent

As of the latest fiscal year and the publication date of this report, there have been no significant changes or transfers in the shareholding of the Company's shares.

(X) Impact, Risks, and Mitigation Measures Related to Changes in Control

As of the latest fiscal year and the publication date of this report, there have been no changes in the Company's management control.

(XI) If there are any major litigation, non-litigation, or administrative dispute cases involving the company, its directors, supervisors, general manager, de facto responsible persons, major shareholders holding more than ten percent of shares, or subsidiaries, which have been finally adjudicated or are still pending, and which may have a material impact on shareholder equity or securities prices, the related facts, claim amounts, lawsuit start dates, principal parties involved, and the handling status as of the date of the annual report printing shall be disclosed: None.

(XII) Other Significant Risks and Mitigation Measures: None.

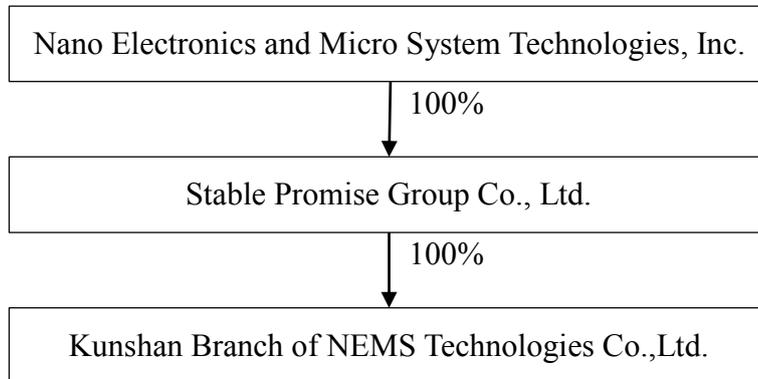
VII. Other Important Matters: None.

Special Notes

I. Related Party Information

(I) Overview of Related Parties

1. Organizational Chart of Related Parties (As of December 31, 2024)



2. Companies Presumed to Have Control or Subsidiary Relationships under Article 369-3 of the Company Act: None

3. Basic Information of Related Parties

Unit: Thousand NTD / December 31, 2024

Company Name	Date of Establishment	Address	Paid-in Capital	Primary Business or Production Scope
Stable Promise Group Co., Ltd.	2011/6/11	No. 4, Franky Building, Providence Industrial Estate, Mahe, Seychelles.	15,178 (USD 500)	General investment activities
Kunshan Branch of NEMS Technologies Co., Ltd. (Note)	2011/12/24	Room 305, Building 19, Changfa Xiangcheng Mingyuan, Kunshan Development Zone, Jiangsu Province, China	15,178 (RMB 3,318)	Trading of electronic components and after-sales services

Note: The Company makes investments in mainland China via a third-party regional company.

4. Presumed Related Shareholders with Identical Ownership: None.

5. Industries Covered by Related Parties' Overall Operations:

The Company and its group companies specialize in providing plasma equipment and related services. The scope of business operations among related parties includes manufacturing and maintenance of plasma equipment as well as trading of plasma-related components. Within the group, the parent company focuses solely on plasma equipment manufacturing, while the subsidiary Kunshan Branch of NEMS Technologies Co., Ltd. offers technology support, after-sales services, and trades plasma equipment components. The group aims to maximize synergy through coordinated investment holdings, technology sharing, production capacity, marketing, and service support to fully meet customer needs.

6. Information on Directors, Supervisors, and General Managers of Related Parties

Unit: Thousand Shares / December 31, 2024

Company Name	Position	Name or Authorized Representative	Shareholding	
			Number of Shares Held	Ownership Percentage
Stable Promise Group Co., Ltd.	Chairman	Nano Electronics and Micro System Technologies, Inc. Rep.: Sung Chun-Yi	500	100%
Kunshan Branch of NEMS Technologies Co., Ltd.	Chairman	Stable Promise Group Co., Ltd.	—	100%

