



Stock Code: 7704

Finesse Technology Co., Ltd.

2024 Annual Report

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Website for querying this annual report: <http://mops.twse.com.tw>

Website of the Company: <https://www.finesse-tech.com>

I. Spokesperson, Deputy Spokesperson

	Spokesperson	Deputy Spokesperson
Name	Hung, Pen-Yuan	Li, Cheng-Chuan
Title	COO	Senior Manager of Finance Department
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II. Contact information and its Subsidiaries:

Name	Address	Telephone
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III. Institution for stock transfer

Name	IBF Securities Co., Ltd.	Website:	www.ibfs.com.tw
Address	15F., No.188, Sec. 5, Nanjing E. Rd., Songshan Dist., Taipei City, Taiwan (R.O.C.)	Telephone	(02)2528-8988

IV. Names of financial statement auditors in the latest year

Name	CPA Lin, Cheng-Chih and Lin, Hsin-Tung	Website:	www.deloitte.com.tw
CPA firm	Deloitte & Touche	Telephone	(03)578-0899
Address	No. 2, Zhanye 1st Rd., East Dist., Hsinchu City 300091, Taiwan (R.O.C.)		

V. Overseas Listings and Access to the Listing Information:

None.

VI. Website: <https://www.finesse-tech.com>

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Chapter I Report to Shareholders

Ladies and gentlemen, Dear Shareholders:

Firstly, on behalf of Finesse, we would like to express our gratitude to all shareholders for their long-term support. Finesse was officially listed on TPEX in Dec. 2024. 2024 is still a challenging year for business operations. Although the global semiconductor industry has benefited from the demand for AI and the trend of electronic product replacement, with a global semiconductor output value growth of about 18%, the main growth is concentrated in industries such as advanced process expansion, advanced packaging expansion, memory and IC design, etc.

Since its establishment in 2010, Finesse has gradually gained a leading position in the technical maintenance service market for key power components of semiconductor process equipment, thanks to its excellent research and development and engineering maintenance technology. On the other hand, after accumulating years of experience in semiconductor customer service and understanding the strengths, weaknesses, and customer needs of key power component designs in existing processes, Finesse has been developing and planning its own products since 2017.

In 2024, the revenue of Taiwan region grew by about 9% compared to 2023, mainly driven by the continuous increase in the installed quantity of the main product ACME (RF power system), with a cumulative shipment of more than 250 sets. Due to the efficient energy-saving effect of ACME products, the annual reduction in carbon emissions is about 28 Daan Forest Parks. In the mainland region, due to the US-China trade war, Chinese Mainland actively expanded its factories in the past few years and formed a domestic supply chain for mainland semiconductors. For technical services vendors, the competition becomes more fierce, resulting in a 16% decline in revenue in the mainland region in 2024. Overall, the consolidated revenue for 2024 was NTD760,258 thousand, an increase of 4% over the previous year. In terms of product portfolio, technical services accounted for 50%, own brands accounted for 32%, and spare parts and others accounted for approximately 18%.

We hereby report the operating results for 2024 and the business plan for 2025 to all shareholders:

I. Operating results for 2024

(I) Results of enforcement of the Business Plan

Unit: Thousand NT Dollars

Consolidated Statements of Comprehensive	2024	2023	Percentage of changes (%)
Revenue	760,258	727,750	4%
Gross margin	36%	39%	(8%)
Net operating profit	98,494	124,142	(21%)
Non-operating revenues and expenditures	11,177	603	1,754%
Profit before tax	109,671	124,745	(12%)
Income tax expense	20,123	21,827	(8%)
Profit of the current year	89,548	102,918	(13%)

Consolidated Statements of Comprehensive	2024	2023	Percentage of changes (%)
Earnings per share - basic	2.91	3.55	(18%)

(II) Financial profitability analysis

Unit: Thousand NT Dollars

Consolidated statement profitability analysis		2024	2023
Debt ratio (%)		15%	19%
Net cash inflow from operating activities		101,288	107,921
Return rate on assets (%)		7%	10%
Return rate on shareholders' equity (%)		9%	13%
Percentage of paid-in capital (%)	Net operating profit	29%	41%
	Net profit before tax	33%	41%
Net profit margin (%)		12%	14%

(III) Performance in research & development

In 2024, R&D expenses accounted for approximately 6% of the consolidated revenue, which mainly focused on three areas:

1. Technical services: expand maintenance items

Technical services have always been Finesse's main source of revenue. In addition to existing maintenance items, research and development resources were invested in developing new maintenance items in 2024.

2. Own products: continuous optimization and improvement

In addition to the ACME (RF Power System) and AOS (Advanced Ozone System) that have already been mass-produced and marketed, Finesse has developed a series of Ozone products, and we will continue to optimize our own products and validate with customers.

3. Establishment of Shanghai R&D team

In 2024, we established a R&D team in Shanghai, mainly taking into account the recruitment of R&D talents and closer relations with mainland customers. Currently, the team has achieved results.

II. Business plan for 2025

The business plan for 2025 will focus on the improvement of technical services, the expansion of international customer business and the mainland market. The main directions are as follows:

(I) Increase the market share of technical maintenance and research new products

The technical maintenance of key semiconductor components is the cornerstone of Finesse's stable business and the channel for establishing deep and close cooperative relationships with customers. Through daily technical maintenance, understand

customer process design and process pain points, and further promote CIP and own products. The future development strategy will continue to increase the technical maintenance market share of major products in important customers and accelerate the research of new maintenance items.

(II) Improve technical service maintenance yield and cost control

Establish an engineering big data analysis database, use big data analysis to identify and solve the root causes of technical service warranty rates, and enhance customer recognition and satisfaction with Finesse's technology. In the meantime, establish yield indicators and cost targets, and implement cost management

(III) International customer business

The overseas market is an opportunity for Finesse to realize further growth. In recent years, with the efforts of the team, we have successfully established connections with some customers and strategic partners, and we will strive to achieve better results in 2025.

(IV) Mainland market development

In 2024, the revenue in mainland China declined by 16%, mainly due to the domestic supply chain established in the mainland semiconductor market and excessive competition among peers. In 2025, through internal organizational adjustments, we will visit customers more deeply and actively strive for orders. It is expected that our operations will gradually recover from the low point in 2025.

III. Future Company Development Strategy

Finesse's long-term development industry is positioned as a technology service and own brand company for key power components in semiconductor front-end process equipment. Since investing research and development resources in 2017, the own brand revenue has accounted for approximately 32% of overall revenue.

In the field of semiconductor process equipment, front-end process equipment accounts for about 90% and back-end equipment accounts for about 10%. With the increasing importance of Taiwan's semiconductor industry in the world and the enthusiasm and flexibility of Taiwanese equipment manufacturers in serving semiconductor customers, the localization of some front-end process components will be a long-term industry trend, which is also the business opportunity for Finesse's future development.

With the rapidly changing international situation and the rapid development of the semiconductor industry, Finesse will actively seek any cooperation opportunities, expand its business, enhance its position and value in the customer supply chain, seek a larger development stage for employees, and continuously create profits for shareholders in its development blueprint.

IV. Impact from external competitive environment, regulatory environment, and overall economic environment

The overall performance of the Company's operations is affected by external market

competition, the issuance of new laws and regulations by competent authorities, and changes in the global business environment. In response to the various environmental changes mentioned above, the Company not only follows the new laws and regulations issued by the competent authorities, but also strives to establish a sound financial structure, increase the market share of technical maintenance services, develop our own brand business, and expand international business cooperation opportunities to enhance the overall competitiveness of the Company.

Thank all shareholders for your long-term support and encouragement to Finesse. We would like to express our sincerest gratitude.

I would like to wish all shareholders, ladies and gentlemen,
Good health and good luck

Chairman:
Kou, Chung-Shan

Chapter II Corporate Governance

I. Data of Directors, Supervisor, President, Vice President, Assistant Manager, and heads of various departments and branches

(I) Directors, supervisors

Profile of directors and supervisors (1)

Mar. 23, 2025; Unit: shares; %

Title (Note 1)	Nationality and registry	Name	Gender Age	Date elected	Term	Date first elected	Shares at election		Current number of shares held		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as department heads, directors or supervisor			Remark (Note)
							Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding			Title	Name	Relation	
Chairman	Republic of China	Kou, Chung- Shan	Male Age 61-70	Nov. 01, 2023	3 years	Feb. 22, 2017	2,418,866	7.90%	2,418,866	7.20%	1,108,780	3.30%	—	—	University of California, Los Angeles/ Ph.D. in Electrical Engineering	1. Finesse Technology Co., Ltd./ Chief Strategy Officer 2. Highlight Tech Corp./ CEO 3. Finesse Technology (Shanghai) Co., Ltd./ Supervisor (Representative of juristic person) 4. Highlight Tech System (SHANGHAI) Corp./ Chairman (Representative of juristic person) 5. Highlight Tech System Corp./ Chairman (Representative of juristic person) 6. Htc & Solar Tech Service Limited/ Director (Representative of juristic person) 7. Finesse Technology Co., Ltd./ Director (Representative of juristic person)	—	—	—	Note 2
Director	Republic of China	Lai, Cheng-Shih	Male 71 or over	Nov. 01, 2023	3 years	Nov. 01, 2023	—	—	—	—	—	—	—	—	Taipei Municipal Shilin High School of Commerce	1. Highlight Tech Corp./ Director 2. National Petroleum Co., Ltd./ Chairman 3. Vic Fong Asphalt Co., Ltd./ Chairman 4. Shengfeng Chemical Building Materials Co., Ltd./ Director	—	—	—	—

Title (Note 1)	Nationality and registry	Name	Gender Age	Date elected	Term	Date first elected	Shares at election		Current number of shares held		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as department heads, directors or supervisor			Remark (Note)
							Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding			Title	Name	Relation	
Director	Republic of China	Highlight Tech Corp.	Male Under 60	Nov. 01, 2023	3 years	Nov. 01, 2023	10,866,353	35.51%	10,189,353	30.32%	—	—	—	—	Masters, Department of Mechanical Engineering, Yuan Ze University	1. Highlight Tech Corp./ Chairman (Representative of juristic person) 2. Highlight Tech Corp./ CAO 3. Highlight Tech (Shanghai) Corp./ Supervisor 4. Htc Vacuum (Japan) Co., Ltd / Director (Representative of juristic person) 5. Schmidt Scientific Taiwan Ltd./ Chairman (Representative of juristic person) 6. Shanorm Tech Co., Ltd./ Chairman (Representative of juristic person) 7. Litho Med Trading Co., Ltd./ Chairman (Representative of juristic person) 8. TetraTrio Tech Co., Ltd./ Chairman (Representative of juristic person) 9. Sherg Tar Industrial Co., Ltd./ Chairman 10. iTEST High Tech Corp./ Supervisor 11. Htc & Solar Tech Service Limited/ Supervisor	—	—	—	Note 3
		157,887					0.52%	157,887	0.47%	—	—	—	—							
Director	Republic of China	Highlight Tech Corp.	Male Age 61-70	Jan. 18, 2018	3 years	Nov. 01, 2023	10,866,353	35.51%	10,189,353	30.32%	—	—	—	—	BA, Department of Cooperative Economics, National Chung Hsing University	1. Highlight Tech Corp./ Director 2. Dingshuo Capital Investment (Shares) Company/ Chairman 3. Kaiyang Capital Co., Ltd./ Chairman 4. Kingray Technology Co., Ltd./ Director 5. Plotech Technology Co. Ltd./ Independent Director 6. New Era Electronics Co., Ltd./ Independent Director	—	—	—	—
		417,838					1.37%	417,838	1.24%	180,388	0.54%	—	—							

Title (Note 1)	Nationality and registry	Name	Gender Age	Date elected	Term	Date first elected	Shares at election		Current number of shares held		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as department heads, directors or supervisor			Remark (Note)
							Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding			Title	Name	Relation	
Independent Director	Republic of China	Liu, Tzu-Meng	Male Age 61-70	Nov. 01, 2023	3 years	Nov. 01, 2023	—	—	—	—	—	—	—	—	Master of Advanced Management, National Cheng Kung University	1. Zhicheng Heshu CPA Firm/ CPA 2. Gloria Material Technology Corp./ Independent Director 3. Taiwan Styrene Monomer Corporation/ Independent Director	—	—	—	—
Independent Director	Republic of China	Jen, Hsiu-Yen	Female Age 61-70	Nov. 01, 2023	3 years	Nov. 01, 2023	—	—	—	—	—	—	—	—	Law Institute, National Taiwan University	1. Serenity Law Office/ Chief lawyer 2. Civil notary public affiliated with the Hsinchu District Court, Taiwan	—	—	—	—
Independent Director	Republic of China	Pan, Cheng-Fen	Female Age 61-70	Nov. 01, 2023	3 years	Nov. 01, 2023	—	—	—	—	—	—	—	—	Master of Law, Harvard University, United States	1. Zhigen Law Firm/ Partner Lawyer	—	—	—	—

Note 1. Please refer to Table 1 below for major juristic person shareholders.

Note 2. If the chairman and the president or equivalent (highest manager) are the same person, spouses or first-degree relatives of each other, the reasons, rationality, necessity and countermeasures shall be stated:

Mr. Kou, Chung-Shan, the Chairman of the Company, is the founder of the Company and has a deep understanding of the industry to which the Company belongs. He has rich management experience and is quite familiar with both the industry and R&D technology. He also acts as the Chief Strategy Officer to responsible for strategic layout, setting product development directions, and enhancing decision-making execution. With the business goal of creating maximum value for the enterprise and giving back to shareholders, the Chairman holding the post of Chief Strategy Officer is reasonable and necessary.

Note 3. He was originally the director (representative of juristic person) of Highlight Tech Corp. In the re-election of chairman on Jun. 7, 2024 due to the expiration of the term of the former chairman, he was appointed as the new chairman (representative of juristic person) of Highlight Tech Corp.

Table 1. Major Shareholders of Corporate Shareholders:

Mar. 23, 2025

Corporate Shareholder Name	Major Shareholders and Shareholding %	
Highlight Tech Corp.	Wu, Ming-Tien	5.59%
	Sherng Tar Industrial Co., Ltd.	5.53%
	CTBC Bank Trust Account	3.26%
	Shen, Pin-Hsiu,	3.10%
	Lai, Chih-Hung	2.55%
	Lai, Pei-Yu	2.36%
	Kao, Fu-Lai	2.34%
	WISE HILL INVESTMENT LIMITED	2.24%
	Hu, Chia-Lin	2.10%
	Keyao Co., Ltd.	2.08%
	Wu, Sheng-Hsien	2.03%

Table 2. Table 1 Major shareholders of those institutions which are major shareholders of Finesse institutional shareholders:

Mar. 23, 2025

Corporate Shareholder Name	Major Shareholders and Shareholding %	
Sherng Tar Industrial Co., Ltd.	Wu, Sheng-Hsien	58.9%
	Wu, Chia-Ying	12.5%
	Wu, Min-Hsing	12.5%
	Wu, Chia-Jou	12.5%
	Wang, Wei-Ling	3.6%

Profile of directors and supervisors (2)

1. Disclosure of professional qualification of the directors and independence of directors:

Mar. 23, 2025

Qualification Name	Professional qualification and experience	Compliance of independence	Number of positions as an Independent Director in other public listed companies
Kou, Chung-Shan	<ol style="list-style-type: none"> 1. Possess the necessary work experience in commerce and business of the Company. 2. Please refer to (IV) Profile of directors and supervisors for relevant education and work experience. 3. Does not meet any descriptions stated in Article 30 of the Company Act. 	<p>There is no circumstance under Article 26-3, paragraphs 3 and 4 of the Securities and Exchange Act among the directors. In addition, the independent directors shall comply with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.</p>	None
Lai, Cheng-Shih	<ol style="list-style-type: none"> 1. Possess the necessary work experience in commerce and business of the Company. 2. Please refer to (IV) Profile of directors and supervisors for relevant education and work experience. 3. Does not meet any descriptions stated in Article 30 of the Company Act. 		None
Highlight Tech Corp. Representative: Huang, Chun-Yu	<ol style="list-style-type: none"> 1. Possess the necessary work experience in commerce and business of the Company. 2. Please refer to (IV) Profile of directors and supervisors for relevant education and work experience. 3. Does not meet any descriptions stated in Article 30 of the Company Act. 		2
Highlight Tech Corp. Representative: Wu, Sheng-Hsien	<ol style="list-style-type: none"> 1. Possess the necessary work experience in commerce and finance of the Company. 2. Please refer to (IV) Profile of directors and supervisors for relevant education and work experience. 3. Does not meet any descriptions stated in Article 30 of the Company Act. 		None

Qualification Name	Professional qualification and experience	Compliance of independence	Number of positions as an Independent Director in other public listed companies
Liu, Tzu-Meng	<ol style="list-style-type: none"> 1. Possess the necessary work experience in commerce and business of the Company. 2. Please refer to (IV) Profile of directors and supervisors for relevant education and work experience. 3. Does not meet any descriptions stated in Article 30 of the Company Act. 		2
Jen, Hsiu-Yen	<ol style="list-style-type: none"> 1. Possess the necessary work experience in commerce and business of the Company. 2. Please refer to (IV) Profile of directors and supervisors for relevant education and work experience. 3. Does not meet any descriptions stated in Article 30 of the Company Act. 		None
Pan, Cheng-Fen	<ol style="list-style-type: none"> 1. Possess the necessary work experience in commerce and finance of the Company. 2. Please refer to (IV) Profile of directors and supervisors for relevant education and work experience. 3. Does not meet any descriptions stated in Article 30 of the Company Act. 		None

2. Diversity and Independence of Board of Directors:

(1) Diversity of Board of Directors

A. Diversity Policy

The Company has formulated the “Corporate Governance Best Practice Principles”, which clearly stipulates the diversity policy of the Board of Directors in Article 20. The nomination and selection of members of the Board of Directors of the Company follow the provisions of the Articles of Association with a candidate nomination system, and are handled in accordance with the “Procedures for Election of Directors” and “Corporate Governance Best Practice Principles” to ensure the director diversity and independence.

B. Formulate specific diversification management goals according to the diversity policy:

- Less than 1/3 of directors concurrently serve as managers in the Company.
- Respect for gender equality: There is at least two female director on the Board of Directors.
- Professional knowledge and skills: The Board possesses professional

knowledge and skills in law, finance and accounting, industry, marketing and technology experience.

C. The 7th Board of Directors is composed of 7 directors and the diversity is shown below:

Director Name	Gender	Nationality	Current positions in our company	Age			Profession	Professional knowledge and skills			
				Under 60	61-70	71 or over		Manufacturing technology	Finance and accounting	Fuel energy	Legal
Kou, Chung-Shan	Male	Republic of China	✓		✓			✓			
Lai, Cheng-Shih	Male	Republic of China				✓				✓	
Highlight Tech Corp. Representative: Wu, Sheng-Hsien	Male	Republic of China		✓				✓			
Highlight Tech Corp. Representative: Huang, Chun-Yu	Male	Republic of China			✓				✓		
Liu, Tzu-Meng (Independent Director)	Male	Republic of China			✓		CPA		✓		
Jen, Hsiu-Yen (Independent Director)	Female	Republic of China			✓		Lawyer				✓
Pan, Cheng-Fen (Independent Director)	Female	Republic of China			✓		Lawyer				✓

- The number of directors who are also employees of the Company is 1, accounting for 14% and less than 1/3 of the number of directors.
- The gender composition is diversified, with 2 female directors, accounting for 29% of the directors.
- The age distribution is diversified, with 1 members of the Board of Directors under the age of 60 (14%), 5 (72%) between the ages of 61 and 70, and 1 (14%) over the age of 71.
- Professional knowledge and skills are diversified. The professional background of the Board members includes law, accounting, electronics, machining and manufacturing, electronic materials, fuel energy, management and other expertise in various fields. Thus, all the department's Board of Directors have the necessary knowledge and skills with diversified industry experience to perform their duties.

(2) Independence of Board of Directors

The Company has 7 members of the Board of Directors (including 3 independent directors). All directors are not spouses or relatives within the second degree or closer, so there is no circumstance stipulated in Article 26-3, Paragraphs 3 and 4 of Securities and Exchange Act. In addition, the independent directors also comply with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

(II) Background information of President, Vice Presidents, Assistant Managers, and the heads of various departments and branches

Mar. 23, 2025; Unit: shares

Title	Nationality	Name	Gender	Date elected	Shareholding		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current positions in the company and other companies	Spouse or relatives of second degree or closer acting as manages			Remark
					Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding			Title	Name	Relation	
Chairman and CSO	Republic of China	Kou, Chung-Shan	Male	Feb. 22, 2017	2,418,866	7.2%	1,108,780	3.30%	—	—	Ph.D. in Electrical Engineering, University of California, Los Angeles Professor, Department of Physics, National Tsing Hua University	1. Highlight Tech Corp./ CEO 2. Finesse Technology (Shanghai) Co., Ltd./ Supervisor (Representative of juristic person) 3. Highlight Tech System (SHANGHAI) Corp./ Chairman (Representative of juristic person) 4. Highlight Tech System Corp./ Chairman (Representative of juristic person) 5. Htc & Solar Tech Service Limited/ Director (Representative of juristic person) 6. Finesse Technology Co., Ltd./ Director (Representative of juristic person)	—	—	—	Note 1

Title	Nationality	Name	Gender	Date elected	Shareholding		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current positions in the company and other companies	Spouse or relatives of second degree or closer acting as manages			Remark
					Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding			Title	Name	Relation	
President	Republic of China	Chiao, Yuan-Yu	Male	Feb. 26, 2025	33,000	0.10%	23,000	0.07%	—	—	Bachelor, Physical Medicine and Rehabilitation, National Cheng Kung University Ever Tech Instrumental Co., Ltd./ Overseas Business Manager Genesis Photonics Inc./ Director of Business Section Finesse Technology Co., Ltd. / Consultant and Special Assistant of the Chairman	—	—	—	—	—
R&D Director	Republic of China	Tseng, Hsin-Hua	Male	Jul. 01, 2022	231,000	0.69%	45,851	0.14%	—	—	Ph.D., Department of Life Sciences, National Tsing Hua University TSMC/ Senior Engineer Assistant Professor, School of Life Sciences and Biotechnology, National Chiao Tung University	—	—	—	—	—

Title	Nationality	Name	Gender	Date elected	Shareholding		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current positions in the company and other companies	Spouse or relatives of second degree or closer acting as manages			Remark
					Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding			Title	Name	Relation	
CTO	Republic of China	Pan, Yen-Ju	Male	May 14, 2012	199,033	0.59%	100,000	0.30%	—	—	Ph.D., Department of Physics, National Tsing Hua University Doctoral Degree National Synchrotron Radiation Research Center	—	—	—	—	—
COO	Republic of China	Hung, Pen-Yuan	Male	Jan. 14, 2022	173,681	0.52%	—	—	—	—	BA, Department of Management Sciences, National Yang Ming Chiao Tung University Materials Analysis Technology Inc./ Vice President of the General Management Office	—	—	—	—	—
Vice Presidents	Republic of China	Lin, Tzu-Hsaun	Female	Apr. 01, 2023	28,000	0.08%	—	—	—	—	Associate Bachelor, Department of Music, Tainan University of Technology Finesse/ Senior Business Assistant Manager	—	—	—	—	—

Title	Nationality	Name	Gender	Date elected	Shareholding		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current positions in the company and other companies	Spouse or relatives of second degree or closer acting as manages			Remark
					Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding			Title	Name	Relation	
Auditing Department / Assistant Manager	Republic of China	Liao, Yu-Chuan	Female	Jan. 11, 2023	30,000	0.09%	—	—	—	—	Bachelor, Department of Accounting, School of Law and Business, National Chung Hsing University Microelectronics Technology, Inc./ Accounting Manager AMBIT Microsystems Corp./ Audit Manager	—	—	—	—	—

Note 1. If the chairman and the president or equivalent (highest manager) are the same person, spouses or first-degree relatives of each other, the reasons, rationality, necessity and countermeasures shall be stated:

Mr. Kou, Chung-Shan, the Chairman of the Company, is the founder of the Company and has a deep understanding of the industry to which the Company belongs. He has rich management experience and is quite familiar with both the industry and R&D technology. He also acts as the Chief Strategy Officer to responsible for strategic layout, setting product development directions, and enhancing decision-making execution. With the business goal of creating maximum value for the enterprise and giving back to shareholders, the Chairman holding the post of Chief Strategy Officer is reasonable and necessary.

