



Stock Code: 7704

Finesse Technology Co., Ltd.

2025 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>

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	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:

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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>

Table of Contents

Chapter 1. Report to Shareholders	- 1 -
Chapter 2. Corporate Governance	- 6 -
I. Data of Directors, Supervisor, President, Vice President, Assistant Manager, and heads of various departments and branches.....	- 6 -
II. Remuneration payment to directors, supervisor, president, and vice president in the latest year.....	- 17 -
III. Corporate governance.....	- 22 -
IV. Information in public fees of the Certified Public Accountant Association.....	- 55 -
V. Changes in CPA.....	- 55 -
VI. Where the company’s chairperson, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held.....	- 56 -
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 managerial officers and key shareholders holding over 10% in shareholding.....	- 56 -
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.....	- 57 -
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.....	- 58 -
Chapter 3. Funding Status	- 59 -
I. Share capital and shares.....	- 59 -
II. Status of issue corporate bonds.....	- 64 -
III. Status of issue and private placement of preferred shares.....	- 64 -
IV. Status of any private placement of overseas depository receipts.....	- 64 -
V. Status of issue and private placement of employee stock warrants and “new restricted employee shares”.....	- 64 -

VI.	Status of issue and private placement of employee stock warrants and “new restricted employee shares”	- 66 -
VII.	Status on issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies.....	- 66 -
VIII.	Progress on the use of funds	- 66 -
Chapter 4.	Business Performance	- 67 -
I.	Content of business	- 67 -
II.	Markets, production and marketing in summary	- 82 -
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.	- 93 -
IV.	Environmental spending	- 93 -
V.	Employee-employer relationship	- 94 -
VI.	ICT security management	- 97 -
VII.	Important contract.....	- 98 -
Chapter 5.	Financial Status and Performance Review Analysis and Risks	- 99 -
I.	Financial status	- 99 -
II.	Financial performance	- 99 -
III.	Cash flow	- 100 -
IV.	The impact of the significant capital expenditure in the latest year upon the financial performance	- 101 -
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.....	- 101 -
VI.	Risk management analysis and evaluation.....	- 103 -
VII.	Other important disclosures	- 108 -
Chapter 6.	Special Disclosure	- 109 -
I.	Relevant information of affiliated enterprises	- 109 -
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.....	- 112 -
III.	Other supplementary information	- 112 -

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.....- 112 -

Chapter 1. Report to Shareholders

Ladies and gentlemen, Dear Shareholders:

First, on behalf of Finesse Technology, I would like to express our sincere gratitude to all shareholders for their long-standing support. 2025 was a year of operational challenges, and the team's overall performance fell short of expectations; we sincerely apologize for this. The consolidated revenue in 2025 was NT\$670 million, a 12% decline from 2024, with a gross margin of 33% and EPS after tax of NT\$2.07.

There are two primary reasons for the decline in operating revenue:

- I. Revenue recognition for ACME was delayed due to the impact of customer installation and acceptance progress.
- II. A decline in market share for repair services of certain key semiconductor components

In the face of these operational challenges, we have conducted a thorough self-assessment and critically examined the issues. Finesse Technology's team must return to our founding principles, establish a technical service DNA centered on serving customers, deepening customer relationships, and resolving customer pain points, thereby earning customer trust and gradually expanding our market share.

The overall operational trend reached its trough in the second quarter of 2025. In the face of declining revenue, the team continued to implement internal lean management. The operating expenses in 2025 decreased by 13% compared to 2024. We also reduced the repair and warranty rates, improved repair quality, and increased gross margin quarter by quarter, stabilizing at 35% in the fourth quarter of 2025.