(II) Consolidated Business Report of Related Parties

Unit: NTD Thousand / December 31, 2024

Company Name	Capital	Total Assets	Total Liabilities	Net Assets	Investee Company Current Period Profit (Loss)	Current Period Recognized Investment Profit (Loss)
Stable Promise Group Co., Ltd.	USD 500	USD 189	USD -	USD 189	USD 36	USD 36
Kunshan Branch of NEMS Technologies Co., Ltd.	RMB 3,318	RMB 3,170	RMB 1,787	RMB 1,383	RMB 256	RMB 256

(III) Consolidated Financial Report of Related Parties

For the fiscal year 2024 (January 1 to December 31, 2024), the companies required to be included in the consolidated financial report of related parties under the “Standards for Preparing Consolidated Business Reports, Consolidated Financial Statements and Related Reports of Related Parties” are the same as those included in the parent-subsidary consolidated financial report under IFRS 10. All relevant information required for disclosure in the related parties’ consolidated financial report has already been disclosed in the parent-subsidary consolidated financial report. Therefore, a separate consolidated financial report for related parties will not be prepared.

(IV) Related Reports: Not applicable.

II. Private Placement of Securities during the Most Recent Fiscal Year and up to the Date of This Annual Report: None.

III. Other Necessary Supplementary Information: None.

IV. During the Most Recent Fiscal Year and up to the Date of this Annual Report, Any Events that Have Had a Significant Impact on Shareholders’ Equity or Securities Prices as Defined under Article 36, Paragraph 3, Subparagraph 2 of the Securities Exchange Act: None.

Appendix 1
Internal Control Statement

Nano Electronics and Micro System Technologies, Inc.
Statement of Internal Control System



Date: March 19, 2025

Based on the results of self-assessment, the Company's internal control system in 2023 is hereby declared as follows:

1. The Company acknowledges that the establishment, implementation and maintenance of an internal control system is the responsibility of the Board of Directors and the managers of the Company, and the Company has established such a system. The objective is to provide reasonable assurance of the effectiveness and efficiency of operations (including profitability, performance and asset safety, etc.), reliability, timeliness, transparency of reporting, and achievement of objectives such as compliance with relevant laws and regulations.
2. The internal control system has its innate limitations. No matter how perfect the design is, an effective internal control system can only provide a reasonable guarantee for the achievement of the above three objectives; moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may vary. However, the Company's internal control system has a self-monitoring mechanism and once the deficiencies are identified, the Company will take corrective action.
3. The Company judges whether the design and implementation of the internal control system are effective based on the judgment items of the effectiveness of the internal control system stipulated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The internal control system judgment items adopted in the "Regulations" are based on the process of management control, which divides the internal control system into five components: 1. Control environment, 2. Risk assessment, 3. Control operations, 4. Information and communication, and 5. Supervise operations. Each component includes several items. For the aforementioned items, please refer to the "Regulations".
4. The Company has adopted the above-mentioned internal control system judgment items to evaluate the effectiveness of the design and implementation of the internal control system.
5. Based on the results of the preceding evaluation, the Company concluded that its internal control system (including the supervision and management of subsidiaries) as of December 31, 2024, including the understanding of the effectiveness of operations and the extent to which efficiency objectives are achieved, that the reporting is reliable, timely, transparent and the design and implementation of the relevant internal control system, etc in line with relevant regulations and relevant laws and regulations are effective, which can reasonably ensure the achievement of the above objectives.
6. This statement will become the main content of the Company's annual report and public statement, and will be made public. Any false or concealment of the above revealed information will be subject to legal liability under Articles 20, 32, 171 and 174 of the Securities Exchange Act.
7. This Statement has been approved by the Board of Directors of the Company on March 19, 2025. Among the seven directors present, 0 of them hold opposing views and the rest of them agree to the contents of this statement and hereby declare.

Nano Electronics and Micro System Technologies, Inc.

Chairman: Sung Chun-Yi



General Manager: Hsu Chia-Yuan



Nano Electronics and Micro System Technologies, Inc.

暉盛科技股份有 限 公 司



董事長:宋俊毅

Chairman: Sung Chun-Yi