Table of salaries scale

Remunerations to individual directors in respective brackets along the salaries scale	Name of director			
	Total of the aforementioned 4 items (A+B+C+D)		Total of the aforementioned 7 items (A+B+C+D+E+F+G)	
	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report
> NTD1,000,000	Kou, Chung-Shan; Highlight Tech Corp. / Representative: Huang, Chun-Yu Highlight Tech Corp. / Representative: Wu, Sheng-Hsien; Lai, Cheng-Shih; Liu, Tzu-Meng; Jen, Hsiu-Yen; Pan, Cheng-Fen	Kou, Chung-Shan; Highlight Tech Corp. / Representative: Huang, Chun-Yu Highlight Tech Corp. / Representative: Wu, Sheng-Hsien; Lai, Cheng-Shih; Liu, Tzu-Meng; Jen, Hsiu-Yen; Pan, Cheng-Fen	Highlight Tech Corp. / Representative: Huang, Chun-Yu Highlight Tech Corp. / Representative: Wu, Sheng-Hsien; Lai, Cheng-Shih; Liu, Tzu-Meng; Jen, Hsiu-Yen; Pan, Cheng-Fen	Highlight Tech Corp. / Representative: Huang, Chun-Yu Highlight Tech Corp. / Representative: Wu, Sheng-Hsien; Lai, Cheng-Shih; Liu, Tzu-Meng; Jen, Hsiu-Yen; Pan, Cheng-Fen
NTD1,000,000 - NTD2,000,000 (exclusive)	—	—	—	—
NTD2,000,000 - NTD3,500,000 (exclusive)	—	—	—	—
NTD3,500,000 - NTD5,000,000 (exclusive)	—	—	Kou, Chung-Shan	Kou, Chung-Shan
NTD5,000,000 - NTD10,000,000 (exclusive)	—	—	—	—
NTD10,000,000 - NTD15,000,000 (exclusive)	—	—	—	—
NTD15,000,000 - NTD30,000,000 (exclusive)	—	—	—	—
NTD30,000,000 - NTD50,000,000 (exclusive)	—	—	—	—
NTD50,000,000 - NTD100,000,000 (exclusive)	—	—	—	—
> NTD100,000,000	—	—	—	—
Total	7 persons	7 persons	7 persons	7 persons

(II) President's and Vice Presidents' remuneration

Unit: Thousand NT Dollars

Title	Name	Salary (A)		Pension (B)		Bonuses and allowances etc. (C)		Remuneration to employees (D)				The sum of A, B, C and D as a percentage of after-tax profit (%)		Remuneration received from the invested companies other than the subsidiaries and the parent company	
		The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company		All companies shown in the financial report		The Company	All companies shown in the financial report		
								Cash amount	Stock amount	Cash amount	Stock amount				
Chairman and CSO	Kou, Chung-Shan														
President	Lu, Chun-Hung														
R&D Director	Tseng, Hsin-Hua	9,209	9,209	432	432	7,034	7,034	3,945	—	3,945	—	23.03%	23.03%	None	
CTO	Pan, Yen-Ju														
COO	Hung, Pen-Yuan														

Table of salaries scale

The brackets of remunerations to all Presidents and Vice Presidents of the Company	Names of the Presidents and the Vice Presidents	
	The Company	All companies shown in the financial report
> NTD1,000,000	—	—
NTD1,000,000 - NTD2,000,000 (exclusive)	—	—
NTD2,000,000 - NTD3,500,000 (exclusive)	—	—
NTD3,500,000 - NTD5,000,000 (exclusive)	Kou, Chung-Shan; Lu, Chun-Hung; Tseng, Hsin-Hua; Pan, Yen-Ju; Hung, Pen-Yuan	Kou, Chung-Shan; Lu, Chun-Hung; Tseng, Hsin-Hua; Pan, Yen-Ju; Hung, Pen-Yuan
NTD5,000,000 - NTD10,000,000 (exclusive)	—	—
NTD10,000,000 - NTD15,000,000 (exclusive)	—	—
NTD15,000,000 - NTD30,000,000 (exclusive)	—	—
NTD30,000,000 - NTD50,000,000 (exclusive)	—	—
NTD50,000,000 - NTD100,000,000 (exclusive)	—	—
> NTD100,000,000	—	—
Total	5 persons	5 persons

(III) Name of the managers received remuneration and the distribution of remuneration in the latest year

Unit: Thousand NT Dollars

	Title	Name	Cash amount	Stock amount	Total	As a percentage of net profit after tax (%)
Manager	CSO	Kou, Chung-Shan	4,788	—	4,788	5.35%
	President	Lu, Chun-Hung				
	R&D Director	Tseng, Hsin-Hua				
	CTO	Pan, Yen-Ju				
	COO	Hung, Pen-Yuan				
	Vice Presidents	Lin, Tzu-Hsaun				
	Auditing Department / Assistant Manager	Liao, Yu-Chuan				

(IV) Separately compare and describe total remuneration, as a percentage of reports or individual financial reports net profit stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the individual or consolidated financial statements during the last two years to directors, supervisors, president, and vice president, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

- Total remuneration, as a percentage of net profit paid by this company during the last two years to directors, supervisors, supervisors, president, and vice president:**

Unit: Thousand NT Dollars; %

Year Title	2023				2024			
	The Company		All companies shown in the financial report		The Company		All companies shown in the financial report	
	Remuneration	As a percentage of net profit after tax	Remuneration	As a percentage of net profit after tax	Remuneration	As a percentage of net profit after tax	Remuneration	As a percentage of net profit after tax
Director	15,317	14.88%	15,317	14.88%	6,663	7.44%	6,663	7.44%
Supervisor	1,108	1.08%	1,108	1.08%	0	0.00%	0	0.00%

procedures for determining remuneration, have a positive correlation with business performance.

III. Corporate governance

(I) Facts about performance by the board of directors:

The Board of Directors convened 6 meetings (A) in 2024 and the participation of the directors are shown below:

Title	Name	Actual attendance (B)	Proxy attendance	Actual attendance (%) (B/A)	Remark
Chairman	Kou, Chung-Shan	6	0	100%	None
Director	Highlight Tech Corp. Representative: Huang, Chun-Yu	6	0	100%	None
Director	Highlight Tech Corp. Representative: Wu, Sheng-Hsien	6	0	100%	None
Director	Lai, Cheng-Shih	6	0	100%	None
Independent Director	Liu, Tzu-Meng	6	0	100%	None
Independent Director	Jen, Hsiu-Yen	6	0	100%	None
Independent Director	Pan, Cheng-Fen	6	0	100%	None

Other remarks:

1. For the operation of the Board of Directors in any of the following circumstances, please specify the date, term, the contents of the proposals, the opinions of all independent directors, and the process of the opinions proposed by the independent directors:
 - (1) Matters listed in Article 14-3 of the Securities and Exchange Act: The Company has established an Auditing Committee, and Article 14-3 does not apply. For the description of the matters listed in Article 14-5 of the Securities Exchange Act, please refer to the "Operation of the Auditing Committee" in this annual report.
 - (2) Other than the aforementioned issues, the issue objected by an independent director or where an independent director maintain a qualified opinion with record or documented declaration in a decision resolved by the Board of Directors: None.
2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None.
3. The implementation of the Board of Directors evaluation:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Evaluation performed once a year	Jan. 01, 2024 - Dec. 31, 2024	Functional Committee, Individual Board member, Functional Committee	Self-evaluation by board members and functional committees	(I) Board of Directors: <ol style="list-style-type: none"> 1. Level of participation in the Company's operations 2. Improvement of board's/functional committee's decision quality 3. Board/functional committee composition 4. Election and ongoing education of directors 5. Internal Control (II) Individual Board member: <ol style="list-style-type: none"> 1. Director's awareness toward the Company's goals and missions 2. Director's awareness to duties 3. Level of participation in the Company's operations 4. Management and communication of internal relations 5. Professionalism and ongoing education of directors 6. Internal Control (III) Functional Committee: <ol style="list-style-type: none"> 1. Level of participation in the Company's operations 2. Awareness of the duties of functional committee 3. Improve the quality of functional committees' decision-making 4. Composition of functional committees and election of members 5. Internal Control

4. Targets for strengthening of the functions of the board during the current and immediately preceding fiscal years
- (1) The operation of the Board of Directors is performed in accordance with laws and regulations. All directors possess professional knowledge, skills

and experience necessary to perform the duties. In the composition of the current (7th) Board of Directors, directors have diverse professional abilities and experience backgrounds and Auditing Committee members have professional backgrounds in accounting, finance and law, which can improve the quality of decision-making.

- (2) To establish a good governance system for the Board of Directors, the Company has amended the "Rules of Procedure for Board of Directors Meetings" on Mar. 10, 2023 in accordance with the regulations of the competent authority, and amended the "Corporate Governance Best Practice Principles" on Mar. 7, 2024 with reference to the corporate governance guidelines stipulated by the competent authority to maintain the operation of corporate governance.

(II) The state of operations of Auditing Committee

The Auditing Committee convened 5 meetings (A) in 2024 and the participation of the independent director are shown below:

Title	Name	Actual attendance (B)	Proxy attendance	Actual attendance (%) (B/A)	Remark
Independent Director (Convener)	Liu, Tzu-Meng	5	0	100%	None
Independent Director	Jen, Hsiu-Yen	5	0	100%	None
Independent Director	Pan, Cheng-Fen	5	0	100%	None

Other remarks:

1. Where any one among those enumerated below exists as the performance by the Audit Committee, the convention date, term, contents of agenda, outcome of the decision resolved in the Auditing Committee as well as the Company's opinions toward the Audit Committee's opinions should be expressly remarked.
 - (1) Issues required under Article 14-5 of the Securities and Exchange Act: None.
 - (2) Except the aforementioned issue, other issue not yet resolved in the Auditing Committee but has been duly resolved by two-thirds majority of the total number of director seats: None
2. With respect to the avoidance of conflicting interest agendas, describe the names of independent directors, details of the relevant agendas, reasons for avoiding conflicting interest, and the voting decisions: None
3. Facts of communications by and between independent directors and internal audit supervisors as well as CPA(s) (should include issues regarding the Company's financial conditions, facts in business operation and such key issues, the method of communications and the outcome thereof).

- (1) The Company will, at least once a year, hold a meeting of independent directors, internal audit supervisors, and CPAs to discuss the completed external audit opinions of the internal audit supervisors and CPAs, and communicate based on the audit defects of the year, with the communication opinions documented.
- (2) The internal audit supervisor shall submit the audit report and defect tracking report of the last month before the end of each month, and submit the annual audit plan implementation status and internal defect tracking and improvement status to independent directors for review. Report the progress of audit business to independent directors at least once a quarter. In case of significant abnormal events, a report will be immediately prepared and submitted for review, and independent directors will be notified.
- (3) Independent directors and CPAs have communicated and discussed audit planning matters and key audit matters.
- (4) Other: In case of significant abnormal events or matters deemed necessary for independent communication by independent directors, audit supervisors, and CPAs, meetings may be held at any time for communication.
- (5) The communication in 2024 is shown in the following table:

Meeting date / Meeting type	Communication with internal audit supervisors		Communication with CPAs	
	Matters	Results	Matters	Results
2024/01/19 Seminar	(1) Audit report for Nov. to Dec., 2023.	No comment	—	—
2024/03/07 Seminar	(1) Audit report for Jan. to Feb., 2024. (2) Internal control statement for 2023.	No comment	(1) The CPAs reported on the content of the audited financial statements 2023, significant audit findings, and the CPAs' audit report. (2) Communication on CPAs' responsibilities and independence. (3) Communication on key audit matters in the audit report. (4) Explanation of the impact of recent amendments to important laws and regulations.	No comment
2024/05/08 Seminar	(1) Audit report for Mar. to Apr., 2024. (2) Internal control statement from Apr. 1, 2023 to Mar. 31, 2024	No comment	(1) The CPAs reported on the content of the reviewed financial statements of Q1 2024, significant review findings, and the CPAs' review report. (2) Communication on CPAs' independence. (3) Explanation of the impact of recent amendments to important laws and regulations.	No comment
2024/08/07 Seminar	(1) Audit report for May to Jul., 2024.	No comment	—	—
2024/11/06 Seminar	(1) Audit report for Aug. to Oct., 2024.	No comment	(1) The CPAs reported on the content of the audited financial statements of Q3 2024, significant audit findings, and the CPAs' audit report. (2) Communication on CPAs' responsibilities and independence. (3) Explanation of the impact of recent amendments to important laws and regulations.	No comment

(III) Performance in corporate governance and the differential gap between corporate governance and Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the cause thereof:

Assessment Items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
I. Will the Company based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies set up and disclose the Company's corporate governance best-practice principles?	✓		The Company has established the Corporate Governance Best-Practice Principles and disclosed it on the Company's website and MOPS.	No deviations.
II. Shareholding structure and shareholders' equity (I) Will the Company have the internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters; also, have the procedures implemented accordingly?	✓		(I) The Company has a spokesperson, an deputy spokesperson, an email and a company website. It also has an investor page, which can handle shareholders' suggestions, doubts, disputes, and lawsuits in real time.	No deviations.
(II) Will the Company possess the list of the Company's major shareholders and the list of the ultimate controllers of the major shareholders?	✓		(II) The stock affairs unit of the Company is responsible for managing relevant information. It possess the list of the Company's major shareholders and the list of the ultimate controllers of the major shareholders, and maintaining a good relationship with major shareholders.	No deviations.
(III) Will the Company establish and implement the risk control and firewall mechanisms with the related parties?	✓		(III) The Company has established Internal Control Policies and management methods to control risks with affiliated companies, which operate independently in terms of finance and business, with special personnel in charge who the parent company can review.	No deviations.
(IV) Will the Company set up internal norms to prohibit insiders from utilizing the undisclosed information to trade securities?	✓		(IV) The Company has established the "Regulations for Preventing Insider Trading", which prohibits company insiders from trading securities using information not disclosed to the market for illegal profits, and regularly conducts internal education, training and promotion.	No deviations.

Assessment Items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
III. The constitution and obligations of the board of directors (I) Whether a diversity policy for its member is established and implemented by the Board of Directors?	✓		(I) Please refer to page 9 of this annual report for the Company's Board diversity policy, specific management objectives and implementation.	No deviations.
(II) Will the Company, in addition to setting the Remuneration Committee and Auditing Committee lawfully, have other functional committee set up voluntarily?	✓		(II) The Company also sets up a Sustainable Development Committee to promote sustainable development, including environmental protection, social responsibility, and corporate governance.	No deviations.
(III) Does the company establish a method to evaluate board performance and evaluate board performance every year? Are the performance evaluation results reported to the board and used as a reference for the remuneration and nomination for re-election of directors?	✓		(III) Performance Evaluation of the Board of Directors 1. The Company has formulated the "Rules for Performance Evaluation of Board of Directors", and regularly conducts performance evaluations every year, including the Board of Directors, individual directors, and functional committees. The performance evaluation results for 2024 were submitted to the Board of Directors on Feb. 26, 2025, with an average score of 4.33 to 4.54 (full score: 5), indicating that the operational systems of the Board of Directors and functional committees are sound and complete. 2. According to Article 9 of the Company's "Rules for Performance Evaluation of Board of Directors": When electing or nominating members of the board of directors, the Company shall base its election on the evaluation results of the performance of the board and shall base its determination of an individual director's remuneration on the evaluation results of his or her performance.	No deviations.
(IV) Will the Company have the independence of the public	✓		(IV) The Company regularly evaluates the independence and suitability of the appointed CPA every year, where the	No deviations.

Assessment Items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
accountant evaluated regularly?			accounting department completes the "CPA Evaluation Form", and submits it to the Auditing Committee and the Board of Directors for discussion. The latest evaluation was discussed and approved by the Auditing Committee and the Board of Directors on Feb. 26, 2025.	
IV. Does a public company equip an appropriate number of eligible governance personnel and assign the governance officer to take charge of company's governance affairs (including, without limitation, providing directors with the data required for business operations, assistance for the legal compliance of directors, handling affairs related to holding a board meeting or a general meeting of shareholders and producing minutes for board meetings and general meetings of shareholders)?	✓		The appointment of Chief Operating Officer Hung, Pen-Yuan as the corporate governance officer is in accordance with the qualifications stipulated in the Operation Directions for Compliance with the Establishment of Board of Directors and the Board's Exercise of Powers. The corporate governance officer is responsible for corporate governance related affairs. The training status for 2024 is as follows: <ol style="list-style-type: none"> 1. New perspectives on corporate governance (Taiwan Corporate Governance Association: 3 hours) 2. Corporate governance, accounting, finance, professional ethics and legal responsibilities (Accounting Research and Development Foundation: 12 hours) 3. Common defects in financial statement review and common problems on acquisition and disposal of assets (Accounting Research and Development Foundation: 3 hours) 	No deviations.
V. Has the Company established a communication channel with the stakeholders (including but not limited to the shareholders, employees, customers, and suppliers), set up a stakeholder section on the Company's website, and responded appropriately to the important corporate social responsibilities concerned by the stakeholders?	✓		The Company has established a stakeholders page on the Company website, and has a spokesperson, a spokesperson channel with an email box. In addition to establishing a communication channel with stakeholders, it handles matters related to the Company's external relations and stakeholders at any time. The website is https://www.finesse-tech.com/stakeholder.php	No deviations.

Assessment Items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
VI. Has the Company commissioned a professional stock service agent to handle shareholders affairs?	✓		The Company mandates Transfer Agency Department, IBF Securities Co., Ltd. to be the Company's shareholder services agent, and to handle the affairs related to the shareholders' meeting.	No deviations.
VII. Disclosure of information (I) Does the Company have a website setup and the financial business and corporate governance information disclosed?	✓		(I) The Company has a website setup and the financial business and corporate governance information disclosed. (https://www.finesse-tech.com/directors.php)	No deviations.
(II) Has the Company adopted other information disclosure methods (such as, establishing an English website, designating a responsible person for collecting and disclosing information of the Company, substantiating the spokesman system, placing the juristic person seminar program on the Company's website, etc.)?	✓		(II) The Company has established an English website, designating a responsible person for collecting, maintaining and disclosing information of the Company, substantiating the spokesman system, and placing the Investor Conference information on the Company's website.	No deviations.
(III) Does the company announce and report its financial statements within two months after the end of a fiscal year, and publish and declare in advance the financial statements of Q1, Q2 and Q3 as well as status of monthly operations?	✓		(III) The Company's financial statement and status of monthly operations are announced and reported within the prescribed time limit. 1. The Company's financial statement for 2024 has been announced within two months after the end of the fiscal year (Feb. 27, 2025). 2. The financial statements for Q1, Q2 and Q3 have been announced and reported in advance before the prescribed time limit. 3. The status of operations has been announced before the prescribed time limit.	No deviations.
VIII. Are there any other important information (including but not limited to the interests of employees,	✓		(I) Employee rights and employee care: please refer to Labor-management Relations of this annual report. (II) Investor relations: The Company's website has an investor page to	No deviations.