(NT\$ K)	2024/Q4	2025/Q1	2025/Q2	2025/Q3	2025/Q4
Revenue	186,165	159,341	183,410	159,101	169,220
Gross margin	32%	35%	29%	34%	35%
EPS after tax	0.41	0.49	0.30	0.56	0.71

We hereby report the operating results for 2025 and the business plan for 2026 to all shareholders:

I. Operating results for 2025

(I) Results of enforcement of the Business Plan

Unit: Thousand NT Dollars

Consolidated Statements of Comprehensive	2025	2024	Percentage of changes (%)
Revenue	671,073	760,258	-12%
Gross margin	33%	36%	-3%
Operating expenses	148,253	171,380	-13%
Net operating profit	73,285	98,494	-26%
Non-operating revenues and expenditures	4,254	11,177	-62%

Consolidated Statements of Comprehensive		2025	2024	Percentage of changes (%)
Net profit before tax		77,539	109,671	-29%
Income tax expense		9,294	20,123	-54%
Net profit of the current year	Attributable to owners of the Company	69,512	89,548	-22%
	Attributable to non-controlling interests	(1,267)	0	-100%
	Total	68,245	89,548	-24%
Earnings per share - basic		2.07	2.91	-29%

(II) Financial profitability analysis

Unit: Thousand NT Dollars

Consolidated statement profitability analysis		2025	2024
Debt ratio (%)		12%	15%
Net cash inflow from operating activities		94,643	101,288
Return rate on assets (%)		5%	7%
Return rate on shareholders' equity (%)		6%	9%
Percentage of paid-in capital (%)	Net operating profit	22%	29%
	Net profit before tax	23%	33%
Net profit margin (%)		10%	12%

(III) Performance in research & development

In 2025, R&D expenses accounted for approximately 6% of the consolidated revenue, which mainly focused on three areas:

1. Technical services: Expanding repair services for key components in advanced semiconductor processes

Technical services have consistently been Finesse's primary revenue source. In addition to existing repair services, the Company invested R&D resources in 2025 to develop repair certifications for key components of advanced processes such as Ozone, RPS (Remote Plasma Source), and RF (Radio Frequency Generator). Some of these services began receiving small-scale orders in 2025.

2. Proprietary products: continuous optimization and improvement

Finesse's core technology lies in the integration of semiconductor Ozone, RPS (Remote Plasma Source), RF (Radio Frequency), MW (Microwave), and mechanical processing. In addition to the ACME (RF Generator System) and AOS (Semiconductor Ozone System), which are currently in mass production and sales, Finesse has developed a series of Ozone products. We will continue to optimize our proprietary products and conduct customer authentication.

3. Establishment of Shanghai R&D team

Starting in 2024, we established an R&D team in Shanghai, primarily to secure R&D talent and stay close to our customers in mainland China. The overall operation has already shown positive results.

II. Business plan for 2026

The revenue declined by 12% in 2025. We have thoroughly reviewed this decline and formulated the following operation plan for 2026:

(I) Establishing a customer-serving DNA and deepening customer connections

Finesse's business originated from addressing the pain points of semiconductor customers. However, over the past year, our commitment to serving customers has weakened. Returning to our founding principles, serving customers, actively engaging with them, and resolving their pain points must become the service culture that the management team re-establishes.

(II) Continuously improving technical service levels and reducing repair and warranty rates

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. At the same time, we will set quality targets for each maintenance item, conduct persistent reviews and improvements, reduce repair and warranty rates, and enhance customer satisfaction.

(III) Expanding market share in technical services

Over the past year, due to the team's neglect, we have lost some market share in the maintenance sector. We have thoroughly reviewed every aspect—including quality, service, delivery times, and pricing—and established operational goals for 2026 to regain market share in key maintenance items and restore our operational growth momentum.

(IV) Expanding international customer business

The overseas market represents an opportunity for Finesse to achieve further growth. In recent years, through the team's efforts, we have successfully established connections with customers and strategic partners. The team will continue to strive for even better results in 2026.

(V) Continuing to expand in the market in mainland China

The semiconductor market in mainland China has been booming in recent years, and competition in the market for key semiconductor component repairs is intense.

Finesse's team achieved 15% revenue growth in the mainland in 2025 and will continue to work hard in 2026 to maintain this growth momentum.

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. In the semiconductor process equipment sector, front-end process equipment accounts for approximately 90% of total spending, while back-end equipment accounts for about 10%. Currently, the front-end semiconductor equipment supply chain is primarily controlled by the United States, Japan, and Europe. As Taiwan's semiconductor industry gains increasing global influence, the localization of certain front-end process components will become a long-term industry trend, which also represents a significant business opportunity for Finesse's future development.