Assessment Items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
employee care, investor relations, supplier relations, the rights of stakeholders, the advanced study of directors, the implementation of risk management policies and risk measurement standards, the execution of customer policy, the purchase of liability insurance for the Company's directors) that are helpful in understanding the corporate governance operation of the Company?			<p>provide various information that investors are concerned about, and provide contact information for dedicated personnel.</p> <p>(III) Supplier relations: The Company builds relationships with suppliers in accordance with international standard management systems such as ISO9001, and has established management procedures for supplier selection, evaluation, and regular audits.</p> <p>(IV) Rights of stakeholders: the Company has established a stakeholders page on the website.</p> <p>(V) Director training status: The Company's directors' training hours are all in compliance with the regulations.</p> <p>(VI) The Company has formulated relevant management measures and internal regulations to conduct various risk management and evaluations.</p> <p>(VII) Implementation of customer relations policies: The Company handles customer complaints, tracks and improves the issues raised by customers in accordance with the ISO management system and internal process management mechanism.</p> <p>(VIII) Implementation of purchasing insurance for directors: The Company has purchased liability insurance for directors and key employees every year.</p>	
<p>IX. Please describe the improvement performed according to the corporate governance evaluation results published by the Governance Center of Taiwan Stock Exchange in latest year, and propose the matters with priority for improvement and the respective measures and Corporate:</p> <p>The Company was listed on the TPEX on Dec. 16, 2024, and there is currently no corporate governance evaluation.</p>				

(IV) Composition, responsibilities and operation of the Remuneration Committee

1. Information on the members of the Remuneration Committee

Identity	Qualification	Professional qualification and experience	Compliance of independence	Number of other public companies where the members are also the members of the remuneration committee of these companies
	Name			
Independent Director (Convener)	Liu, Tzu-Meng	The members are composed of 3 independent directors. Please refer to pages 9 to 11 for the professional qualifications, experience and independence.		2
Independent Director	Jen, Hsiu-Yen			0
Independent Director	Pan, Cheng-Fen			0

2. Information on the operation of the Remuneration Committee

- (1) The Company's Remuneration Committee has three Committee members in total.
- (2) The term of office of the current committee members: from Nov. 1, 2023 to Oct. 31, 2026. The Remuneration Committee conducted 3 meetings in 2024 (A) and the qualifications and attendance are as follows:

Title	Name	Actual attendance (B)	Proxy attendance	Actual attendance (%) (B/A)	Remark
Convener	Liu, Tzu-Meng	3	0	100%	None
Committee	Jen, Hsiu-Yen	3	0	100%	None
Committee	Pan, Cheng-Fen	3	0	100%	None

Other remarks:

- A. Where the board of directors does not adopt or amend the proposal(s) posed by the Remuneration Committee: The Company shall expressly elaborate on the date, term while the board of directors meeting was convened, contents of the issues, outcome of decisions resolved in the board of directors and the Company's response to the opinions posed by the Remuneration Committee (For instance, if the salary pay resolved by the board of directors is higher than that proposed by the Remuneration Committee, the Company should elaborate on the fact of differential gap and the cause thereof): None.
- B. Where a decision resolved in the Remuneration Committee is found in contravention of rules or in qualified opinion as verified with records or

documented declaration, the Company shall expressly elaborate on the date, terms of the meeting convened by the Remuneration Committee, contents of agenda, opinions of all members and acts taken in response to such opinions: None.

(V) Implementation of the promotion of sustainable development and the deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Promotion projects	Performance review (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description (Note 2)	
I. Does the Company have a specific (or part-time) unit set up to promote the sustainable development governance framework, and the Board of Directors authorizing the management to handle matters and report the supervision results to the Board of Directors?		✓	<p>(1) The Company has established a Sustainable Development Committee (ESG Committee), with the President as the Chairman and the CFO as the Vice Chairman, and has appointed relevant personnel as Executive Secretaries and members to promote and implement sustainable development work.</p> <p>(2) On May 28, 2024, a meeting of the Sustainable Development Committee was held to discuss the operating procedures for preparing the sustainability report and to formulate the sustainability report operating plan 2024.</p> <p>(3) At present, we are still preparing to prepare a corporate responsibility report and promoting the corporate social responsibility related operations. It is expected to report the handling situation to the Board of Directors in 2025.</p>	The Company has established a governance framework to promote sustainable development, and is still promoting the corporate social responsibility related operations, which has not yet been reported to the Board of Directors.
II. Does the company assess the risk of environmental, social, and governance (ESG) issues in relation to corporate operations based on the materiality principles and establish policies or strategies in relation to risk management?	✓		<p>The Company attaches importance to the rights and interests of relevant stakeholders, values environmental, social, and corporate governance issues which are incorporated into the Company's management policies and operating activities to achieve sustainable management, environmental friendliness, and social welfare. The exercise of rights and responsibilities, management systems, and stakeholder requirements are implemented by each unit.</p> <p><u>Environment</u> The Company has publicized the matters related to environmental protection.</p> <p><u>Society</u></p> <ul style="list-style-type: none"> Occupational Health and Safety: Regular fire drills and training are held 	No deviations.

Promotion projects	Performance review (Note 1)		Summary description (Note 2)	Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No		
			<p>every year to enhance employees' emergency response and self safety management abilities.</p> <ul style="list-style-type: none"> Employee rights, diversity and equality: the Company will organize irregular education, training, and promotion to enhance employees' job skills and awareness; On-site supervisors at all levels will frequently communicate with employees on their needs. <p><u>Corporate governance</u></p> <ul style="list-style-type: none"> The Company has established the "Information Security Control Procedure" and the "Information Security Policy" to address the information security risks, and conducts irregular information security promotion, risk control, and continuous improvement to reduce the Company's information security threats and protect confidential information. Plan topics and courses for director training, and provide the latest regulations, institutional developments, and policies for directors. Purchase liability insurance for directors, supervisors, and key employees. 	
III. Environmental issues (I) Does the company have an appropriate environmental management system established in accordance with its industrial characteristics?	✓		According to relevant environmental protection regulations in Taiwan, the Company has established "Waste and Wastewater Management Measures", "6S Management Measures for Working Environment", and other procedures or job specifications.	No deviations.
(II) Is the company committed to enhancing the power efficiency and using renewable materials that are with low impact on the environmental impacts?	✓		The Company's industry is the sales and technical services of semiconductor equipment subsystems, and the production process is low energy-consuming and low water-consuming. Therefore, the energy-saving policy in management focuses on daily operations, such as using energy-saving lighting, water-saving faucets, double-sided use of photocopy paper, using information systems to promote paperless office, reducing garbage, implementing	No deviations.

Promotion projects	Performance review (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description (Note 2)	
			resource recycling, encouraging employees to implement energy-saving, carbon reducing and water saving, setting constant temperature for air conditioning, and other management measures.	
(III) Does the Company assess the present and future potential risks and opportunities of climate change on the Company and take actions to related?	✓		The Company actively promotes management measures such as energy conservation and carbon reduction (such as air conditioning), greenhouse gas reduction, water consumption reduction, and waste reduction, regularly repairs and replaces the equipment to reduce greenhouse gas emissions. The Company monitors climate change risks and opportunities from regulations, natural disasters and other aspects, and develops response measures according to the degree of impact.	No deviations.
(IV) Did the Company produce statistics on the GHG emissions, water consumption, and total waste in the last two years? Has the company established policies for GHG reduction, water conservation, and waste management?		✓	The Company continues to promote and implement activities to protect the earth, such as turning off lights when leaving, reducing paper usage, prioritizing the use of energy-saving products, and increasing air conditioning temperatures to save energy and reduce carbon emissions. Reduce emission through effective control and management of process water. Implement effective resource recycling to reduce waste and reuse sustainable resource. General industrial waste that cannot be recycled is cleaned and properly disposed of through EPA approved agencies.	To be counted
IV. Social issues (I) Does the Company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights?	✓		The Company has formulated the “Human Rights Policy” to protect the basic human rights of employees, the Company recognizes and complies with various international human rights conventions such as the United Nations Universal Declaration of Human Rights, the Global Covenant, and the International Labor Organization Convention, and prohibits any human rights violations. The Company formulates employee work rules in accordance with the Labor Standards Act, recognizes and complies with internationally recognized human rights conventions.	No deviations.
(II) Has the company established and implemented reasonable employee welfare measures (including	✓		The Company tracks the market salaries to maintain a competitive salary rate, and formulates employee related measures in accordance with the Labor Standards Act. The measures include salary, bonuses,	No deviations.

Promotion projects	Performance review (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description (Note 2)	
remuneration, leave, and other benefits) and appropriately reflected business performance and achievements in the remuneration for employees?			working hours, vacations, attendance and assessment, benefit measures, etc., to clearly establish the relevant rights and obligations of both employers and employees. According to the Articles of Association, if the Company makes a profit in the year, not lower than 10% shall be allocated as employee remuneration. (For details, please refer to “Labor-Management Relations” in this annual report or visit the Company’s website)	
(III) Does the Company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?	✓		<p>(1) The Company has set up an occupational safety and health committee, which is composed of the Board Chairman as the chairman, designated occupational safety office, supervisors of department or labor as representatives, and holds regular quarterly meetings.</p> <p>(2) The Occupational Safety Office conducts workplace inspections every month, and proposes corrective improvements and preventive measures for the deficiencies found. It maintains the safety of the overall working environment and the health of employees.</p> <p>(3) Conduct emergency response drills and evacuation drills twice a year (first and second halves of the year) in accordance with fire regulations to establish emergency response capabilities for all employees and reduce losses in disasters.</p> <p>(4) Contract the environmental monitoring and implement the health inspection of the particularly hazardous operation twice a year. All the monitoring items in 2024 complies the regulations and standards, and there is no abnormality found in the working environment.</p> <p>(5) The Company aims for zero work-related injuries, with no significant disabling injuries or major occupational injuries in 2024.</p> <p>(6) There are designated doctors and full-time nurses in the factory to provide employees with professional health education consultation, promotion, seminars, etc.</p> <p>(7) The Company utilizes annual health</p>	No deviations.

Promotion projects	Performance review (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description (Note 2)	
			<p>checks to have designated medical personnel conduct health education and consultation to assess whether there may be potential occupational disease, and provide advice on diet, exercise, and medical care.</p> <p>(8) In 2024, the Company had no occupational disease cases.</p>	
(IV) Does the Company have an effective career capacity development training program established for the employees?	✓		The employees can arrange education and training based on their work, function, future development, etc. The Company encourages employees to further develop and advance in their profession. In addition, when there are personnel rotations and additions in various departments of the Company, employees can take a test according to their own expertise and interests, and the supervisor will arrange training and rotation according to the employee's expertise.	No deviations.
(V) Does the company comply with the related laws and regulations and international standards regarding the customer health and safety, customer privacy, marking communication, and labeling of its products and services and establish policies to protect the rights and interests of customers and procedures for grievances?	✓		The Company complies with relevant laws and regulations and international standards for customer health and safety, customer privacy, marketing and labeling of products and services. The policy of consumer rights protection is regulated in the Ethical Corporate Management Best Practice Principles which also formulates the Procedures for Ethical Management and Guidelines for Conduct. The Company also complies with the ISO systematic management process to handle customer issues to protect the rights and interests of customers.	No deviations.
(VI) Has the company established policies for management to request suppliers to comply with the relevant laws and regulations of environmental protection, occupational safety and health, and labor human rights? Does the company keep track on the implementation of such policies?	✓		The Company has formulated the supplier control procedures and passed the ISO 9001 standard management system certification, and has established management procedures for supplier selection, evaluation, and regular audits. Its supply management includes quality, business ethics, labor rights, environmental protection and occupational safety and health, technology and supply capacity, and the absence of harmful substances.	No deviations.

Promotion projects	Performance review (Note 1)		Summary description (Note 2)	Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No		
V. Did the Company, following internationally recognized guidelines, prepare and publish reports such as its sustainable environment report to disclose non-financial information of the Company? Did the Company apply for assurance or guarantee of such reports to a third-party certification body?		✓	In accordance with relevant laws and regulations, the Company discloses relevant company information and important information on the MOPS website, and discloses information related to the implementation of corporate social responsibility in the annual report.	The Company has not prepared sustainable environment report to disclose non-financial information of the Company
VI. If the Company has established the corporate social responsibility principles based on “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies,” please describe any discrepancy between the principles and their implementation: The Company has established its own Sustainable Development Best Practice Principles. In view of respecting for social ethics and attention to the rights of other stakeholders, while pursuing sustainable operation and profitability, we attach great importance to environmental, social, and corporate governance factors, and incorporate them into the Company's management and operation without significant differences.				
VII. Other important information for the implementation of sustainable development: The Company believes that giving back to the society could be more than monetary donations such as other hands-on services and good donations and the main charitable activities in 2024 are as follows: 1. Donated a total of NTD154 thousand in 2024 to the Catholic Franciscan Kindergarten in Jianshi Township, Hsinchu (to takes care of disadvantaged indigenous children in the Jianshi). 2. Donated a total of NTD154 thousand in 2024 to the Taipei City Youxi Care Association (assisting homeless persons in cleaning and returning to the workplace, and providing services for rural areas).				

(VI) Performance in ethical corporate management inconsistency with the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”

Assessment Items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the reasons
	Yes	No	Summary description	
I. Business Integrity Policy and action plans (I) Has the Company established policies for ethical corporate management approved by the board of directors and stated such policies and practices in its regulations and external documents and in the commitment made by the board of directors and senior management to actively implement such policies?	✓		The Company’s philosophy is “Ethical” at its core where “Facts” are the most important core value. We look for the truth and answers by doing the most valuable things. With reference to the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the “Procedures for Ethical Management and Guidelines for Conduct”, the Company formulated the company’s Ethical Corporate Management Policy, which was approved by the Board of Directors on Mar. 7, 2024, stating the Ethical Corporate Management Policies and practices, and disclosed on the Company website. The Board of Directors and senior management have committed to implement the Ethical Corporate Management Policy, and implement it in internal management and business activities.	No deviations.
(II) Has the Company established an assessment mechanism of risk from unethical behavior to regularly analyze and assess business activities with higher risk of involvement in unethical behavior and preventive programs for unethical behaviors containing at least the preventive measures stated in Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies”?	✓		The Company’s “Ethical Corporate Management Best Practice Principles” formulates a plan to prevent unethical conducts in accordance with the paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” or other business activities with a relatively high unethical risk, and establish an effective accounting system and internal control system.	No deviations.
(III) Has the Company established in the preventive programs the operating procedures for unethical behavior prevention, penalties and grievance systems of breaching the guidelines for conduct, and implemented and	✓		The Company has formulated and implemented the “Procedures for Ethical Management and Guidelines for Conduct”, which clearly stipulates the operating procedures, behavior guidelines, punishment and report systems to prevent unethical conduct. If	No deviations.

Assessment Items	Actual governance		Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the reasons
	Yes	No	
periodically review them?			violation is found to be true, it will be punished according to the Company's regulations, and the Procedures are reviewed and revised regularly.
II. Proper enforcement of business integrity (I) Does the Company have the integrity of the trade counterparty assessed and with the code of integrity expressed in the contract signed?	✓		(I) The Company has assessed the ethical record of the counterparty, and the signed contract clearly stipulates the terms of ethical behavior. If unethical behavior is found, the Company may terminate or rescind the contract at any time.
(II) Has the Company established a dedicated (concurrent) unit to implement ethical corporate management under Board of Directors and report regularly (at least once a year) to BOD the status of implementation and supervision of ethical management policy and preventive programs of unethical behavior?	✓		(II) The Company's Board of Directors approved the establishment of a dedicated unit to implement ethical corporate management on Mar. 7, 2024, which shall report to the Board of Directors on a regular basis (at least once a year).
(III) Does the Company have developed policies to prevent conflicts of interest, provided adequate channel for communication, and substantiated the policies?	✓		(III) The Company stipulates the benefit avoidance clause in the "Ethical Corporate Management Best Practice Principles", which prohibits the offering or acceptance of improper benefits, and formulates the "Procedures for Ethical Management and Guidelines for Conduct" for handling conflicts of interest and the reporting system for unethical behavior.
(IV) Has the Company established an effective accounting system and an internal control system for the internal audit unit to establish related audit programs based on the results of risk assessment of involvement in unethical behavior to audit and prevent the compliance with the preventive programs of unethical behavior or hire a CPA to perform the audit?	✓		(IV) The Company ensures the correctness and completeness of its financial reporting process and management. In view of the relatively high unethical risk, the Company has established an effective accounting system and internal control policies. The Company self-examines the effectiveness of the design and implementation of the internal control policies through the annual self-evaluation of corporate

Assessment Items	Actual governance		Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the reasons	
	Yes	No		Summary description
			internal control.	
(V) Has the Company organized corporate management internal and external education and training programs on a regular basis?	✓		(V) The Company organizes education and training or publicity on ethical corporate management every year. The implementation status in 2024 is as follow: 1. Taiwan Corporate Governance Association conducted "New Perspectives of Corporate Governance" on Sep. 25, 2024 (9 persons*3 hours, involving directors, managers, and related personnel) 2. The Company's governance personnel publicized the "Insider Equity Related Regulations and Prevention of Insider Trading" on Nov. 21, 2024 (company wide)	No deviations.
III. The operations of the Company's Report System (I) Does the Company have a specific report and reward system stipulated, a convenient report channel established and a responsible staff designated to handle the individual being reported?	✓		The Company has formulated the "Reporting Regulation", and established "Stakeholder Page" reporting email on the Company's website for internal and external personnel to use. Anyone found any violation on ethical corporate management can report through the following channels: Report mailbox: benhong@finesse-tech.com Address for written report: Address: No.31, Ln. 191, Zhonghe St., Zhubei City, Hsinchu County Acceptance Unit: General Management Office	No deviations.
(II) Has the Company established standard operating procedures for investigating reported events, follow-up measures to be taken after the investigation was completed, and related confidentiality mechanisms?	✓		The Company has formulated the "Reporting Regulation", which clearly stipulates the reporting regulations, the follow-up measures to be taken when the investigation is completed, and the confidentiality measures for relevant personnel.	No deviations.
(III) Has the Company taken proper measures to protect the whistle-	✓		The Company shall keep the identity of the whistleblower and the content of the	No deviations.

Assessment Items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the reasons
	Yes	No	Summary description	
blowers from suffering any consequence of reporting an incident?			report confidential, and commit to protect the whistleblower from victimisation due to his/her reporting.	
IV. Enhanced information disclosure Does the Company have the contents of corporate management and its implementation disclosed on the website and MOPS?	✓		The Company's "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" are disclosed on the MOPS and the Company's website, and where the promotion results to the Board of Directors are reported every year and disclosed and the summary of the operation is disclosed in the annual report.	No deviations.
V. Where a Company has worked Ethical Corporate Management Guiding Principles in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX-Listed Companies", please expressly elaborate on the differential gap between the substantial performance and the Practice Principle: No deviations.				
VI. Other vital information that helps to understand the practice of business integrity of the Company (e.g., the review and revision of the best-practice principles of the Company in business integrity). The Company regards compliance with laws and regulations as the basis for implementing ethical corporate management, and has formulated the Ethical Corporate Management Best Practice Principles on Mar. 7, 2024.				

(VII) Other significant information that helpful to better awareness of performance in corporate governance

1. The Company timely arranges board members and manages to participate in corporate governance courses, seminars or forums to enhance supervision and governance capabilities.
 - The Company's managers participate in continuing education and training related to corporate governance

Title	Name	Training date	Organizer	Course name	Training hours
CSO	Kou, Chung-Shan	2024/08/09	Corporate Governance Association in Taiwan	Disputes over Management Rights and Case Analysis	3
		2024/09/25	Corporate Governance Association in Taiwan	New Perspectives of Corporate Governance	3
		2024/11/08	Corporate Governance Association in Taiwan	The economic situation in mainland China and the response strategies of Taiwanese businessmen	3
COO	Hung, Pen-Yuan	2024/09/25	Corporate Governance Association in Taiwan	New Perspectives of Corporate Governance	3

Title	Name	Training date	Organizer	Course name	Training hours
Auditing Department / Assistant Manager	Liao, Yu-Chuan	2024/08/03	Taiwan Internal Audit Association	Analysis of Sustainability Information Disclosure Policy and Research on Key Matters of Internal Control and Internal Audit	6
		2024/11/28	Taiwan Internal Audit Association	New Challenges for Internal Audit Personnel - Analysis of Sustainability Information Disclosure and Management Policies and Related Key Audit Matters	6

● Pursuit of Study and Training for Directors

Title	Name	Training date	Organizer	Course name	Training hours
Chairman	Kou, Chung-Shan	2024/08/09	Corporate Governance Association in Taiwan	Disputes over Management Rights and Case Analysis	3
		2024/09/25	Corporate Governance Association in Taiwan	New Perspectives of Corporate Governance	3
		2024/11/08	Corporate Governance Association in Taiwan	The economic situation in mainland China and the response strategies of Taiwanese businessmen	3
Director	Lai, Cheng-Shih	2024/08/09	Corporate Governance Association in Taiwan	Disputes over Management Rights and Case Analysis	3
		2024/09/25	Corporate Governance Association in Taiwan	New Perspectives of Corporate Governance	3
		2024/11/08	Corporate Governance Association in Taiwan	The economic situation in mainland China and the response strategies of Taiwanese businessmen	3
Director	Highlight Tech Corp. Representative: Huang, Chun-Yu	2024/08/09	Corporate Governance Association in Taiwan	Disputes over Management Rights and Case Analysis	3
		2024/08/12	Corporate Governance Association in Taiwan	ESG Trends and Changes in International Political and Economic Environments: Global and Taiwan Tax Reform and Corporate Tax Governance	6
		2024/09/25	Corporate Governance Association in Taiwan	New Perspectives of Corporate Governance	3
		2024/11/08	Corporate Governance Association in Taiwan	The economic situation in mainland China and the response strategies of Taiwanese businessmen	3
Director	Highlight Tech Corp. Representative: Wu, Sheng-Hsien	2024/08/09	Corporate Governance Association in Taiwan	Disputes over Management Rights and Case Analysis	3
		2024/09/25	Corporate Governance Association in Taiwan	New Perspectives of Corporate Governance	3
		2024/11/08	Corporate Governance Association in Taiwan	The economic situation in mainland China and the response strategies of Taiwanese businessmen	3
Independent Director	Liu, Tzu-Meng	2024/05/29	Corporate Governance Association in Taiwan	Legal issues to be noted in insider shareholding management and stock trading	3
		2024/09/25	Corporate Governance Association in Taiwan	New Perspectives of Corporate Governance	3
Independent Director	Jen, Hsiu-Yen	2024/05/28	Taiwan Project Management Association	Application of Generative AI and ChatGPT	3
		2024/09/25	Corporate Governance Association in Taiwan	New Perspectives of Corporate Governance	3
Independent Director	Pan, Cheng-Fen	2024/05/22	Accounting Research and Development Foundation in Taiwan	Practice and Case Analysis of Financial and Tax Planning for International Diversified Operations	3
		2024/05/29	Accounting Research and Development Foundation in Taiwan	Analysis of the latest annual report, sustainability information, and financial statement preparation related laws and regulations, and internal control management practices	6
		2024/09/25	Corporate Governance Association in Taiwan	New Perspectives of Corporate Governance	3

(VIII) Hands-on performance in the Internal Control Policies shall disclosed the following matters

1. Declaration of Internal Control Policies: Please refer to pages below.
2. Audit of the internal control system by CPA shall disclose the accountant's review report: None.

Finesse Technology Co., Ltd.
Declaration of Internal Control Policies

Date: Feb. 26, 2025

The following declaration is based on the 2024 self-audit over the Company's internal control policies:

- I. The Company is aware that the establishment, execution, and maintenance of its internal control policies are the responsibilities the Company's board of directors and managers. These policies were implemented throughout the Company. The purpose is to provide a reasonable assurance on the achievement of the goals, including the effectiveness and efficiency of operations (including profitability, performance and security of assets, etc.) and the report with effectiveness, timeliness, transparency, and compliance with the relevant requirements and regulations and laws.
- II. Internal control policies are prone to limitations. No matter how robustly designed, effective internal control policies merely provide reasonable assurance to the achievements of the three goals above. Furthermore, environmental and situational changes may affect the effectiveness of internal control policies. However, self-supervision measures were implemented within the Company's internal control policies to facilitate immediate rectification once procedural flaws have been identified.
- III. Pursuant to the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "Governing Regulations"), the Company should study and judge whether the Company's internal control system is effective in design and implementation. The criteria introduced by "The Governing Principles" consisted of five major elements, each representing a different stage of internal control: 1. Control environment, 2. Risk evaluation and response, 3. Procedural control, 4. Information and communication, 5. Supervision. Each element further contains several items. Please refer to "The Governing Principles" for details.
- IV. The Company has adopted the aforementioned judgment items for the internal control system to evaluate the effectiveness of the Company's internal control system in both design and implementation.
- V. On the grounds of the outcome of evaluation mentioned in the preceding Paragraph, the Company firmly holds that the Company's internal control system as of Dec. 31, 2024 (including supervisory control and management over subsidiaries), notably the effect of the business operation, extent of accomplishment of the target where the report proves trustworthy, transparent in real time, the design and implementation of the Company's internal control system proves effective, capable of assuring accomplishment of the aforementioned targets.
- VI. This declaration forms part of the main contents of the Company's annual report and

prospectus, and shall be disclosed to the public. Any illegal misrepresentation or non-disclosure relating to the public statement above are subject to the legal consequences under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. The present Declaration of Internal Control Policies was granted a pass in the Board of Directors meeting convened on Feb. 26, 2025. That Board of Directors meeting was attended by 7 directors. All present directors unanimously responded with consent to the contents of the Declaration. This is the another point duly clarified herewith.

Finesse Technology Co., Ltd.

Chairman: Kou, Chung-Shan

President: Lu, Chun-Hung

(IX) Major resolution of the board the shareholders’ meeting in the latest year and up to the publication date of the annual report.

1. The major resolutions of the shareholders’ meeting are as follows

Meeting date	Significant decisions resolved	Performance review
2024/04/24 Annual Shareholders’ Meeting	Approved the Company’s 2023 Business Report and Financial Statements	Recognized the 2023 business reports and financial statements
	Approved the 2023 earnings distribution proposal	Earnings distribution of cash dividends of NTD85,689,251 (NTD2.8 per share) was completed on Jun. 7, 2024.
	Approved the amendment of some articles of the Company’s Articles of Association	On May 15, 2024, it was approved by the Ministry of Economic Affairs.

2. Significant decisions resolved in the board meeting

Date (term)	Decisions resolved
2024/01/19 (4th meeting of the 7th Board Meeting)	Approved. <ul style="list-style-type: none"> ▪ Proposal for 2024 Annual Budget ▪ Proposal for financial institution line of credit 2024 ▪ Proposal for the 2023 year-end bonus distribution ▪ Proposal for amending the Company's "Regulations on Remunerations for Directors, Independent Directors, and Managers" ▪ Proposal for matters regarding the convening of the 2024 annual shareholders’ meeting
2024/03/07 (5th meeting of the 7th Board Meeting)	Approved. <ul style="list-style-type: none"> ▪ Proposal for the 2023 annual business report and financial statements ▪ Proposal for the 2023 earnings distribution ▪ Proposal for setting the Company’s 2024 ex-dividend base date and cash dividend distribution date ▪ Proposal for the 2023 director and employee remuneration distribution ▪ 2023 Internal Control System Statement ▪ Evaluation of the Competence and Independence of CPAs and Remuneration for Appointment in 2024 ▪ Proposal for evaluation of enhancing the ability of the Company to independently prepare financial statements ▪ Proposal for amendment to the Articles of Association ▪ Proposal to formulate the “Rules for Performance Evaluation of Board of Directors” ▪ Proposal to formulate the “Ethical Corporate Management Best Practice Principles”

Date (term)	Decisions resolved
	<ul style="list-style-type: none"> ▪ Proposal to formulate the “Procedures for Ethical Management and Guidelines for Conduct” ▪ Proposal to formulate the “Code of Ethical Conduct” ▪ Proposal to formulate the "Sustainable Development Best Practice Principles". ▪ Proposal to formulate the “Rules Governing Financial and Business Matters Between Affiliated Enterprises” ▪ Proposal to formulate the "Management Measures for Transactions of Related Parties, Specific Companies, and Group Enterprises” ▪ Proposal to formulate the "Corporate Governance Best Practice Principles" ▪ Proposal for matters regarding the convening of the 2024 annual shareholders’ meeting
2024/05/08 (6th meeting of the 7th Board Meeting)	<p>Approved.</p> <ul style="list-style-type: none"> ▪ Declaration of Internal Control System of the Company ▪ Proposal for the Consolidated Financial Statements for the Q1 of 2024 ▪ Proposal to sign the "Overallotment Agreement" by the Company ▪ Proposal for the Company's financial forecast for the Q2 and Q3 of 2024 ▪ Proposal for appointment of Corporate Governance Officer of the Company (Hung, Pen-Yuan, Vice President) ▪ Proposal for the Company's factory building plan ▪ Proposal to set up the Company's sustainable development committee and formulate the "Organizational Regulations of the Sustainable Development Committee" and sustainability information management ▪ Proposal to amend the “Auditing Committee Operation Management Measures” ▪ Proposal to amend the “Management Measures for Preventing Insider Trading” ▪ Proposal to formulate the “Human Rights Policy” ▪ Proposal to formulate the “Reporting Regulations” ▪ Proposal to amend the “Internal Control System”
2024/08/07 (7th meeting of the 7th Board Meeting)	<p>Approved.</p> <ul style="list-style-type: none"> ▪ Proposal for the Consolidated Financial Statements for the Q2 of 2024 ▪ Proposal for ratification of the change in property use rights acquired by the Company from Highlight Tech Corp. ▪ Proposal for ratification of the “Technology

Date (term)	Decisions resolved
	Cooperation and Development Contract” signed by and between the Company and Highlight Tech Corp.
2024/09/25 (8th meeting of the 7th Board Meeting)	Approved. <ul style="list-style-type: none"> ▪ Proposal for the Company applying for cash capital increase and issuance of new shares for public underwriting before the initial listing on TPEX
2024/11/06 (9th meeting of the 7th Board Meeting)	Approved. <ul style="list-style-type: none"> ▪ Proposal for the Consolidated Financial Statements for the Q3 of 2024 ▪ Proposal to amend the “Internal Control System” and “Implementing Rules for Internal Audit” ▪ Proposal for the 2025 audit plan ▪ Shares that the managers can subscribe for the cash capital increase before the initial listing on TPEX in 2024
2025/01/22 (10th meeting of the 7th Board Meeting)	Approved. <ul style="list-style-type: none"> ▪ Proposal for 2025 Annual Budget ▪ Proposal for financial institution line of credit 2025 ▪ Proposal to amend the "Rules for Performance Evaluation of Board of Directors" ▪ Proposal to amend the “Technology Cooperation and Development Contract” signed by and between the Company and Highlight Tech Corp. ▪ Proposal for the 2024 year-end bonus distribution
2025/02/26 (11th meeting of the 7th Board Meeting)	Approved. <ul style="list-style-type: none"> ▪ Proposal for the 2024 annual business report and financial statements ▪ Evaluation of the Competence and Independence of CPAs and Remuneration for Appointment in 2025 ▪ 2024 Internal Control System Statement ▪ Partial amendments to the Articles of Incorporation ▪ Proposal to formulate the “Rules of Procedure of the Board of Directors” ▪ Proposal for the 2024 earnings distribution ▪ Proposal for the 2024 director remuneration and employee remuneration distribution ▪ Proposal to appoint Chiao, Yuan-Yu, former Special Assistant of the Chairman, as President ▪ Proposal to promote Hung, Pen-Yuan, former Vice President of the General Management Office, to Chief Operating Officer ▪ Proposal to cancel the non-competition restriction on the President ▪ A by-election of an independent director ▪ Proposal to lift the non-compete restrictions on newly elected independent directors ▪ Proposal for matters regarding the convening of the 2025 annual shareholders’ meeting

- (X) In the latest year and up to the publication date of the annual report, where supervisor or the directors passed significant decisions with different opinions as backed with records or declarations, the major contents: None.**

IV. Information in public fees of the Certified Public Accountant Association

Amount Unit: Thousand NT Dollars

Auditor's firm	Name of CPA	CPA auditing period	Audit remuneration	Non-audit remuneration	Total	Remark
Deloitte & Touche	Lin, Cheng-Chih	Jan. 01, 2024 to Dec. 31, 2024	2,700	0	2,700	
	Lin, Hsin-Tung					

If any of the following applies to the Company, it shall disclose the following information

- (I) When the firm changes its accounting firm and the audit fees paid for the financial year in which the change took place are lower than those paid for the financial year immediately preceding the change, the amount of the audit fees before and after the change and the reason shall be disclosed: None.
- (II) The audit fees paid for the current financial year are lower than those paid for the immediately preceding financial year by 10 percent or more: the audit fees decreased by 23.94% (NTD3,550 in 2023), mainly due to counseling fees for TPEX listing in 2023.

V. Changes in CPA: None.

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

VII. In the latest year and up to the publication date of the annual report, the fact regarding transfer or pledge stock equity by the Company's directors, supervisors and managers and key shareholders holding over 10% in shareholding

- (I) The status of changes that directors, managers and major shareholders had transferred and pledged their shares

Unit: shares

Title	Name	2024		From Jan. 1, 2025 to Mar. 23, 2025	
		Increase (decrease) in shares held	Increase (decrease) in shares collateralized	Increase (decrease) in shares held	Increase (decrease) in shares collateralized
Chairman	Kou, Chung-Shan	—	—	—	—
Director	Lai, Cheng-Shih	—	—	—	—
Representative of juristic person director	Wu, Sheng-Hsien	—	—	—	—
Representative of juristic person director	Huang, Chun-Yu	—	—	—	—
Independent Director	Liu, Tzu-Meng	—	—	—	—
Independent Director	Jen, Hsiu-Yen	—	—	—	—
Independent Director	Pan, Cheng-Fen	—	—	—	—
Juristic person director and major shareholder	Highlight Tech Corp.	—	—	—	—
President	Chiao, Yuan-Yu (Note 1)	Not applicable	Not applicable	—	—
R&D Director	Tseng, Hsin-Hua	—	—	—	—
CTO	Pan, Yen-Ju	—	—	—	—
COO	Hung, Pen-Yuan	—	—	—	—
Vice Presidents	Lin, Tzu-Hsaun	8,000	—	—	—
Auditing Department / Assistant Manager	Liao, Yu-Chuan	—	—	—	—

Note 1. On Feb. 26, 2025, the Board of Directors approved the appointment of Chiao, Yuan-Yu, former Special Assistant of the Chairman, as President, and Mr. Lu, Chun-Hung, former President, as Senior Special Assistant of the Chairman.

(II) Information on directors, supervisors, managers, and shareholders with a shareholding ratio exceeding 10%, the stock transfer counterparties of whom are related parties: None.

(III) Information on directors, supervisors, managers, and shareholders with a shareholding ratio exceeding 10%, the stock pledge counterparties of whom are related parties: None.

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

Mar. 23, 2025; Unit: shares

Name	Shares held in own name		Shareholdings of spouse and underage children		Shares held in the names of others		Among the top 10 shareholders, there are related parties, spouse to each other, and kindred within the 2nd tier under the Civil Code, and the name and affiliation, if applicable.		Remark
	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Name	Relation	
Highlight Tech Corp. Representative: Wu, Sheng-Hsien	10,189,353	30.32%	—	—	—	—	Wu, Sheng-Hsien	Representative	—
	157,887	0.47%	—	—	—	—			
Kou, Chung-Shan	2,418,866	7.20%	1,108,780	3.30%	—	—	Ma, Yi-Ming	Spouse	—
Cheng, Shu-Hui	1,659,909	4.94%	—	—	—	—	None	None	—
Ma, Yi-Ming	1,108,780	3.30%	2,418,866	7.20%	—	—	Kou, Chung-Shan	Spouse	—
Yuanjian Technology Investment Co., Ltd. Representative: Lu, Chun-Hung	898,398	2.67%	—	—	—	—	Lu, Chun-Hung	Representative	—
	686,287	2.04%	—	—	—	—			
Tehmag Foods Corporation	889,317	2.65%	—	—	—	—	None	None	—
Lu, Chun-Hung	686,287	2.04%	—	—	898,398	2.67%	Yuanjian Technology Investment Co., Ltd.	Representative	—
Yuanta First Venture Capital Co., Ltd.	590,000	1.76%	—	—	—	—	None	None	—
Xiang Xuan Investment Co., Ltd.	497,177	1.48%	—	—	—	—	None	None	—
Dehong Enterprise Co., Ltd.	467,535	1.39%	—	—	—	—	None	None	—

IX. Investments jointly held by the Company, the Company's directors, supervisors, managers, and enterprises directly or indirectly controlled by the Company. Calculate shareholding in aggregate of the above parties

Dec. 31, 2024; Unit: Thousand NT Dollars; thousand shares; %

Investees	Invested by the Company		Investment held by directors, supervisors, managers, and directly or indirectly controlled enterprises		Aggregate investment	
	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding
Finesse Technology (Shanghai) Co., Ltd.	(Note 1)	100%	—	—	(Note 1)	100%
Highlight Tech System International Limited	(Note 1)	100%	—	—	(Note 1)	100%

Investees	Invested by the Company		Investment held by directors, supervisors, managers, and directly or indirectly controlled enterprises		Aggregate investment	
	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding
Highlight Tech System (Shanghai) Corp.	(Note 1)	100%	—	—	(Note 1)	100%
Schmidt Scientific Taiwan Ltd.	635	15.18%	—	—	635	15.18%
Finesse Technology Co., Ltd.	9,000	100%	—	—	9,000	100%

Note 1. There is no data on the number of shares, as they are limited companies.

Chapter III Funding Status

I. Share capital and shares

(I) Sources of capital: In the latest year and up to the publication date of the annual report, the outstanding type shares:

Mar. 25, 2025; Unit: thousand shares; Thousand NT Dollars

Year / month	Price of issue (NTD)	Authorized capital		Paid-up capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Sources of share capital	Paid in properties other than cash	Others
Sep. 2010	10	5,000	50,000	1,350	13,500	Establishment capital of NTD13,500 thousand	None	Sep. 21, 2010 Ching-Shou-Zhong-Tzu No. 09932606460
Dec. 2012	10	5,000	50,000	3,500	35,000	Cash capital increase of NTD21,500 thousand	None	Dec. 10, 2012 Ching-Shou-Zhong-Tzu No. 10132798380
Sep. 2015	10	5,000	50,000	5,000	50,000	Cash capital increase of NTD15,000 thousand	None	Sep. 24, 2015 Ching-Shou-Zhong-Tzu No. 10433768160
Sep. 2017	10	8,000	80,000	5,500	55,000	Capital increase from earnings of NTD5,000 thousand	None	Sep. 12, 2017 Ching-Shou-Zhong-Tzu No. 10633541680
Jan. 2018	40	15,000	150,000	8,000	80,000	Cash capital increase of NTD30,000 thousand	None	Jan. 30, 2018 Ching-Shou-Zhong-Tzu No. 10733055690
	10					Refund of stock capital of NTD5,000 thousand		
Jun. 2019	10	15,000	150,000	8,800	88,000	Capital increase from earnings of NTD8,000 thousand	None	Jun. 17, 2019 Ching-Shou-Zhong-Tzu No. 10833358600
May 2020	10	15,000	150,000	12,320	123,200	Capital increase from earnings of NTD35,200 thousand	None	May 15, 2020 Ching-Shou-Zhong-Tzu No. 10933263140
May 2021	10	50,000	500,000	17,248	172,480	Capital increase from earnings of NTD49,280 thousand	None	May 6, 2021 Ching-Shou-Zhong-Tzu No. 11033272560
Jan. 2022	10	50,000	500,000	19,468	194,686	Stock conversion of NTD22,206 thousand	None	Jan. 5, 2022 Ching-Shou-Zhong-Tzu No. 11033815040
Jun. 2022	10	50,000	500,000	22,919	229,919	Capital increase from earnings of NTD29,203 thousand	None	Jun. 1, 2022 Ching-Shou-Zhong-Tzu No. 11133321650
	29.194					Employee compensation of NTD6,030 thousand		

Year / month	Price of issue (NTD)	Authorized capital		Paid-up capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Sources of share capital	Paid in properties other than cash	Others
Jun. 2022	10	50,000	500,000	23,291	232,919	Restricted stock awards of NTD3,000 thousand	None	Jun. 22, 2022 Ching-Shou-Zhong-Tzu No. 11133364000
Nov. 2022	32.2	50,000	500,000	24,287	242,879	Employee stock option of NTD9,960 thousand	None	Nov. 24, 2022 Ching-Shou-Zhong-Tzu No. 11133722530
May 2023	45	50,000	500,000	26,287	262,879	Cash capital increase of NTD20,000 thousand	None	May 1, 2023 Ching-Shou-Zhong-Tzu No. 11233250480
May 2023	10	50,000	500,000	29,035	290,353	Capital increase from earnings of NTD13,144 thousand	None	May 22, 2023 Ching-Shou-Zhong-Tzu No. 11233291050
	29.86					Employee compensation of NTD14,330 thousand		
Jul. 2023	26.44	50,000	500,000	30,603	306,033	Employee stock option of NTD9,680 thousand	None	Jul. 3, 2023 Ching-Shou-Zhong-Tzu No. 11233388000
	33.84					Employee stock option of NTD6,000 thousand		
Dec. 2024	69	50,000	500,000	33,603	336,033	Cash capital increase of NTD30,000 thousand	None	Dec. 26, 2024 Ching-Shou-Shang-Tzu No. 11331025490

Mar. 25, 2025; Unit: shares

Share category	Authorized capital			Remark
	Outstanding shares (Note)	Unissued shares	Total	
Ordinary shares	33,603,304 shares	16,396,696 shares	50,000,000 shares	The Company's stock is listed on the TPEx

(II) List of major shareholders

(Name, number of shares held and shareholding ratio of shareholders holding more than 5% of the shares or the top ten shareholders)

Mar. 23, 2025; Unit: shares; %

Name of major shareholders	Shares	Ratio of shareholding (%)
	Number of shares held	
Highlight Tech Corp.	10,189,353	30.32%
Kou, Chung-Shan	2,418,866	7.20%

Shares	Number of shares held	Ratio of shareholding (%)
Name of major shareholders		
Cheng, Shu-Hui	1,659,909	4.94%
Ma, Yi-Ming	1,108,780	3.3%
Yuanjian Technology Investment Co., Ltd.	898,398	2.67%
Tehmag Foods Corporation	889,317	2.65%
Lu, Chun-Hung	686,287	2.04%
Yuanta First Venture Capital Co., Ltd.	590,000	1.76%
Xiang Xuan Investment Co., Ltd.	497,177	1.48%
Dehong Enterprise Co., Ltd.	467,535	1.39%

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

1. Dividend policy stipulated in the Company's Articles of Association:

If the Company has earnings in its annual financial statements, taxes shall be paid first, accumulated losses shall be offset next, and 10% shall be appropriated as legal reserve. If there are remaining earnings, the Board of Directors may propose a distribution plan, including prior year surplus earnings, for resolution by the shareholders' meeting.

As for the dividend policy, in line with current and future development plans, the Company considers the investment environment, capital needs, domestic and international competition, and shareholder interests. The principle is to distribute dividends to shareholders at no less than 10% of the distributable earnings of the current year. However, if the distributable earnings are less than 10% of the paid-in capital, a resolution may be made to transfer all earnings to retained earnings without distribution. When distributing earnings, the proportion of cash dividends shall not be less than 20% of the total dividends.

After the public offering of the Company's stocks, when dividends and bonuses are distributed in cash, or the statutory surplus reserve and capital reserve are distributed in cash according to the original shareholding ratios of the shareholders, the Board of Directors is authorized to do so with a majority vote of attending directors at a board meeting attended by more than two-thirds of all directors, which shall also be reported to the shareholders' meeting.

2. Status of dividend distribution proposed at the shareholders meeting

According to the resolution of the Company's Board of Directors on Feb. 26, 2025, cash dividends of NTD77,288 thousand were appropriated and distributed with cash dividends of NTD2.3 per share. The cash dividends will be distributed on Jul. 4, 2025 based on the number of shares held by shareholders in the

shareholder register on the ex-dividend date.

(IV) The impact of issuance of bonus shares proposed in the present shareholders' meeting upon the Company's business performance and earning per share: Not applicable.

(V) Remuneration to the employees, directors and supervisors

1. The percentage or range of employee dividends, directors and supervisors' compensation as stated in the Articles of Association:

If the Company has profits in a given fiscal year, no less than 10% shall be allocated as employee remuneration, and no more than 2% may be allocated as director and supervisor remuneration. However, if the Company has accumulated losses, the amount required to offset those losses shall be reserved first.

The beneficiaries of employee remuneration may include employees of subsidiaries who meet certain criteria, and the relevant regulations shall be authorized to the board of directors for enactment.