The operating revenues for Finesse Technology in 2026 are as follows:

- Technical services revenue: approximately 53%
- Own-brand revenue: approximately 31%
- Spare parts sales and other revenue: approximately 16%

In terms of development strategy, the Company focuses on three main pillars:

1. Expanding market share in technical services

Finesse's current business is primarily concentrated in mature 8" and 12" processes, with a low market share in the 12" advanced process market. In addition to actively developing repair services for next-generation technologies, fostering close connections between the Company's engineering team and customers remains a long-term, unwavering development strategy.

2. Establishing a foothold for our own brand

Finesse's long-term R&D expenditure accounts for approximately 6% of revenue. In addition to investing R&D resources in the development of repair technologies for next-generation equipment components, the Company also develops its own proprietary products. Currently, proprietary products successfully mass-produced and introduced to the market include ACME (RF Generator System) and AOS (Semiconductor Ozone System). The semiconductor ozone and RF fields represent Finesse's core technologies. The Company continues to collaborate with major semiconductor manufacturers to develop key components, thereby strengthening the foothold of its proprietary brands.

3. Seeking M&A targets to accelerate operational growth

Finesse maintains a sound financial structure with debt-free operations and continuously seeks M&A targets that can generate operational synergies.

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 2. 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. 20, 2026; 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%	2,515,866	7.45%	1,108,780	3.28%	—	—	University of California, Los Angeles/ Ph.D. in Electrical Engineering	1. Finesse Technology Co., Ltd./ Chief Strategy Officer 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. Seiki Semiconductor Co., Ltd./ Chairman (Representative of juristic person) 6. 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. Vic Fong Asphalt Co., Ltd./ Chairman 3. Shengfeng Chemical Building Materials Co., Ltd./ Director	—	—	—	—
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	30.17%	—	—	—	—	Masters, Department of Mechanical Engineering, Yuan Ze University	1. Highlight Tech Corp./ President (Representative of juristic person) 2. Highlight Tech Corp./ Director (Representative of juristic person) 3. Highlight Tech (Shanghai) Corp./ Supervisor 4. Htc Vacuum (Japan) Co., Ltd / Director	—	—	—	—
Director	Republic of China	Representative: Wu, Sheng-Hsien	Male Under 60	Nov. 01, 2023	3 years	Nov. 01, 2023	157,887	0.52%	157,887	0.47%	—	—	—	—	Masters, Department of Mechanical Engineering, Yuan Ze University	1. Highlight Tech Corp./ President (Representative of juristic person) 2. Highlight Tech Corp./ Director (Representative of juristic person) 3. Highlight Tech (Shanghai) Corp./ Supervisor 4. Htc Vacuum (Japan) Co., Ltd / Director	—	—	—	—

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. Elected at the Annual General Meeting of Shareholders on May 21, 2025.

Table 1. Major Shareholders of Corporate Shareholders:

Mar. 20, 2026

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. 20, 2026

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. 25, 2026

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: Chun-Yu, Huang	<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. 		1
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
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. 		3
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

Qualification Name	Professional qualification and experience	Compliance of independence	Number of positions as an Independent Director in other public listed companies
Pan, Cheng-Fen	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
Chen, Hsin	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 8 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				✓
Chen, Hsin (Note 1) (Independent Director)	Male	Republic of China		✓				✓			

(Note 1) Elected at the Annual General Meeting of Shareholders on May 21, 2025.

- The number of directors who are also employees of the Company is 1, accounting for 13% and less than 1/3 of the number of directors.
- The gender composition is diversified, with 2 female directors, accounting for 25% of the directors.
- The age distribution is diversified, with 2 members of the Board of Directors under the age of 60 (25%), 5 (63%) between the ages of 61 and 70, and 1 (12%) 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 8 members of the Board of Directors (including 4 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. 20, 2026; 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 managerial officers			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	2,515,866	7.45%	1,108,780	3.28%	—	—	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. Seiki Semiconductor Co., Ltd./ Chairman (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 managerial officers			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	281,500	0.83%	53,351	0.16%	—	—	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	—	—	—	—	—
CTO	Republic of China	Pan, Yen-Ju	Male	May 14, 2012	236,033	0.70%	100,000	0.30%	—	—	Ph.D., Department of Physics, National Tsing Hua University Doctoral Degree National Synchrotron Radiation Research Center	—	—	—	—	—