2. The basis for estimating the amount of employee, directors, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual dividend amount and the estimated figure, for the current period:

The Company estimates the remuneration of employees, directors, and supervisors based on the percentage specified in the Company's Articles of Association. If there is a discrepancy between the actual distribution amount and the estimated amount, it will be handled according to the change in accounting estimates and adjusted and recorded in the resolution year of the Board of Directors.

3. Remuneration to be distributed as resolved in the board of directors:

(1) The amount of employee and director remuneration distributed in cash or stock. If there is a discrepancy with the annual estimated amount of recognized expenses, the discrepancy, reason, and handling situation shall be disclosed:

On Feb. 26, 2025, the Board of Directors passed a resolution proposing to distribute employee remuneration of NTD 19,679 thousand and director remuneration of NTD 2,624 thousand in cash, which were not different from the recognized amounts.

(2) The percentage of amount of remuneration to employees to be distributed in shares to the aggregate total of the net profit after tax as shown through the individual financial statements and the aggregate

total of remuneration to employees: None.

- 4. The actual distribution of employee, director, and supervisor compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated:**

The proposal for distribution of remuneration to employees, directors and supervisors of the Company for 2023 was approved by the Board of Directors on Mar. 7, 2024, which would be distributed in cash, and the distribution situation was reported at the shareholders' meeting on Apr. 24, 2024. The employee remuneration of NTD 22,319 thousand and director and supervisor remuneration of NTD 2,976 thousand were distributed, which were not different from the estimates in the accounts.

(VI) Repurchase of Company stock: None.

II. Status of issue corporate bonds: None.

III. Status of issue and private placement of preferred shares: None.

IV. Status of any private placement of overseas depositary receipts: None.

V. Status of issue and private placement of employee stock warrants and “new restricted employee shares”:

- (I) The Status of issue and private placement of employee stock warrants and “new restricted employee shares” that have not yet expired in the Company:

Mar. 25, 2025

Type of employee stock warrant	The first employee stock warrant in 2023
Declared effective date and total number of units	Declared effective date: Not applicable Total number of units: 2,000 units (each unit can subscribe to 1,000 shares)
Issuance date	Apr. 3, 2023
Duration	Apr. 3, 2023 to Apr. 3, 2027 (4 years)
Number of issued units	2,000 units

Number of units available for issuance	0 units
The ratio of issued shares available for subscription to the total number of issued shares	8.23%
Subscription period	Apr. 4, 2025 to Apr. 3, 2027
Performance method	Issuance of new shares
Restricted subscription period and ratio (%)	Apr. 4, 2025 to Apr. 3, 2027: 50% Apr. 4, 2026 to Apr. 3, 2027: 50%
Number of shares acquired through exercise	0 shares
Amount of exercised warrants	NTD 0
Number of unexercised warrants	2,000 units
The subscription price per share for unexercised warrants	NTD36.25 per share
The ratio of shares unexercised to the total number of issued shares (%)	8.23%
Impact on shareholder equity	The issuance of employee stock warrants this time has a dilution effect of 5.78% on earnings per share, which is limited.

- (II) The names of managers who have obtained employee stock warrants up to the publication date of the prospectus, as well as the top ten employees in the number of shares that can be subscribed with the stock warrants, as well as their acquisition and subscription status:

	Title	Name	Number of shares for subscription acquired	The ratio of the number of shares for subscription acquired to the total number of issued shares	Exercised			Unexercised			
					Number of shares subscribed	Subscription price per share	Subscription amount	Number of shares subscribed	Subscription price per share	Subscription amount	The ratio of the number of shares subscribed to the total number of issued shares
Manager	CSO	Kou, Chung-Shan	537,000	1.60%	—	—	—	537,000	36.25	19,466,250	1.60%
	President	Chiao, Yuan-Yu									
	COO	Hung, Pen-Yuan									
	R&D Director	Tseng, Hsin-Hua									
	CTO	Pan, Yen-Ju									
	Vice Presidents	Lin, Tzu-Hsaun									
	Auditing Department / Assistant Manager	Liao, Yu-Chuan									
Employee	Senior Special Assistant of the Chairman	Lu, Chun-Hung	397,000	1.18%	—	—	—	397,000	36.25	14,391,250	1.18%
	Assistant Manager	Yang, Sung-Pin									
	Senior Manager	Hsu, Chieh-Hsien									
	Senior Manager	Wang, Yi-Hui									
	Manager	Lin, Yi-Yuan									
	Manager	Huang, Ching-Pao									
	Senior Manager	Li, Cheng-Chuan									
	Associate Manager	Wu, Chen-Chu									
	Senior Engineer	Yu, Cheng-Hsiung									
	Supervisor	Chi, Mao-Sheng									

VI. Status of issue and private placement of employee stock warrants and “new restricted employee shares”: None.

VII. Status on issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

VIII. Progress on the use of funds:

As of the Q4 of 2024, the progress on the use of funds for cash capital increase 2024:

- (I) Plan content:
 1. Approval date and document number of the competent authority: Oct. 14, 2024, Letter Zheng-Gui-Shen-Zi No. 1130009317.
 2. The total fund required for the plan: NTD 236,353 thousand.
 3. Source of fund: Cash capital increase and issuance of 3,000 thousand ordinary shares.
 4. Planned project and expected progress of fund utilization

Unit: Thousand NT Dollars

Planned project	Estimated completion date	Estimated progress of fund utilization		
		Q4 in 2024	Q1 in 2025	Q2 in 2025
Increase working capital	Q2 in 2025	7,000	120,000	109,353

- 5. Benefits expected to generate
 The funds raised from this cash capital increase are intended to be used to increase working capital for future business development, maintain the Company's competitiveness, ensure long-term stable operation, and have a positive impact on the optimization of the Company's operations and financial structure.

(II) Implementation status:

- 1. Implementation status:

Mar. 24, 2025; Unit: Thousand NT Dollars

Planned project	Implementation status						Progress (ahead of schedule or lagging behind), reasons and improvement plan
			Q4 in 2024	Q1 in 2025	Q2 in 2025	Total	
Increase working capital	Amount spent	Estimated	7,000	120,000	109,353	236,353	As of the Q4 of 2024, there have been no significant differences between the expected benefits and actual achievements of this fundraising plan.
		Actual	7,000	NA	NA	7,000	
	Implementation progress (%)	Estimated	100.00%	NA	NA	2.96%	
		Actual	100.00%	NA	NA	2.96%	

2. Plan implementation benefit analysis and capital increase benefit evaluation:

Unit: Thousand NT Dollars

Item		Year	Jun. 30, 2024 (Before capital increase)	Dec. 31, 2024 (After capital increase)
Basic financial information	Current assets		804,001	1,034,599
	Total assets		1,154,817	1,387,893
	Current liabilities		235,935	194,017
	Total liabilities		259,984	213,782
	Revenue		388,048	760,258
	Earnings per share (\$)		1.86	2.91
Financial structure (%)	Debt to assets ratio		22.51	15.40
	Ratio of long-term capital to property, plant and equipment		340.40	437.22
Solvency (%)	Current ratio		340.77	533.25
	Liquid ratio		203.79	383.17

The Company's cash capital increase this time will be used to increase the working fund, which will improve the financial scheduling flexibility. The current ratio and liquid ratio increased from 340.77% and 203.79% before fundraising to 533.25% and 383.17%, respectively. The ratio of long-term capital to property, plant and equipment increased from 340.40% before fundraising to 437.22%, while the debt ratio decreased from 22.51% before fundraising to 15.40%, which had positive impacts on the overall operational development and improvement of financial structure of the Company.

Chapter IV Business Performance

I. Content of business

(I) Scope of business operation

1. Major contents of the business operation undertaken:

According to the registration of the Ministry of Economic Affairs, the main business items are as follows

Business item code	Business item
CA04010	Surface Treatments.
F106030	Wholesale of Molds.
F113010	Wholesale of Machinery.
F219010	Retail Sale of Electronic Materials.
F401010	International Trade.
I501010	Product Designing.
C901010	Ceramic and Ceramic Products Manufacturing.
CA05010	Powder Metallurgy.
CB01010	Mechanical Equipment Manufacturing.
CC01080	Electronics Components Manufacturing.
E603050	Automatic Control Equipment Engineering.
F113070	Wholesale of Telecommunication Apparatus.
F213060	Retail Sale of Telecommunication Apparatus.
F401021	Restrained Telecom Radio Frequency Equipment and Materials Import.
CC01101	Restrained Telecom Radio Frequency Equipments and Materials Manufacturing.
F113030	Wholesale of Precision Instruments.
I301010	Information Software Services.
IG01010	Biotechnology Services.
IZ99990	Other Industrial and Commercial Services.
ZZ99999	All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Business proportion of principal products

Unit: Thousand NT Dollars

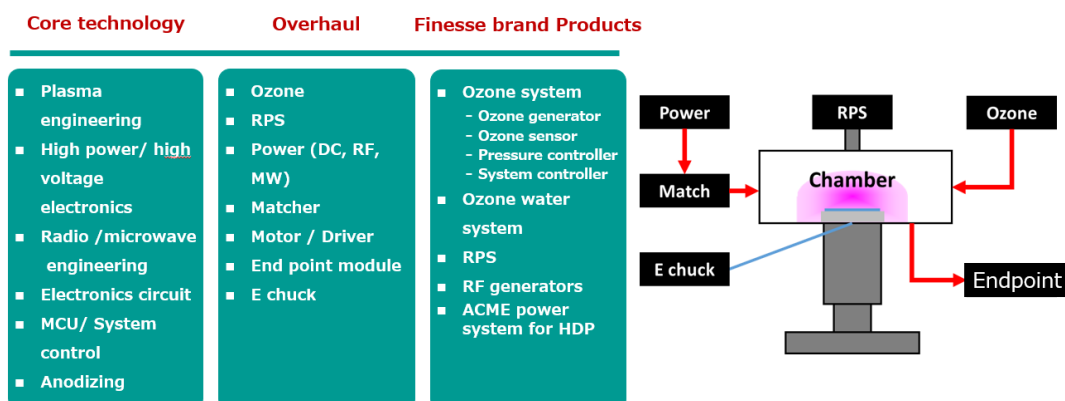
Product item	Year		2023		2024	
	Amount	Proportion	Amount	Proportion	Amount	Proportion
Sales of semiconductor equipment subsystems	346,888	47.67%	381,756	50.21%		

Year \ Product item	2023		2024	
	Amount	Proportion	Amount	Proportion
Technical service of semiconductor equipment	380,862	52.33%	378,502	49.79%
Total	727,750	100.00%	760,258	100.00%

3. The current merchandise (services) items of the Company

- (1) Technical services and sales of electronic subsystems for semiconductor and optoelectronic industry process equipment.
- (2) Own brand semiconductor process ozone system.
- (3) Own brand semiconductor process remote plasma generator.
- (4) Own brand semiconductor process RF Generator System.

Measurement and analysis of semiconductor process plasma characteristics.



The Company focuses on RF, microwave, plasma technology and applications, high voltage, electronic circuits, and microprocessor control technologies, and provides component supply and technical services for key systems such as remote plasma sources, RF Generator System, microwave sources, ozone generators related to semiconductor processes. The Company is a supplier of international semiconductor process manufacturers and domestic and foreign semiconductor manufacturing companies. In recent years, we have strengthened our research and development efforts to establish branded products, hoping to contribute to the localization of semiconductor equipment in Taiwan.

The RF Generator System has passed the process certification of semiconductor process manufacturers and has been officially introduced into their important mass production processes. Currently, it has been adopted as a standard equipment by domestic and foreign companies. In addition, the Company has successfully developed an ozone system for Atomic Layer Deposition (ALD) and has launched it on the market.



RF Generator System (ACME)



ALD Ozone System



Remote Plasma Source

The brand product introduction is as follows:

A. RF Generator System:

This product is used in the semiconductor CVD process (HDP system) to replace old and difficult to maintain traditional power supplies. Due to the vacuum tube design of the old system power supply, in addition to using a high-voltage power supply, the frequency of component aging and abnormality is extremely high. To solve this problem, the Company has developed a RF Generator System to replace it, named ACME system, which includes two 2MHz, 5.5 KW power supplies and one 13.56 MHz, 5.5 KW power supply, with a conversion efficiency of up to 85%.

B. Advanced Ozone System:

The advanced ozone system AOS-6800 independently developed by the Company is used in the Atomic Layer Deposition (ALD) process, including a self-made ozone generator, concentration detector, back pressure controller, and system feedback controller, which can accurately provide ozone of process-specific flow rate and concentration. We have obtained SEMI S2 certification and passed the certification of major ALD equipment manufacturers in Taiwan and end customer verification.

C. Remote Plasma Source:

The Company has completed the A⁺ research and development plan of the Ministry of Economic Affairs, introduced new physics and circuit designs, and successfully achieved a new type of highly stable remote plasma source. It is applied in semiconductor processes, including CVD chamber cleaning, deposition coating, photoresist removal, etc.

4. New products (services) under development

Key research and development products	Plan objectives
Semiconductor process ozone system	<ul style="list-style-type: none"> A. Develop special coating treatment to stabilize ozone generation efficiency, increase concentration, and extend the service life of ozone generators. B. Develop next-generation ozone reaction chambers. C. Develop power supply technology for ozone generators. D. Develop high concentration ozone supply system for a complete semiconductor process. E. Develop ALD ozone generator for nano-generation process.
Repair of semiconductor ozone generator	<ul style="list-style-type: none"> A. Develop life-extending maintenance technology for traditional ozone reaction chamber. B. Develop alternative driving power supply solutions for traditional ozone reactor. C. Develop maintenance technology for next-generation ozone generator products. D. Research ozone generator maintenance and life-extending key power components. E. Develop next-generation ozone reaction chamber components.
Remote plasma source	<ul style="list-style-type: none"> A. Develop high-stability and high-performance remote plasma source generation technology using new physical mechanisms. B. Develop control system. C. Develop energy-saving driving circuits. D. Develop remote plasma source monitoring equipment.
Remote plasma source Equipment maintenance	<ul style="list-style-type: none"> A. Develop next-generation remote plasma source maintenance technology. B. Develop key power components for maintenance. C. Develop alternative solutions for reaction chamber.
Semiconductor process Power supply	<ul style="list-style-type: none"> A. Develop high-power energy-saving RF Generator System units for semiconductor process.

Key research and development products	Plan objectives
	B. Develop microwave power supply for semiconductor process.

(II) Industrial profiles:

1. The status quo and development of the industry

The Company's main sales and service area is the semiconductor industry. The following is an analysis of the status quo and development of the semiconductor industry:

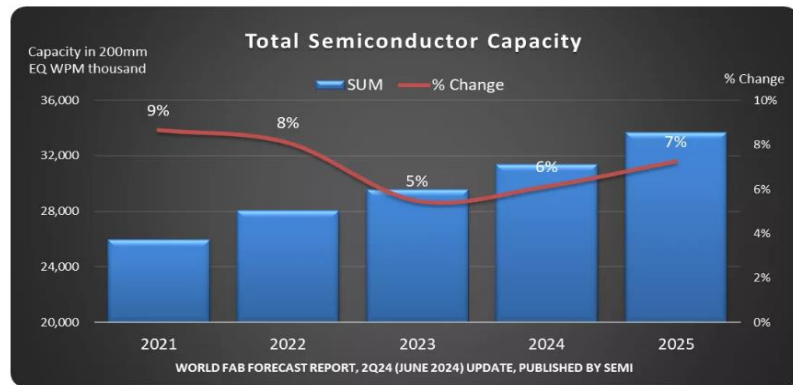
According to a report of Gartner (a market research firm), the total global semiconductor revenue reached USD626 billion, and the global semiconductor market showed strong growth in 2024, with a year-on-year growth of 18.1%. This growth is mainly due to strong demand for data center applications, particularly driven by graphics processing units (GPUs) and artificial intelligence (AI) processors. In terms of corporate ranking, Samsung Electronics regained its position as the world's number one with a revenue of USD66.524 billion. Intel ranked second with a revenue of USD49.189 billion, a year-on-year growth of 0.1%. Nvidia's revenue increased by 84% year-on-year, reaching USD46 billion, and its ranking rose to third place. The memory market also showed significant recovery, with revenue increasing by 71.8% year-on-year, accounting for 25.2% of the overall semiconductor market. Among them, DRAM revenue increased by 75.4%, and NAND revenue increased by 75.7% year-on-year.

Looking ahead, Gartner expects that global semiconductor revenue will further increase to USD705 billion by 2025. AI and data center applications will continue to be the main drivers, especially in the high bandwidth memory (HBM) market, where the revenue is expected to grow by 66.3% to USD19.8 billion.

Overall, the semiconductor market experienced strong growth in 2024, primarily driven by the demand for AI technology and the recovery of the memory market. Major companies such as Samsung Electronics and Nvidia had outstanding performance in the market, demonstrating the vitality and competitiveness of the semiconductor industry.

According to the latest World Fab Forecast Report published by the Semiconductor Equipment and Materials International (SEMI), the global semiconductor industry is expected to continue expanding in 2024 and 2025,

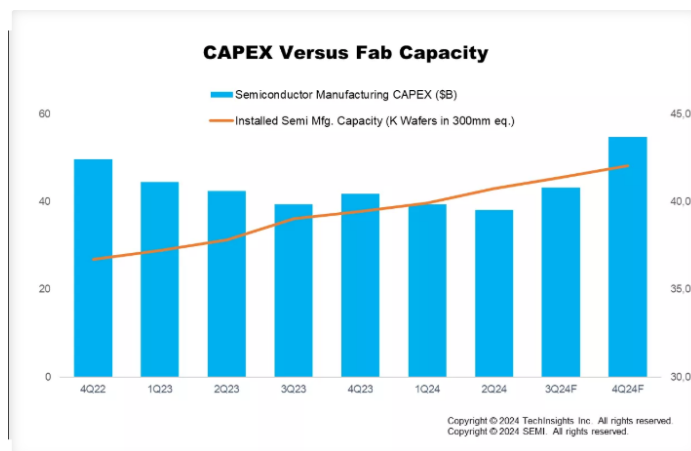
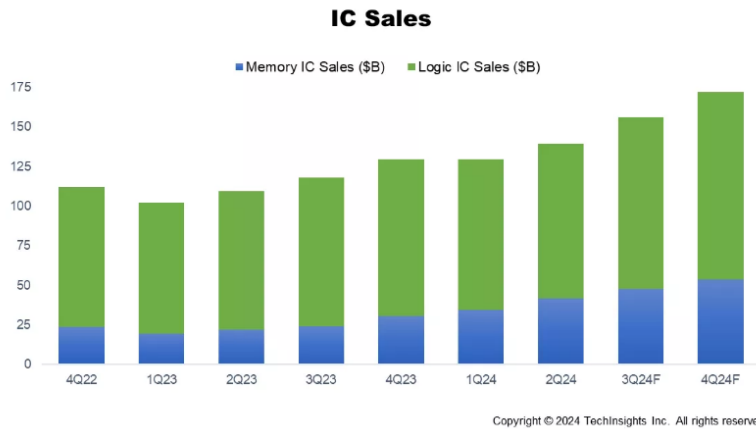
with wafer fab production capacity expected to increase by 6% and 7% respectively, reaching a record high of 33.7 million 8-inch wafers per month.



In terms of regional distribution, the capacity growth of wafer fabs in Chinese Mainland is particularly significant. It is expected to increase by 15% in 2024, reaching 8.85 million pieces per month, and increase by 14% in 2025, reaching 10.10 million pieces per month, accounting for more than one-third of the global total capacity. Taiwan ranks second with a monthly production capacity of 5.8 million pieces, and is expected to grow by 4% in 2025; South Korea ranks third, and is expected to grow by 7% in 2025, reaching 5.4 million pieces per month.

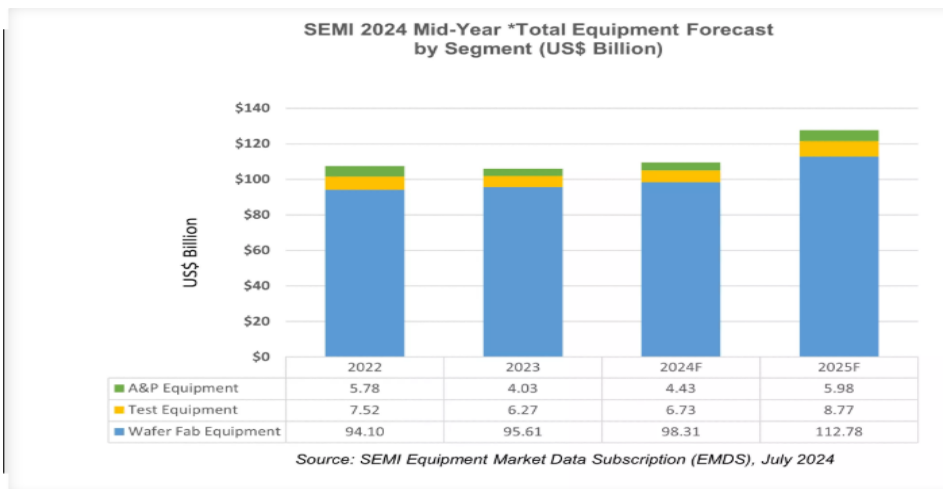
In terms of the construction of wafer fab, it is expected that multiple new fabs will begin construction worldwide in 2024. Among them, driven by government investment, 6 new wafer fabs are expected to be constructed in the American region, with a year-on-year increase in production capacity of 6%, reaching 3.1 million wafers per month. Four new fabs are expected to be put into operation in Europe and the Middle East, further promoting the development of the local semiconductor industry.

In addition, SEMI estimates that global wafer fab equipment expenditures will increase by 8% to USD111 billion in 2024, and further increase by 4% to USD116 billion in 2025. Among them, investment in the wafer OEM sector will reach USD59 billion, a year-on-year increase of 2%; The investment in the memory sector is expected to increase by 50%, reaching USD34 billion.

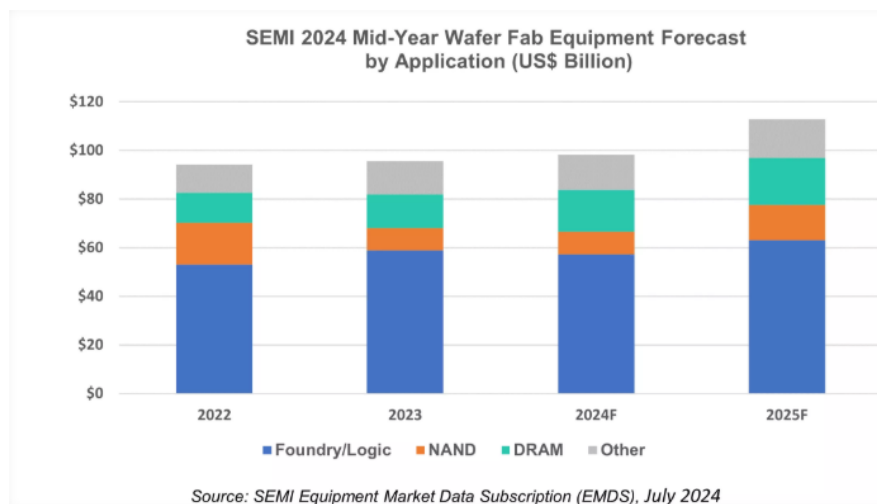


According to the estimates of Industry, Science and Technology International Strategy Center (ISTI), ITRI, due to the increasing demand for semiconductor applications and geopolitical factors, the global wave of wafer fab expansion is expected to continue between 2022 and 2025, with 41 new fabs expected to start construction. Under the influence of large-scale investments in expanding production in the United States by companies such as TSMC, Samsung, Intel, Micron, and Texas Instruments, the total number of new wafer fabs in the United States in the next three years will reach nine, including eight 12-inch fabs and one 8-inch fab. Geopolitical factors have prompted countries to raise awareness of domestic semiconductor production, and semiconductor resources have gradually become strategic materials for various countries. In addition to considering commercial and cost structures, wafer OEMs must also take into account the subsidy policies of various governments to meet customers' demand for local production while maintaining a balance between supply and demand. Therefore, the key to the operation of wafer OEMs in the future will lie in the diversity of products and pricing strategies.

Global sales value of semiconductor equipment

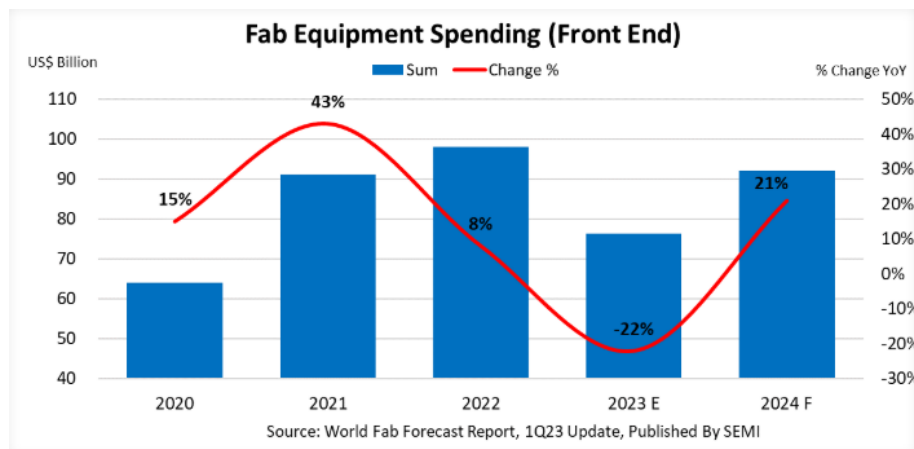


Looking ahead to 2024, SEMI estimates that the global semiconductor equipment market will recover, with total sales increasing by 14.48%. The growth rate of wafer fab process related machines is expected to reach 14.8%, which is the most significant among the three major categories of equipment. This indicates that as inventory adjustments come to an end and market demand rebounds, semiconductor equipment expenditures will grow again.



In terms of regional distribution, Taiwan is expected to continue leading global wafer fab equipment expenditure, with a total amount increasing by 4.2% in 2024 from 2023, reaching USD24.9 billion. South Korea ranks second with a total of USD21 billion, a year-on-year growth of 41.5%; China ranks third with an investment amount of USD16 billion, equivalent to 2023. The investment in American region is expected to achieve a record high of USD11 billion in 2024, a year-on-year growth of 23.9%; the investment in Europe and the Middle East

is expected to continue reaching new highs, with total expenditures increasing by 36% to USD8.2 billion.



Overall, the global semiconductor industry is expected to continue rapid expansion in 2024, and the construction of wafer fabs and the increase in production capacity will meet the growing market demand for high-performance computing (HPC), automotive electronics, and other fields.

According to the latest estimates of Industry, Science and Technology International Strategy Center (ISTI), ITRI, the output value of Taiwan's semiconductor industry will exceed NTD5 trillion for the first time in 2024, reaching NTD5.3151 trillion, with an annual growth rate of 22.4%.

The Market Intelligence & Consulting Institute (MIC) of the Institute for Information Industry also estimates that the output value of Taiwan's semiconductor industry will reach NTD4.17 trillion in 2024, with an annual growth rate of 13.6%, and the supply chain will get out of high inventory.

The Taiwan Institute of Economic Research estimates that the overall output value of Taiwan's semiconductor industry will reach NTD5.11 trillion in 2024, with an annual growth rate of 17.7%, higher than the global growth rate (13.1%).

Overview of global and Taiwanese semiconductor production value and segments in recent years

Industry item	2020		2021		2022		2023		2024 (E)	
	Amount	YoY growth rate	Amount	YoY growth rate	Amount	YoY growth rate	Amount	YoY growth rate	Amount	YoY growth rate
IC industry output value	32,222	20.9	40,820	26.7	48,370	18.5	43,428	-10.2	51,134	17.7
IC design industry	8,529	23.1	12,147	42.4	12,320	1.4	10,965	-11.0	12,617	15.1

Industry item	2020		2021		2022		2023		2024 (E)	
	Amount	YoY growth rate	Amount	YoY growth rate	Amount	YoY growth rate	Amount	YoY growth rate	Amount	YoY growth rate
IC manufacturing industry	18,203	23.7	22,289	22.4	29,203	31.0	26,626	-8.8	32,014	20.2
Wafer OEM	16,297	2.1	19,410	19.1	26,847	38.3	24,925	-7.2	29,932	20.1
Memory and other manufacturing	1,906	19.4	2,879	51.0	2,356	-18.2	1,701	-27.8	2,082	22.4
IC packaging industry	3,775	9.0	4,354	15.3	4,660	7.0	3,931	-15.6	4,344	10.5
IC testing industry	1,715	11.1	2,030	18.4	2,187	7.7	1,906	-12.8	2,159	13.3
IC product output value	10,435	22.4	15,026	44.0	14,676	-2.3	12,666	-10.2	14,699	16.1
Global Semiconductor Market	4,404	6.8	5,559	26.2	5,741	3.3	5,268	-8.2	5,958	13.1

Overall, Taiwan's semiconductor industry is expected to experience significant growth in 2024, and the output value is expected to exceed NTD5 trillion, with an annual growth rate between 13.6% and 22.4%, indicating that Taiwan's important position in the global semiconductor market will be further enhanced.

2. Association among the up-, mid- and down streams

The Company's business and products belong to the semiconductor process equipment industry, which is mainly divided into three major parts:

Part 1 Process Machine:

Such as etching machines, PVD, CVD coating machines, ion implantation machines, or cleaning machines in the bend-end process; The main manufacturers are Applied Materials, Lam Research, TEL, etc.

Part 2 Components:

This refers to the components that make up the process machine, such as vacuum valves, gas flow meters, pressure gauges, vacuum pumps, RF Generator System, matchers, plasma sources, ozone generators, etc. The main manufacturers include MKS, VAT, Advanced Energy, etc.

Part 3 Technical Services:

Semiconductor manufacturing requires high-performance and high reliability equipment, therefore efficient maintenance and repair of process machines and components must be continuously carried out. On the other hand, it is also necessary to continuously improve the performance and reliability of existing equipment and components. In addition to the services provided by the original manufacturers of process machines, this has also given rise to companies that

focus on providing professional technical services. With the large-scale growth of the semiconductor industry, technical services have become an important industry.

In terms of industry, semiconductor process machine manufacturers and semiconductor producers form an upstream and downstream relationship, and the Company's business includes two parts: "technical services" and "components" in the semiconductor process equipment industry. Our sales targets can be semiconductor process machine companies or semiconductor production companies. Currently, most of our top 10 customers are international semiconductor process machine equipment and semiconductor production companies.

The relations among upstream, midstream, and downstream industries are explained as follows: If the customer is a semiconductor process machine manufacturer, the Company is a supplier of international semiconductor equipment manufacturers. In this way, the Company forms an upstream, midstream, and downstream structure with semiconductor process machine manufacturers and semiconductor producers. If the customer is a semiconductor production company, the Company belongs to the upstream supply chain.

In terms of product manufacturing, the Company manufactures semiconductor process components and subsystems such as remote plasma sources, RF Generator System, microwave sources, ozone generators, etc. Suppliers of raw materials such as metals, plastics, metal components, electronic components, and vendors providing mechanical processing services are upstream, the Company is midstream, and downstream end customers are semiconductor equipment manufacturers and semiconductor producers worldwide.

3. Product development trends

The Company's main products are RF Generator System, odor generators, and remote plasma sources, and their development trends are described as follows:

(1) RF Generator System

The main purpose of RF Generator System in semiconductor processes is to excite plasma and provide bias voltage for process wafers. In the semiconductor process, there is a trend towards increasing plasma density and reducing plasma potential. The solution is to increase the output frequency of the RF power source from the current 13.56 MHz to 27 MHz

or even higher. In academic research, the use of 500 MHz etching process has been explored, and the results show that it has very good performance in etching. In terms of bias voltage on the wafer, the direction is to generate high-precision small pulse signals, hoping to reduce the energy distribution of incident ions and improve etching selectivity. In addition, in response to energy-saving requirements, high efficiency (>80%) has become a necessary performance.

(2) Ozone supply system

In the development of semiconductor processes, it has been found that increasing ozone concentration has advantages. For example, in ALD, high concentration ozone can significantly reduce process temperature and improve film quality. On the other hand, the method of using a small amount of N₂ gas mixture to increase ozone concentration in current technology is not accepted in some new processes because it can generate NO_x and cause problems. The trend in ozone supply system is to produce high concentrations of ozone without mixing N₂ gas.

(3) Remote plasma source

The current remote plasma source used in semiconductor processes adopts 400 kHz switch power technology to generate high-density plasma through inductive coupling mechanism, and then effectively dissociate high-flow NF₃ gas (>90%) to participate in process reactions. On the other hand, in order to prevent the fluorine activated particles in the plasma from reacting with the metal cavity, anodizing technology must be adopted to form a protective oxide film on the surface of the cavity. However, because the temperature of the reaction gas can exceed 2000 °C, the anode film is easily damaged, causing electric discharge and particle pollution. In terms of plasma excitation mechanism, the mechanism of inductive coupling must be achieved at a certain plasma density. However, when the operating conditions change, such as when the introduced reaction gas is out of range, the pressure changes in a short time, and the plasma density decreases. At this time, the conditions for inductive coupling are insufficient, and the system will switch to capacitive coupling. As a result, the plasma concentration decreases, which can cause a decrease in NF₃ dissociation and even plasma extinction. Therefore, in terms of technological development, the focus is on developing protective films that can withstand high temperature NF₃

plasma environments and new mechanisms to improve plasma stability.

The technological development trends of the aforementioned three products are the focus of the Company's research and development. Currently, relevant projects are being executed and some have achieved results.

4. Product competition situation

The Company's business includes two parts: "technical services" and "components" in the semiconductor process equipment industry. The competition situations of these two parts are analyzed as follows:

(1) Technical services

In terms of technical services, the Company has a wide customer base, including all domestic semiconductor and optoelectronic factories, as well as internationally renowned companies such as Intel, Micron, and Panasonic. The Company has become an important part of the customer supply chain in terms of technical service projects, with competitive advantages and a certain market share. It is worth mentioning that the Company has become the only global cooperative technical service provider for ozone generators used in international semiconductor equipment manufacturers, which further enhances our competitive position.

In addition, the Company has leading technical advantages in key process components. In addition to having advantages in ozone products, technical cooperation with foreign manufacturers also gives the Company a competitive advantage in the technical services for E-chuck (electrostatic chuck). These advantages enable the Company to provide high-quality technical services, meet customer needs, and gain a competitive advantage in the fiercely competitive market.

(2) Components (branded products)

The Company's main products in semiconductor equipment components include RF Generator System, ozone generators, and remote plasma sources. Although these fields are still dominated by international giants, the Company has gained a deep understanding of the shortcomings of international giants' products through long-term technical service of related products and close interaction with customers. Therefore, the Company proposes solutions and designs corresponding products to meet

customer needs, and develops branded products with unique features and advantages.

For example, the Company has developed an RF Generator System to meet customers' energy-saving requirements, and has won the market compared to international brands. Although the Company cannot compete comprehensively with international giants in all fields, we have achieved key breakthroughs in the market in R&D achievements of specific product areas.

In summary, the Company has advantageous technical services and distinctive branded products in the semiconductor process equipment industry. By becoming an important part of the customer's supply chain, collaborating with internationally renowned companies, and maintaining a leading position in specific product areas, the Company maintains a certain competitive advantage in the fiercely competitive market.

(III) Technology & know-how and research & development in summary

1. The technical level and research and development of the business

The Company focuses on high-tech fields such as radio frequency/microwave, plasma technology and applications, high voltage, electronic circuits, and microprocessor control as core technologies. We provide component supply and technical services for key systems such as remote plasma sources, RF Generator System, microwave sources, ozone generators related to semiconductor processes. These products are semiconductor equipment from internationally leading manufacturers, so the technical level involved is very high. The Company must catch up with these technical levels in order to effectively solve the problems related to these products.

On the technical level, the Company is involved in high-power RF amplifier circuits, high-density plasma excitation circuits and reaction chamber manufacturing, ozone high-voltage and high-power-oscillation power sources, etc. Research and development in these fields require highly specialized technical knowledge and extensive experience.

In order to maintain a leading technological position, the Company has patented technologies from Taiwan, mainland China, Japan, and the United States. In addition, the Company has collaborated with multiple academic institutions, so that we can master relevant technologies and enhance research

and development competitiveness more rapidly.

In terms of research and development, the Company is committed to developing self-owned brand products with advantages, and hopes to contribute to the localization of semiconductor equipment in Taiwan. Our research directions include:

- (1) High-frequency and high-efficiency RF Generator System: Develop high-frequency and high-efficiency RF Generator System to improve equipment performance and energy utilization efficiency.
- (2) High-concentration and N₂-free ozone supply system: Develop a high-concentration and nitrogen-free (N₂-free) ozone supply system to ensure process stability and high-quality products.
- (3) Remote plasma source with high stability and low particle pollution: Develop remote plasma sources with high stability and low particle pollution to ensure precise process control and good process quality.

These research directions will help the Company gain advantages in technological innovation and product development, and make positive contributions to the progress of the semiconductor equipment industry.

2. R&D personnel and their academic and work experience

Unit: person; %

Year \ Academic	2023		2024		Feb. 28, 2025	
	Head count	Proportion (%)	Head count	Proportion (%)	Head count	Proportion (%)
Degree of Doctor and Master	9	10.5	2	9.1	3	15
Bachelor's Degree	10	36.8	8	36.4	7	35
High school	0	52.6	12	54.5	10	50
Total	19	100	22	100	20	100

3. The annual R&D costs invested in the recent 5 years

Unit: Thousand NT Dollars; %

Item	2020	2021	2022	2023	2024
Research costs	13,874	22,624	36,285	36,581	46,571
Revenue	470,506	590,581	752,648	727,750	760,258
Proportion of operation income (%)	2.95	3.83	4.82	5.03	6.13

4. The technology & know-how or products successfully developed by Highlight Tech Group in recent 5 years

Year	Product
2020	● ACME RF Power System (RF power system required for semiconductor process)
2022	● AOS 6800 Ozone System (ozone supply system)
2023	<ul style="list-style-type: none"> ● High-concentration ozone generation reaction chamber ● Main control module of ozone generation system ● High-concentration ozone pressure regulating valve (under SEMI S2 certification) ● High-concentration ozone sensor (under SEMI S2 certification) ● High-concentration and high-flow ozone supply system (under product functional verification) ● Improvement plan for the control circuit related to the existing remote plasma source (under reliability verification)
2024	<ul style="list-style-type: none"> ● AOS 6800 19-inch Ozone System ● AOS660 high-flow ozone generator

(IV) Long- and short-term business development programs

The Company's business development initially focused on technical services in the early stage of startup, and now focuses on technical services and promoting our own brand products. In the next stage, our goal is to establish our own brand and become an OEM and ODM partner for international semiconductor system equipment manufacturers.

1. Short-term business development programs

(1) Expand technical services

In the short term, we will focus on promoting core technical services to international semiconductor system equipment manufacturers and semiconductor production customers. This requires establishing close partnerships with customers, understanding their needs and challenges, and providing tailored solutions. The key is to quickly establish market connections, increase exposure, and win customer trust, thus becoming the preferred solution provider for customers in technical services.

(2) Promote own brand products

Promote the Company's own brand products in response to the weaknesses of international manufacturers' products. This requires thorough market research and competitive analysis to determine the advantages and uniqueness of our own brand products. With customers'

recognition of our own brand products, we will be able to gradually expand the market penetration rate. This can also be used as an opportunity to enhance brand awareness and increase the Company's influence in the semiconductor industry.

(3) Become a leading brand

We will strive to become a leading brand focused on developing semiconductor process RF Generator System, ozone supply systems, and remote plasma sources. These fields are crucial in the semiconductor manufacturing process and have stable market demand. By providing high-quality products and solutions to meet customer requirements, the Company further consolidates its position in these fields.

2. Long-term business development programs

(1) Establish brands and contribute to the localization of semiconductor industry in Taiwan

Focus on brand building to demonstrate Taiwan's contribution to the localization of semiconductor equipment to the international market. This includes exhibiting technological innovation at industry exhibitions, participating in international standard setting, and publishing professional papers. Through these actions, the Company can gain more recognition on the international stage, establish a brand image, and further expand its global market share.

(2) Become an important link in the supply chain

Promote brand effect and make the Company an important link in the international semiconductor system equipment supply chain. This involves establishing partnerships with more OEMs/ODMs, providing high-quality products and services, and ensuring a stable position in the supply chain. At the same time, the Company continues to strengthen its investment in technology research and innovation to maintain its competitive advantage.

(3) Develop overseas markets

In the face of the globalization trend of the semiconductor industry, the Company collaborates with important customers to develop overseas markets. This includes establishing technical service centers, sales offices, and partner networks overseas to meet the needs of local customers. By expanding business globally, the Company can diversify risks and develop new growth opportunities.

(4) Promote international cooperation and merger and acquisition strategies

In order to gain more technology and market share, the Company will promote international cooperation and seek opportunities for mergers and acquisitions. By collaborating with other international companies in related fields, resources and technology can be shared to accelerate innovation and development. At the same time, merger with and acquisition of companies with relevant technologies and market share can rapidly expand the business scale, and achieve the development goal of becoming an international level company.

The above is a short-term and long-term development plans proposed from the perspective of business expansion, aimed at helping the Company gain a competitive advantage in the semiconductor industry and gain more opportunities and achievements in the international market. These plans require close collaboration, continuous innovation, and constant learning and adjustment to meet changing market demands.

II. Markets, production and marketing in summary

(I) Market analyses

1. Sales (distribution) regions of key products (services)

Unit: Thousand NT Dollars; %

Region \ Year		2023		2024	
		Sales	%	Sales	%
Domestic sales		594,580	81.71	503,035	66.17
Export	Asia	91,584	12.58	222,707	29.29
	America	36,273	4.98	32,521	4.28
	Europe	5,313	0.73	1,995	0.26
	Subtotal	133,170	18.29	257,223	33.83
Total		727,750	100.00	760,258	100.00

2. Market share

In terms of technical services, the Company's business scope covers companies in the domestic semiconductor related industries, with a customer base that includes well-known semiconductor giants and a certain market share in related products. Although we have established relations with international giants such as Intel, Micron, and Panasonic in the international market, the market share is still relatively small. In terms of international system equipment manufacturers, the Company has become the only global supplier of ozone generator technical services to major international companies. The opening of the Kumamoto factory in early 2025, combined with our layout in Europe and America will effectively increase our market share in overseas markets.

In terms of branded products, the Company's RF Generator System (ACME)

has been successfully used in important international brand HDPCVD (High-density plasma chemical vapor deposition) process equipment, becoming the main option to replace the original system in the global market. By the end of 2024, more than 250 systems have been installed.

In terms of ALD ozone supply system, the market promotion has been smooth, and more than 30 units have been sold within one year. However, the market share is very small, as we are just in the early stage. On the other hand, the Remote Plasma Source (RPS) is still in the market validation period and has not yet been sold.

The Company's main products in the field of semiconductor equipment components are RF power sources, ozone supply systems, and remote plasma sources. These products are still dominated by international giants currently. However, based on long-term technical service related products and customer interaction, the Company is well aware of the shortcomings of international giants' products and proposes solutions and designs based on customer needs. Therefore, our branded products have their own characteristics and advantages. For example, in response to customers' energy-saving requirements, we have developed the RF Generator System (ACME), which has won the market after comparison with international brands. Although the Company cannot compete comprehensively with international giants, we have developed unique features in specific products and sought key breakthroughs to gain market share, which is expected to further enhance our global market share.

3. The future market supply and demand and growth potential

The future demand and growth of the Company's technical services and own brand products lie in the future development of the semiconductor industry, which is an important component of the global economy and plays a key role in many fields, including information technology, communications, industry, automotive, healthcare, etc. With the continuous growth of the global economy, the semiconductor industry will also maintain a strong growth momentum.

The growth of the semiconductor industry is mainly driven by the following factors:

- The popularity of consumer electronics products such as smartphones and other wearable devices

With the popularity of consumer electronics such as smartphones and other wearable devices, the demand for semiconductors has also increased. Smartphones are the largest application market for

semiconductors, followed by personal computers, tablets, and other consumer electronics products.