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 managerial officers			Remark
					Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding			Title	Name	Relation	
COO	Republic of China	Hung, Pen-Yuan	Male	Jan. 14, 2022	188,681	0.56%	—	—	—	—	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	58,500	0.17%	—	—	—	—	Associate Bachelor, Department of Music, Tainan University of Technology Finesse/ Senior Business Assistant 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; Chen, Hsin	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; Chen, Hsin	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; Chen, Hsin	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; Chen, Hsin
NTD1,000,000 - NTD2,000,000 (exclusive)	—	—	—	—
NTD2,000,000 - NTD3,500,000 (exclusive)	—	—	Kou, Chung-Shan	Kou, Chung-Shan
NTD3,500,000 - NTD5,000,000 (exclusive)	—	—	—	—
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	8 persons	8 persons	8 persons	8 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	10,367	12,751	538	583	5,823	6,471	3,454	—	3,454	—	29.03%	33.46%	9,690
President	Lu, Chun-Hung (Note 1)													
President	Chiao, Yuan-Yu (Note 2)													
R&D Director	Tseng, Hsin-Hua													
CTO	Pan, Yen-Ju													
COO	Hung, Pen-Yuan													
Vice President	Lin, Tzu-Hsaun													
President, Highlight Tech System (Shanghai) Corp. (Subsidiary)	Wang, Cheng (Note 2)													
President, Seiki Semiconductor Co., Ltd. (Subsidiary)	Yeh, Kuo-Kuang (Note 3)													

(Note 1) Appointed as Senior Special Assistant of the Chairman on Feb. 26, 2025.

(Note 2) Assumed office on Feb. 26, 2025.

(Note 3) Assumed office on Jun. 20, 2025.

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	Lu, Chun-Hung	Yeh, Kuo-Kuang; Lu, Chun-Hung
NTD1,000,000 - NTD2,000,000 (exclusive)	—	—
NTD2,000,000 - NTD3,500,000 (exclusive)	Chiao, Yuan-Yu	Chiao, Yuan-Yu; Wang, Cheng
NTD3,500,000 - NTD5,000,000 (exclusive)	Kou, Chung-Shan; Hung, Pen-Yuan; Tseng, Hsin-Hua; Pan, Yen-Ju; Lin, Tzu-Hsaun	Kou, Chung-Shan; Hung, Pen-Yuan; Tseng, Hsin-Hua; Pan, Yen-Ju; Lin, Tzu-Hsaun
NTD5,000,000 - NTD10,000,000 (exclusive)	—	—
NTD10,000,000 - NTD15,000,000 (exclusive)	—	—

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
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	9 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	3,726	—	3,726	5.36%
	President	Lu, Chun-Hung (Note 1)				
	President	Chiao, Yuan-Yu (Note 2)				
	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 (Note 3)				

(Note 1) Appointed as Senior Special Assistant of the Chairman on Feb. 26, 2025.

(Note 2) Assumed office on Feb. 26, 2025.

(Note 3) Resigned on Sep. 30, 2025.

(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:

1. 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	2024				2025			
	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	6,663	7.44%	6,663	7.44%	4,801	6.91%	4,801	6.91%
Presidents and the Vice Presidents	20,620	23.03%	20,620	23.03%	20,182	29.03%	23,259	33.46%

2. Policies, standards, and packages for payment of remuneration, the procedures for determining remuneration and its linkage to business performance

(1) Policy, Standard and Packages of Remuneration

A. Directors: The remuneration of directors of the Company shall be determined by the shareholders' meeting in accordance with the Company's Article of Association; The remuneration of directors distributed from earnings shall be calculated in accordance with the Company's Article of Association, and no more than 2% of the earnings shall be allocated as remuneration of directors, which shall be approved by the shareholders' meeting before distribution. However, when the Company still has accumulated losses, it shall first reserve the amount to make up for the losses.