- The demand for semiconductors is increasing in other vertical fields such as automobiles and industry

With the increasing demand for semiconductors in other vertical fields such as automobiles and industry, the semiconductor industry will also maintain strong growth momentum. The electrification and automation of automobiles are important factors driving the growth of the semiconductor industry. In the industrial field, semiconductors are widely used in industrial automation, robotics, and other fields.

- The development of emerging technologies such as 5G and artificial intelligence

The development of emerging technologies such as 5G and artificial intelligence will also drive the growth of the semiconductor industry. 5G will require a large amount of semiconductors, while artificial intelligence will require higher performance semiconductors.

- Progress in semiconductor manufacturing technology

The progress of semiconductor manufacturing technology will also drive the growth of the semiconductor industry. The progress of semiconductor manufacturing technology will further improve the performance and power consumption of semiconductors, and reduce costs.

However, the semiconductor industry also faces some challenges, such as:

- Price fluctuations
- Trade disputes
- Security threats

Despite these challenges, the semiconductor market is expected to continue growing in the coming years. The following are several trends for the future development of the semiconductor industry:

- Demand growth: With the sustained growth of the global economy, the demand for semiconductors will continue to increase.
- Technological innovation: Continuous innovation will be made in semiconductor technology to meet increasingly complex application demands.
- Capacity expansion: The semiconductor industry will continue to expand its production capacity to meet the growing demand.

- Supply chain restructuring: The supply chain of the semiconductor industry will be restructured to address the challenges of globalization and trade disputes.
- Security threats: The semiconductor industry will face threats from national security and needs to strengthen security measures.

To sum up, with the continued growth of the semiconductor market in the future, the market demand and growth of the Company's technical services and products are expected to have great prospects.

4. Competitive Niche and the Advantages and disadvantages of Development and Countermeasures

(1) Competitive niche

A. Have global international major customers and niche product advantages

The Company has unique competitive advantages in technical services, has become a strategic partner of the world's largest semiconductor equipment supplier and the only technical service provider of ozone generator in the world. Our top ten customers include the world's largest semiconductor equipment manufacturers and wafer OEMs, whose business accounts for over 70% of the Company's revenue and is the main driving force for the Company's stable growth.

In terms of branded products, the Company has successfully developed the RF Generator System (ACME), which has been successfully applied in HDPCVD equipment of important international brands. This innovative product has become the main option for replacing existing power systems in the global market, with over 250 units installed by the end of 2024.

B. Provide an excellent after-sales service system

The Company not only provides excellent products, but also offers a complete set of services. From the beginning of contact with customers, we assist them in fully utilizing existing production resources and establishing a complete improvement plan to reduce costs. In terms of after-sales service, the Company prioritizes protecting the rights and interests of customers, such as offering a one-year warranty period for all products and providing quick technical support solutions, to strengthen customer loyalty and

establish stable and good cooperative relationships.

C. Have R&D competitiveness and combine external research forces

Our R&D team has rich experience and independent technical capabilities, with members from well-known universities such as UCLA and National Tsing Hua University, as well as leading international semiconductor equipment manufacturers. In addition, we collaborate with research institutions such as academia, the Industrial Technology Research Institute, and the National Nano Device Laboratory to further enhance our R&D competitiveness. At present, we have collaborated on research and development projects with National Tsing Hua University and Industrial Technology Research Institute, as well as technology projects with Japanese century-old enterprises and USA-based international giants, which will contribute to our international development.

D. Strategic layout in overseas market

Our strategic layout focuses on competitive niches to accelerate our market share in the global market:

(A) We actively explore the Chinese Mainland market and set up a subsidiary in Shanghai to provide localized services to meet the huge business opportunities in the Chinese market.

(B) In response to the demand of important domestic customers to build factories overseas, we plan to establish branches in Japan and the United States in the second half of 2023 to further expand our overseas market share.

(C) At the same time, we will also develop business in South Korea, Singapore, Malaysia and other places through agents to make comprehensive layout in the Asian market.

Through these competitive niche strategies, the Company will maintain a leading position in the semiconductor industry while expanding global markets, and achieve sustainable growth and long-term success.

(2) Advantages and disadvantages of development and countermeasures

Advantages:

A. The semiconductor industry continues to develop rapidly with

strong demand

The semiconductor market is expected to grow at a compound annual growth rate (CAGR) of 10.4% until 2028. The growth is mainly driven by the following factors:

- The popularity of consumer electronics products such as smartphones and other wearable devices
- The demand for semiconductors is increasing in other vertical fields such as automobiles and industry
- The development of emerging technologies such as 5G and artificial intelligence
- Progress in semiconductor manufacturing technology

The semiconductor factory continues to expand both domestically and internationally, and it is expected that the semiconductor equipment components and maintenance market will continue to grow steadily.

- B. Integrate with the supply chain of international system equipment manufacturers

The Company has become a strategic partner of the world's largest semiconductor equipment supplier and is its only technical service provider of ozone generator in the world. In the near future, we will also become an important RF components OEM and ODM partner of this manufacturer. This cooperation will become a stable driving force for the Company's long-term development in technology and market.

Disadvantages and countermeasures:

- A. Unstable supply of key electronic components and inflation pose operational challenges:

- (A) Supply chain interruption of electronic components:

The Covid-19 epidemic has caused instability in the supply of some electronic components. The company can increase its material safety stock to cope with such situation, and seek alternatives to alleviate the pressure of supply chain interruption of components.

- (B) Rising material costs:

To cope with the increase in material costs caused by inflation, the Company can coordinate with customers to adjust price to reduce the impact of inflation on operations.

- B. The magnetic effect of domestic major manufacturers makes it

difficult to recruit excellent talents:

(A) Improve production efficiency and product yield:

Through process optimization, the Company can improve production efficiency and product yield, reduce manpower demand, and lower operating costs.

(B) Introduce automated machinery and equipment:

Introducing automated machinery and equipment to replace some manual work can also reduce dependence on manpower and improve production efficiency.

(C) Strengthen industry-academy cooperation and student internship programs:

Actively cooperate with the academic community, attract more talents, and enhance the competitiveness of the Company.

By fully understanding the favorable and unfavorable factors, the Company can develop appropriate response strategies for different situations to ensure sustained growth and maintain competitiveness in the semiconductor market.

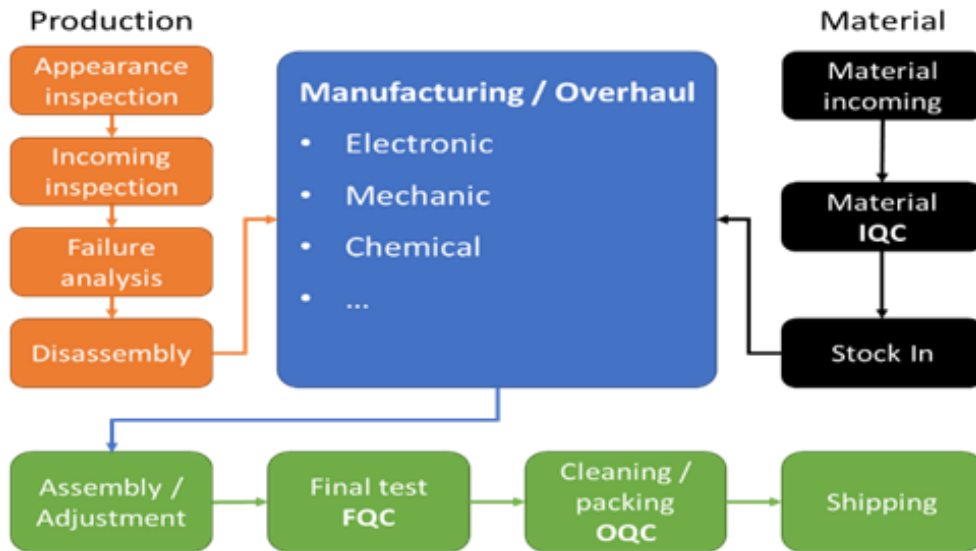
(II) Manufacturing process and key purposes of our principal products

1. Key purposes of our principal products

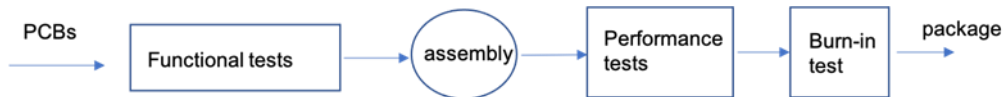
Product category	Purposes
Technical services for semiconductor equipment subsystems	Maintenance and functional improvement of cavity peripheral subsystems of semiconductor process equipment cover high-/low-frequency high-voltage/high-power supplies and adapters, ozone systems, remote plasma sources, wafer grinding, wafer transfer, and process monitoring systems. All are used in semiconductor processes.
RF Generator System	Used in semiconductor CVD process.
Advanced ozone system	Used in semiconductor ALD (atomic layer deposition) process.
Remote plasma source	It is applied in semiconductor processes, including CVD chamber cleaning, deposition coating, and photoresist removal.

2. The manufacturing process of key products

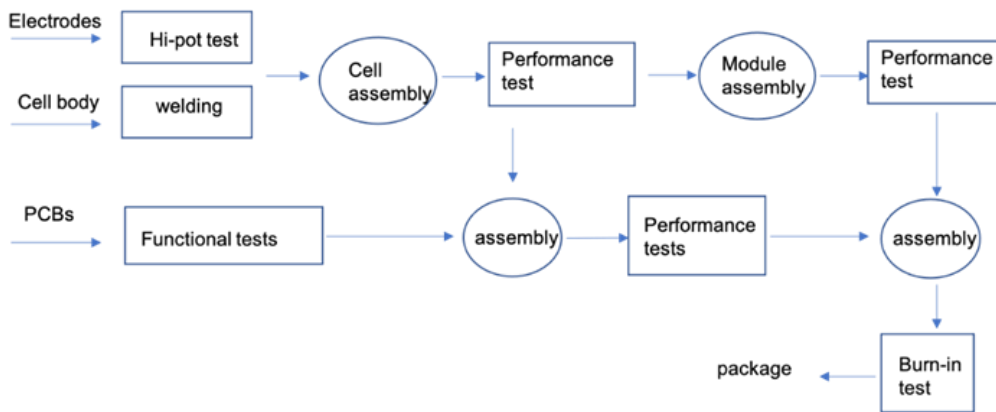
(1) Semiconductor equipment subsystem maintenance



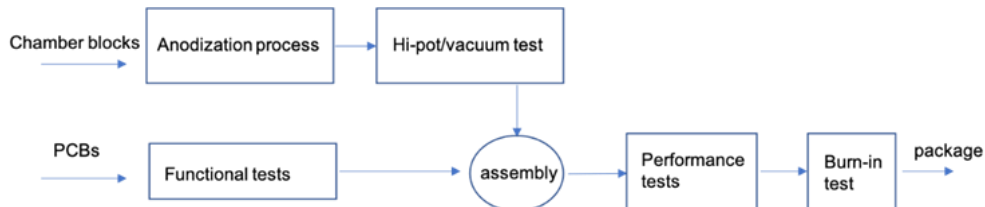
(2) RF Generator System



(3) Ozone system



(4) Remote plasma



(III) Supply status of major raw materials

To meet the demand for the Company's main raw materials, we have adopted the

following supply status planning: the main raw materials include high-power power supplies, plasma, ozone, and measurement system materials, including electronic and mechanical materials and components. We obtain these raw materials from multiple vendors who have passed the supplier review mechanisms to ensure quality and stable delivery.

To ensure the stability of supply, we adopt a decentralized procurement source strategy, which can reduce the risk of stockout caused by a single supplier. In addition, we strictly require suppliers to adhere to business integrity and ethical standards, and conduct continuous evaluations to ensure our commitment to sustainable operations.

These measures will help ensure that our raw material supply is sufficient, while maintaining excellent quality and reliable delivery time to support the smooth operation of the Company. We always aim to providing high-quality products and practicing sustainable development, and actively establish stable partnerships with suppliers.

(IV) Major purchase and sale customers

1. The names of any suppliers that have supplied 10 percent or more of the Company’s procurements in either of the last two years, the amount and proportion, and the reasons for increase or decrease:

Unit: Thousand NT Dollars; %

Item	2023				2024			
	Name	Amount	Ratio to net purchases in the whole year (%)	Relationship to the issuer	Name	Amount	Ratio to net purchases in the whole year (%)	Relationship to the issuer
1	Supplier A	133,219	43.44%	None	Supplier A	168,497	53.20%	None
2	Other	173,427	56.56%		Other	148,251	46.80%	
	Total	306,646	100.00%		Total	316,748	100.00%	

Description of reasons for increase or decrease:

The supplier supplying 10 percent or more of the Company’s procurements in the last two years is Supplier A. The main raw material for procurement is semiconductor RF power generators. The reason for the change is that the Company increases the procurement amount from Company A in order to meet the growing demand of end customers.

2. The names of any customers that have purchased 10 percent or more of the Company’s sales in either of the last two years, the amount and proportion, and the reasons for increase or decrease:

Unit: Thousand NT Dollars; %

Item	2023				2024			
	Name	Amount	Ratio to net sale in the whole year (%)	Relationship to the issuer	Name	Amount	Ratio to net sale in the whole year (%)	Relationship to the issuer
1	Customer A	113,579	16%	None	Customer A	210,076	28%	None
2	Customer B	80,409	11%	None	Customer C	74,996	10%	None
3	Other	533,762	73%		Other	475,183	62%	
	Total	727,750	100%		Total	760,258	100%	

Description of reasons for increase or decrease:

Overall, there has been little change in the main sales customers. The increase in sales amount for Customer A and Customer C in 2024 was due to the Company's business development shifting from a focus on technical services in the early stages to a focus on promoting its own brand products at the current stage. In line with the Company's sales policies and production capacity allocation, the sales of our own brand products are expected to increase compared to the previous period.

III. The number of employees employed, average years of service, average age, and education levels for last two years, and up to the publication date of the annual report

Unit: person

Year		2023	2024	Feb. 28, 2025
Number of employees	Direct employee	83	77	70
	Indirect employee	99	83	90
	Total	182	160	160
Average age (Age)		35	35	36
Average years of service (years)		4.2	4.8	5.4
Academic qualification (%)	Doctoral Degree	2.7	3.1	3.1
	Master's Degree	9.3	12.5	11.9
	Bachelor's Degree (junior college)	69.8	66.3	66.3
	High school	17.6	17.5	18.1
	Below high school	0.5	0.5	0.6

IV. Environmental spending

- (I) According to laws and regulations, for those who are required to apply for a pollution facility installation permit or a pollution discharge permit, or to pay pollution prevention and control fees, or to establish dedicated unit or personnel for environmental protection, an explanation of their application, payment, or establishment status:

The Company's related industrial waste is disposed of by qualified clearing and transportation companies in accordance with local regulations. We have obtained a pollution discharge permit and paid pollution prevention and control fees in

accordance with relevant laws and regulations for water pollution prevention and control, and there is no concern about causing pollution to the environment.

- (II) List the Company's investment, usage, and potential benefits related to the main equipment for preventing and controlling environmental pollution: None.
- (III) The environmental pollution improvement process of the Company in the last two years and up to the publication date of the prospectus. If there are pollution disputes, describe the handling process: None.
- (IV) In the last two years and up to the publication date of the prospectus, the total amount of losses (including compensation) and penalties suffered by the Company due to environmental pollution, the future countermeasures (including improvement measures) and possible expenses (including estimated amounts of losses, penalties, and compensation that may be incurred if no countermeasures are taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided): None.
- (V) The current pollution situation and the impact of its improvement on the Company's earnings, competitive position, and capital expenditures, as well as the expected significant environmental capital expenditures for the next two years: None.

V. Employee-employer relationship:

(I) Employee benefits, continuing education, training, retirement systems, and the status of their implementation, as well as the status of agreements between labor and management, and all measures aimed at preserving the rights and interests of employees

1. Employee benefits

The Company provides or sponsors the promotion of various welfare plans to fully take care of employees and ensure their living conditions. The Company has also established an employee welfare committee in accordance with the law, selected welfare committee members to handle various welfare measures, and formulated welfare budgets and plans every year to reasonably and effectively utilize employee welfare funds. The current welfare measures within the Company include birthday gifts, various activities organized by the welfare committee (employee travels/dinners), wedding and funeral allowances, travel insurance, vacation systems in accordance with laws and regulations, year-end bonuses, and dividends and stock options for outstanding personnel.

2. Employee continuous education and training

The Company regards its employees as important assets and attaches great importance to talent cultivation. We arrange professional on-the-job training courses and management courses for employees according to various functional needs, including internal education and training as well as irregular external training. We integrate internal and external resources of the Company, systematically foster talents, and cultivate talents with rich professional abilities and entrepreneurial spirits, thus improving work performance and achieving the Company's business objectives.

3. Retirement system and implementation

(1) Retirement system

The "Labor Pension Act" came into effect since Jul. 1, 2005. Employees hired before Jun. 30 and still employed on Jul. 1 may choose to continue to apply the relevant pension provisions of the "Labor Standards Law" or apply the pension system of the Act and retain their working years before the application of these conditions.

After Jul. 1, 2005, new employees are only eligible for the pension system under the "Labor Pension Act". The employee pension plan formulated by the Company in accordance with the "Labor Pension Act" is a defined contribution pension plan. Starting from Jul. 1, 2005, 6% of the employee's monthly salary will be transferred to the personal pension account of the Bureau of Labor Insurance.

The employee pension plan formulated by the Company in accordance with the "Labor Standards Law" is a defined benefit pension plan. The payment of employee pension is calculated based on the length of service and the average salary of the six months before retirement. The Company allocates pension reserves every month in accordance with regulations, which are managed by the Labor Pension Reserve Supervision Committee and deposited into the Central Trust of China in the name of the Committee.

(2) Conditions for retirement

Retirement can be divided into voluntary retirement and mandatory retirement, with the following standards:

A. Conditions for voluntary retirement:

(A) Those who have worked for more than 15 years and are over 55 years old.

(B) Those who have worked for more than 25 years.

(C) Those who have worked for more than 10 years and are over 60 years old.

B. Conditions for mandatory retirement

The Company shall not force an employee to retire unless he/she falls under any of the following circumstances:

(A) Those aged 65 or above.

(B) Those with mental loss or physical disability who are incompetent for the jobs.

The mandatory retirement age for workers who have reached the age of 65 may be postponed through negotiation between the employer and the worker; Workers who hold positions with special characteristics such as danger and strong physical strength may, in accordance with Article 54, Paragraph 2 of the Labor Standards Law, be adjusted by the central competent authority upon request from the public institution. However, the age shall not be less than 55 years old.

(3) Retirement Procedure

A. Retirement application:

(A) Individuals who apply for voluntary retirement shall collect the "Employee Resignation Application Form" from the management unit 30 days before the scheduled resignation.

(B) For mandatory retirees, the employer's leader shall collect the "Employee Resignation Application Form" from the management unit.

B. Retirement review: Upon approval by the competent authority, the application will be sent to the management unit for handling.

C. Retirement procedures: Retired employees must complete the resignation handover procedures before leaving according to the "Employee Resignation Handover Checklist".

D. Pension issuance: Pension shall be paid in accordance with the Labor Pension Act.

4. Labor-management agreements

The Company attaches great importance to internal communication. In addition to holding labor-management meetings and employee communication meetings, various communication channels are also open within the Company. Both management and employees respect each other, provide suggestions for

improvement, and work together for the growth of the Company.

5. Measures for preserving employees' rights and interests

The Company has formulated all regulations in accordance with government laws and regulations, with a comprehensive system that sets out various management standards and specifies employee rights, obligations, and welfare items. The Company also regularly reviews and revises the system content to preserve the rights and interests of all employees.

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

VI. ICT security management

(I) Describe the ICT security risk management framework, the ICT security policy, specific management plan and the resources invested in the ICT security management, etc.

1. The ICT security policy of the Company is maintained by the information unit, and the ICT security work is planned, implemented, and controlled by the information unit.
2. The ICT security policy, specific management plan and the resources invested in the ICT security management are described as follows:
 - (1) Cancel or modify system permissions for personnel involving transfers, resignations, or retirements.
 - (2) Employees are prohibited from sending, receiving or downloading unauthorized software and other inappropriate software through the Internet to avoid occupying network resources and the risk of computer virus infection.
 - (3) Important assets (software, hardware) are managed by dedicated personnel.
 - (4) Establish an asset inventory and update it at any time.
 - (5) Establish firewalls and antivirus mechanisms to prevent attacks from hackers or computer viruses.

- (6) Before using external disks or those with uncertain contents, perform a computer virus scan.
- (7) Regularly backup important files and data.
- (8) Backup data are stored in a secure location remotely.
- (9) When the data stored in the media is no longer in use, the stored content will be deleted.
- (10) Establish a user account application system for information systems used by multiple people.
- (11) Accounts and passwords are managed appropriately according to the account and password management regulations.
- (12) Regularly update passwords and set password setting standards to avoid misappropriation or plagiarism.
- (13) Separate the databases for testing and formal operation.

(II) List the losses, possible impacts, and countermeasures from major ICT security incidents in the latest year and up to the publication date of the annual report. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

VII. Important contract

Contract nature	Participants	Contract start and end dates	Main contents	Restrictive clauses
Financing contract	Mega International Commercial Bank	Mar. 03, 2025 to Mar. 02, 2026	Currency hedging	None
Financing contract	Mega International Commercial Bank	Mar. 03, 2025 to Mar. 02, 2026	Short-term debts	None
Financing contract	First Bank	Jun. 20, 2024 to Jun. 19, 2025	Short-term debts	None
Financing contract	Chang Hwa Bank	May 20, 2024 to Apr. 30, 2025	Short-term debts	None

Chapter V Financial Status and Performance Review Analysis and Risks

I. Financial status

Unit: Thousand NT Dollars

Item \ Year	2023	2024	Difference	
	Amount	Amount	Amount	%
Current assets	778,669	1,034,599	255,930	33
Investments accounted for using equity method	21,494	16,903	(4,591)	(21)
Property, plant and equipment	261,031	268,536	7,505	3
Intangible assets	10,457	8,547	(1,910)	(18)
Other assets	56,935	59,308	2,373	4
Total assets	1,128,586	1,387,893	259,307	23
Current liabilities	184,960	194,017	9,057	5
Non-current liabilities	28,098	19,765	(8,333)	(30)
Total liabilities	213,058	213,782	724	0
Share capital	306,033	336,033	30,000	10
Capital surplus	434,535	654,696	220,161	51
Retained earnings	176,078	179,937	3,859	2
Other equity interest	(1,118)	3,445	4,563	(408)
Total	915,528	1,174,111	258,583	28

Explanation of major changes (with a change ratio of 20% or more and a change amount exceeding NTD10 million):

- Increase in current assets and total assets: due to a cash capital increase of NTD236,353 thousand (3,000 thousand shares) in 2024.
- Increase in capital reserve: due to the issuance premium of cash capital increase.
- Increase in other equity: Due to the increase in exchange differences in the translation of financial statements of foreign operating institutions caused by exchange rate fluctuations.
- Increase in total equity: Due to the issuance premium of cash capital increase and the increase in exchange differences in the translation of financial statements of foreign operating institutions caused by exchange rate fluctuations.

II. Financial performance

(I) Comparative analysis of operation results for the last two years

Unit: Thousand NT Dollars

Item \ Year	2023	2024	Increase (decrease)	Percentage of changes (%)
	Amount	Amount		
Revenue	727,750	760,258	32,508	4
Gross profit	285,474	269,874	(15,600)	(5)
Net operating profit	124,142	98,494	(25,648)	(21)
Non-operating revenues and expenditures	603	11,177	10,574	1,754

Item \ Year	2023	2024	Increase (decrease)	Percentage of changes (%)
	Amount	Amount		
Profit before tax	124,745	109,671	(15,074)	(12)
Profit after tax this term	102,918	89,548	(13,370)	(13)
Total comprehensive income	101,192	94,111	(7,081)	(7)
Explanation of major changes in the last two years (with a change ratio of 20% or more and a change amount reaching NTD10 million):				
1. Decrease in net operating profit: due to an increase in research and development expenses.				
2. Increase in non-operating income and expenses: due to increase in foreign currency exchange profits in 2024.				

(II) The expected sales volume and its basis, the possible impact on the Company's future financial business and the response plan

1. Estimated sales and basis:

Due to the fact that the Company does not prepare and announce financial forecasts, the estimated sales volume and basis are not applicable, and there are no significant abnormalities in our overall performance, so there should be no need to formulate a response plan.

2. The possible impact on the Company's future finance and business and the response plan:

The sales volume of the Company for the next year is determined based on the actual sales volumes over the past years, taking into account future market demand changes, the Company's operating goals, and the Company's production capacity.

III. Cash flow

(I) Analysis on cash flow change in the latest year

Unit: Thousand NT Dollars

Item \ Year	2023	2024	Increase (decrease)	Percentage of changes (%)
Operating activities	107,921	101,288	(6,633)	(6)
Investing activities	(10,572)	(23,288)	(12,716)	(120)
Financing activities	(39,851)	142,880	182,731	459
Change analysis:				
1. Increase in cash flow used in investing activities: due to an increase in advance payment for equipment.				
2. Increase in cash flow from financing activities: due to cash capital increase.				

(II) Improvement plan for insufficient liquidity: There is no cash shortage.

(III) Analyses on the cash liquidity in one year ahead:

Unit: Thousand NT Dollars

Opening cash balance	Net cash flow anticipated from operating activities in year round	Cash flows anticipated from investing and financing activities for the year	Expected cash surplus (deficit)	Countermeasure for cash deficits	
				Investment plans	Financing plans
548,412	105,950	(67,362)	587,000	Not applicable	Not applicable
Analysis and explanation:					
1. Operating activities: net cash flow from operating activities mainly due to expected revenue growth and profit increase in 2025.					
2. Investing and financing activities: mainly due to capital expenditures, distribution of cash dividends, and cash capital increase (employee's exercise of stock options).					

IV. The impact of the significant capital expenditure in the latest year upon the financial performance:

The Company belongs to technology-intensive industry with relatively low capital expenditures. In 2024, the expenditure on plant and equipment was NTD25,444 thousand, accounting for approximately 9% of the net book value (NTD268,536 thousand) of property, plant and equipment at the end of 2024, which had no significant impact on the Company's financial performance.

V. The outward investment policies in the latest year. The key reasons leading to the profit or loss, the corrective plans and the investment plan in one year ahead: None.

(I) Reinvestment policy in the latest year

Due to business needs, the Company has established the following reinvestment companies and formulated regulations such as the "Regulations Governing the Acquisition or Disposal of Assets" and the "Supervision and Management of Subsidiaries", and ensures the implementation of various management mechanisms, in order to maximize the business performance of all reinvested companies.

(II) The key reason for the profit or loss of the reinvestment, and the improvement plan

Dec. 31, 2024; Unit: Thousand NT Dollars; %

Name of investee	Policy	Ratio of direct/indirect shareholding	Gains (Losses) on investment recognized in this period	Main reason for profit or loss	Improvement plan	Investment plans in the coming fiscal year
Finesse Technology (Shanghai) Co., Ltd.	Responsible for customers of second-hand equipment suppliers in mainland China	100%	4,497	Business performance Normal	—	—
Highlight Tech System International Limited	Overseas holding company	100%	7,191		—	—

Name of investee	Policy	Ratio of direct/indirect shareholding	Gains (Losses) on investment recognized in this period	Main reason for profit or loss	Improvement plan	Investment plans in the coming fiscal year
Highlight Tech System (Shanghai) Corp.	Responsible for maintenance and sales centers in mainland China	100%	7,165		—	—
Schmidt Scientific Taiwan Ltd.	Responsible for agency trading of machines and equipment	15.18%	1,762		—	—
Finesse Technology Co., Ltd.	Key subsystem development, material sourcing, manufacturing, assembly, testing, sales and maintenance services for semiconductor equipment.	100%	(1,266)	Still in the stage of plant building	Revenue and profit can only be generated after the mass production verification in 2026	—

(III) Investment plans in the coming fiscal year:

Investment plans in the coming fiscal year focus on three aspects:

1. Establish a good R&D environment and continuously develop key power components.
2. Continuously invest R&D resources to build technical service and maintenance capabilities for key components in advanced processes.
3. Establish a big data analysis environment for technical service engineering to improve the yield of technical service and maintenance.

Finesse's industry attributes are low capital expenditures but high technology intensity, requiring integration of technologies of plasma, ozone, RF, microwave, high voltage, MEMS, and electronic chemistry. The Company pays attention to talent cultivation and team skill integration in its development, takes technical maintenance services as the operational foundation, and develops its own brand business as the driving force for growth, hoping to win a key position in Taiwan's semiconductor equipment localization trend.

VI. Risk management analysis and evaluation

(I) The impact incurred by change in interest rate, exchange rate, inflation upon the Company's profit and/or loss and the future countermeasures

1. Interest rates:

The interest expenses of the Company in 2023 and 2024 were NTD1,306 thousand and NTD685 thousand, respectively, accounting for 0.18% and

0.09% of net operating revenue, respectively. The proportion was not high, therefore, the changes in interest rate did not have a significant impact on the Company's profit and loss. The Company has a low debt ratio, stable operating profits, and a sound financial structure, and has maintained good relationships with banks. Therefore, we can obtain lower interest rates and observe changes in financial market interest rates at any time to adjust the use of funds in a timely manner.

2. Exchange rate:

The net exchange gains (losses) of the Company in 2023 and 2024 were NTD2,119 thousand and NTD7,286 thousand, respectively, accounting for 0.29% and 0.96% of net operating revenue, respectively. The proportion was not high, therefore, the changes in exchange rate did not have a significant impact on the Company. Some of the Company's purchases and sales are international trade, and overall foreign currency denominated transactions are becoming increasingly important. Therefore, the changes in exchange rates have a certain impact on the profit stability in financial statements. The following measures are taken for the changes in exchange rate:

- (1) Adopt a natural hedging policy and control the Company's net position below a certain proportion.
- (2) Collect exchange rate trend information at any time, and refer to professional banks' views on exchange rate trends to adjust net position of foreign currency in a timely manner to avoid exchange rate risks.

3. The impact of inflation on the Company's profit and loss and future countermeasures:

Inflation will affect overall consumption and semiconductor industry situation. The Company constantly observes market situation and indicators such as customer expansion, operation, and inventory levels, maintains good interaction with suppliers to assess inflation and changes in the economic situations, and adjust product prices and raw material inventory in a timely manner to cope with the pressure brought by inflation.

(II) The major causes for engaging in high-risk, high-leverage investment, lending of funds to others, endorsements/guarantees and derivative financial instruments, the profits or loss and the future countermeasures.

The Company has formulated relevant procedures such as the "Procedures for Loaning Funds to Others", "Endorsement and Guarantee Management Procedures", and "Procedures for the Acquisition or Disposal of Assets" as the basis for the Company to engage in related operations.

The Company's financial policy is based on the principle of conservatism and

prudence. In the latest year and up to the publication date of the prospectus, the Company has not engaged in high-risk, high-leverage investments, lending of funds to others, endorsement and guarantees, or derivative trading.

(III) The future research & development plans and the expenses anticipated to be invested into research & development

1. Future research & development programs

Key research and development products	Plan objectives
Semiconductor process ozone system	(1) Develop next-generation ozone reaction chambers. (2) Develop high-power driving power system.
Repair of semiconductor ozone generator	(1) Develop life-extending maintenance technology for traditional ozone reaction chamber. (2) Develop alternative driving power life improvement solutions for traditional ozone reactor. (3) Develop maintenance technology for next-generation ozone generator products. (4) Research ozone generator maintenance and life-extending key power components. (5) Develop next-generation ozone reaction chamber components
Remote plasma source	(1) Develop control system. (2) Develop high-stability and high-performance remote plasma source system using new physical mechanisms.
Semiconductor process power supply	(1) Develop high-power energy-saving RF Generator System units for semiconductor process. (2) Develop microwave power supply for semiconductor process.
Remote plasma source equipment maintenance	(1) Develop next-generation remote plasma source maintenance technology. (2) Develop key power components for maintenance. (3) Develop alternative solutions for reaction chamber.

2. The expenses anticipated to be invested into research & development by the Company:

The R&D expenses invested by the Company are gradually allocated based on the development progress of new products and technologies planned according to long-term market demand. In recent years, they have accounted for about 6% of operating revenue. To ensure the Company's competitive

advantage, we will adjust them according to our operating conditions and needs, and increase the proportion of future R&D expenses to operating revenue to about 8% to 10%, in order to strengthen the output of new R&D products.

(IV) The possible impacts by government policies and laws at home and abroad upon the Company's financial conditions and the Company's countermeasures

The Company has not experienced any circumstance where the changes in important policies and laws at home and abroad affect the Company's financial conditions in the latest year and up to the publication date of the prospectus. The Company always carries out operations in accordance with relevant laws and regulations at home and abroad, constantly monitors the development trends and regulatory changes in domestic and foreign policies in order to take timely countermeasures.

(V) The impact of technological (including information security risks) changes and industrial changes on the Company's financial performance and countermeasures

The Company has not experienced any circumstance where the technological (including information security risks) changes and industrial changes affect the Company's financial performance in the latest year and up to the publication date of the prospectus. The Company constantly monitors the technology, development, and changes related to our industry, and quickly grasps the industry dynamics. In addition, we have continuously improved our research and development capabilities, and formulated information security policies to effectively prevent the arbitrary outflow or leakage of data. Therefore, technological changes (including information security risks) and industrial changes will not have a significant impact on our financial performance.

(VI) The impacts created by a change in corporate image upon the management over crisis, and the Company's countermeasures

The Company has not experienced any circumstance where the changes in corporate image affect the crisis management in the latest year and up to the publication date of the prospectus. The Company has always adhered to professional and ethical business principles, focused on our own businesses, complied with laws and regulations, implemented risk control, and maintained our corporate image to reduce the occurrence of corporate risks and their impact on the Company.

(VII) Expected benefits, potential risks, and countermeasures of mergers and acquisitions

The Company has not had any plans for mergers and acquisitions in the latest year and up to the publication date of the prospectus. If there are future merger and acquisition plans, we will carefully evaluate and examine the overall effectiveness of the merger/acquisition to ensure the original shareholders' equity.

(VIII) The risks anticipated from the expansion of the plant buildings, and the Company's countermeasures

The Company's Board of Directors approved the plan to build a plant on May 8, 2024. Currently, we are observing changes in market demand and the progress of developing new markets. It is expected that we will not plan for plant expansion in 2025.

(IX) The risks anticipated from the centralized input or output undertakings and the Company's countermeasures

1. In terms of sales:

The Company's main sales targets are international semiconductor and equipment giants. In addition to establishing good and stable cooperative relationships with existing customers, we also continue to develop new products and expand new customers to disperse the risk of sales concentration.

2. In terms of purchases:

The Company mainly purchases raw materials such as metals, plastics, metal parts, and electronic components. We select the suppliers based on product delivery time, quality, and price to meet customer needs. The Company has established long-term relationships with domestic and foreign suppliers and has adopted a strategic alliance approach to create a community of shared interests for both parties and to disperse the risk of purchase concentration. There has been no supply shortage or interruption in the latest year and up to the publication date of the annual report. The supply status is good.

(X) The impacts and risks anticipated from the massive transfer of shareholding by directors, supervisors or key shareholders who hold more than 10% in shareholding and the Company's countermeasures

The Company has not experienced any circumstance where the massive transfer or replacement of shareholding by directors, supervisors or key shareholders who hold more than 10% in shareholding has any significant impact on the operations of the Company in the latest year and up to the publication date of the prospectus.

(XI) The impacts and risks anticipated from the change in the managerial powers and the Company's countermeasures

The Company has not experienced any change in the managerial powers in the latest year and up to the publication date of the prospectus.

(XII) Litigious and non-litigious matters

List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the president, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute up to the publication date of the annual report: None.

(XIII) Other critical risks and response measures: None.

VII. Other important disclosures: None.

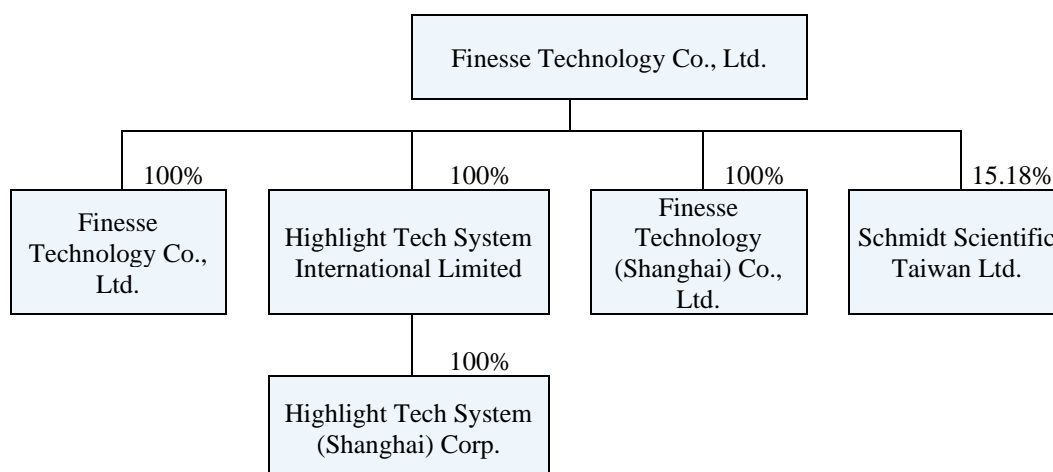
Chapter VI Special Disclosure

I. Relevant information of affiliated enterprises

(I) **The Affiliate's Consolidated Financial Statements:** Please refer to page 107 of this annual report.

(II) **Consolidated business reports teaming up with affiliated enterprises:**

1. Affiliate companies as of Dec. 31, 2024



2. Fundamental particulars of affiliated enterprises

Dec. 31, 2024; Unit: Thousand NT Dollars

Name of enterprise	Establishment date	Address	Paid-in shares capital	Main business items
Finesse Technology (Shanghai) Co., Ltd.	Aug. 21, 2018	No. 51, Chengyin Road, Baoshan City Industrial Park, Shanghai	USD300	Electronic components, mechanical and electrical equipment maintenance and sales.
Highlight Tech System International Limited	Jun. 09, 2006	Level 2, Lotemau Centre, Vaea Street, Apia, Samoa	USD950	Holding company of indirect investment in Mainland China
Highlight Tech System (Shanghai) Corp.	Jun. 27, 2007	Room 101, Building 4, No. 51, Chengyin Road, Baoshan City Industrial Park, Shanghai	USD900	Surface treatment, automatic control equipment engineering, mechanical equipment manufacturing, electronic component design, manufacturing wholesale and retail.
Schmidt Scientific Taiwan Ltd.	Nov. 04, 1989	10F, No. 1-3, Sec. 5, Zhongxiao E. Rd., Xinyi Dist., Taipei City	NTD41,850	Sales and maintenance of medical equipment, electronic components, optical instruments, semiconductor and optoelectronic

Name of enterprise	Establishment date	Address	Paid-in shares capital	Main business items
				manufacturing equipment, testing equipment and automatic solar combined tabbers and stringers
Finesse Technology Co., Ltd.	Jul. 28, 2023	Lot 3, No. 1842, Otsu-machi, Otsu-machi, Kikuchi-gun, Kumamoto Prefecture	JPY90,000	Key subsystem development, material sourcing, manufacturing, assembly, testing, sales and maintenance services for semiconductor equipment.

3. Information on the shareholders presumed to have a relationship of control and subordination: None.

4. The industry covered by the business of the overall affiliated companies and the division of labor between them

Dec. 31, 2024

Affiliated companies	Business affairs	The business of each affiliated company Business relationship
Finesse Technology (Shanghai) Co., Ltd.	Electronic components, mechanical and electrical equipment maintenance and sales.	Please refer to “Business affairs” in the left column for details Mainly provide sales and services to customers of in Mainland China
Highlight Tech System International Limited	Holding company of indirect investment in Mainland China	Indirect investment in Highlight Tech System (Shanghai) Corp.
Highlight Tech System (Shanghai) Corp.	Surface treatment, automatic control equipment engineering, mechanical equipment manufacturing, electronic component design, manufacturing wholesale and retail.	Please refer to “Business affairs” in the left column for details Mainly provide sales and services to customers of in Mainland China
Schmidt Scientific Taiwan Ltd.	Sales and maintenance of medical equipment, electronic components, optical instruments, semiconductor and optoelectronic manufacturing equipment, testing equipment and automatic solar combined tabbers and stringers	Please refer to “Business affairs” in the left column for details
Finesse Technology Co., Ltd.	Key subsystem development, material sourcing, manufacturing, assembly, testing, sales and maintenance services for semiconductor equipment.	Please refer to “Business affairs” in the left column for details

5. Information and to data of directors and supervisors, general managers of affiliated enterprises

Dec. 31, 2024

Name of enterprise	Title	Name or the representative person	Shareholding (capital contribution)	
			Number of shares	Ratio of shareholding
Finesse Technology (Shanghai) Co., Ltd.	Director	Kou, Chung-Shan	USD 300 thousand	100%
	Supervisor	Hung, Pen-Yuan		
Highlight Tech System International Limited	Director	Kou, Chung-Shan	USD 950 thousand	100%
Highlight Tech System (Shanghai) Corp.	Director	Kou, Chung-Shan	USD 900 thousand	100%
	Supervisor	Hung, Pen-Yuan		
Finesse Technology Co., Ltd.	Director	Kou, Chung-Shan	JPY 90,000 thousand	100%
Schmidt Scientific Taiwan Ltd.	Director	Wu, Sheng-Hsien	635,270 shares	15.18%
	Supervisor	Chiang, Ching-Wei		

6. Business performances of affiliated enterprises

Dec. 31, 2024; Unit: NTD thousand

Name of enterprise	Capital	Total assets	Total liabilities	Net value	Revenue	Net operating profit	Profit and/or loss this term (after tax net)	Earnings per share after tax (\$)
Finesse Technology (Shanghai) Co., Ltd.	9,836	42,527	9,010	33,517	46,234	4,858	4,497	Note
Highlight Tech System International Limited	31,146	80,933	—	80,933	—	(43)	7,191	Note
Highlight Tech System (Shanghai) Corp.	29,507	121,430	41,388	80,042	95,173	7,243	7,165	Note
Schmidt Scientific Taiwan Ltd.	41,850	171,818	59,575	112,243	106,400	11,652	11,609	2.77
Finesse Technology Co., Ltd.	18,891	17,503	1,053	16,450	—	(1,205)	(1,266)	(140.64) Note

- Note: 1. The Company has no issued shares.
2. The par value is JPY10,000 per share in the Company.
3. Relevant related to the assets, liabilities and equity in this table are converted into NTD at the end of 2024 at the exchange rate of 32.785 (US dollars), 4.5608 (RMB), and 0.2099 (JPY).

4. Relevant related to profit and loss are converted into NTD at the average exchange rate of 2024: 32.112 (US dollars), 4.5099 (RMB), and 0.2121 (JPY).

7. Information on endorsement/guarantees, loaning of funds, and derivative commodity transactions of affiliated companies:

Please refer to page 107 of this annual report.

II. Where the company has carried out a private placement of securities in the latest year and up to the publication date of the annual report: None.

III. Other supplementary information: None.

IV. Occurrences of events defined under Subparagraph 2, Paragraph 3, Article 36 of the Securities Exchange Act in the latest year and up to the publication date of the annual report that significantly impacted shareholders' equity or security prices: None.

Representation Letter

Considering that the companies to be included into the consolidated financial statements of associates under the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” were the same as those to be included into the consolidated financial statements of the parent and subsidiaries under IFRS 10 for 2024 (from Jan. 1, 2024 to Dec. 31, 2024), and the relevant information to be disclosed in the consolidated financial statements of associates has already been disclosed in said consolidated financial statements of the parent and subsidiaries, no consolidated financial statements of associates were prepared separately.

It is hereby certified that the information disclosed herein is true and correct.

Name: Finesse Technology Co., Ltd.

Person in Charge: Kou, Chung-Shan

Feb. 26, 2025

**Finesse Technology Co.,
Ltd.**

**Chairman:
Kou, Chung-Shan**

May 21, 2025