B. The remuneration of the president: including salary, bonuses, and employee compensation. The salary level is determined based on the position held in the Company, the responsibilities undertaken, and the contribution to the Company, with reference to industry standards; The standard for distributing employee compensation shall follow the Company's Articles of Association, which shall be submitted to the Board of Directors, and approved by the shareholders' meeting before distribution.

The procedure for determining remuneration takes into account not only the overall operation performance of the Company, but also the individual's performance achievement rate and contribution to the Company's performance, in order to provide reasonable remuneration. Besides, the Company will minimize the possibility of future operational risks and review the remuneration system in a timely manner based on the actual operating conditions and relevant laws and regulations, in order to seek a balance between the Company's sustainable operation and risk control. In summary, the Company's policy of paying remuneration to directors, president and vice president, as well as the 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 5 meetings (A) in 2025 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	5	0	100%	None
Director	Highlight Tech Corp. Representative: Huang, Chun-Yu	5	0	100%	None
Director	Highlight Tech Corp. Representative: Wu, Sheng-Hsien	5	0	100%	None
Director	Lai, Cheng-Shih	5	0	100%	None
Independent Director	Liu, Tzu-Meng	5	0	100%	None
Independent Director	Jen, Hsiu-Yen	5	0	100%	None

Title	Name	Actual attendance (B)	Proxy attendance	Actual attendance (%) (B/A)	Remark
Independent Director	Pan, Cheng-Fen	5	0	100%	None
Independent Director	Chen, Hsin (Note 1)	2	0	100%	None

(Note 1) Elected at the Annual General Meeting of Shareholders on May 21, 2025.

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 Audit 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 Audit 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, 2025 - Dec. 31, 2025	Functional Committee, Individual Board member, Functional Committee	Self-evaluation by board members and functional committees	(I) Board of Directors: 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: 1. Director's awareness toward the Company's goals and missions

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
				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: 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 Audit Committee

The Auditing Committee convened 5 meetings (A) in 2025 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
Independent Director	Chen, Hsin (Note 1)	2	0	100%	None

Other remarks:

- 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 Audit 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:

Dates of meeting (Term of Audit Committee)	Discussion	Results of Audit Committee resolutions	The Company's handling of the Audit Committee's opinion
2025/02/26 11th meeting of the 7th Board Meeting	Proposal for the 2024 annual business report and financial statements	Approved with the entire committee members present as proposed	Approved with the entire committee members present as proposed
	Evaluation of the Competence and Independence of CPAs and Remuneration for Appointment in 2025		
	2024 Internal Control System Statement		
	Proposal to lift the non-compete restrictions on newly elected independent directors		
2025/08/04 13th meeting of the 7th Board Meeting	Change in Audit Supervisor	Approved with the entire committee members present as proposed	Approved with the entire committee members present as proposed
2025/11/03 14th meeting of the 7th Board Meeting	Proposal for the 2026 audit plan	Approved with the entire committee members present as proposed	Approved with the entire committee members present as proposed
	Amendments to the Regulations Governing the Acquisition and Disposal of Assets		

- Except the aforementioned issue, other issue not yet resolved in the Audit 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 2025 is shown in the following table:

Meeting date/Meeting	Communication with internal audit supervisors		Communication with CPAs	
	Matters	Results	Matters	Results
2025/01/22 Seminar	(1) Audit report for Nov. to Dec., 2024.	No comment	—	—

Meeting date/Meeting	Communication with internal audit supervisors		Communication with CPAs	
	Matters	Results	Matters	Results
2025/02/26 Seminar	(1) Audit report for Jan. 2025. (2) Internal control statement for 2024.	No comment	(1) The CPAs reported on the content of the reviewed financial statements of Q4 2024, significant audit findings, and the CPAs' review report. (2) Communication on CPAs' independence. (3) Key audit matters for 2024. (4) Explanation of the impact of recent amendments to important laws and regulations.	No comment
2025/05/05 Seminar	(1) Audit report for Feb. to Apr., 2025.	No comment	(1) The CPAs reported on the content of the reviewed financial statements of Q1 2025, significant audit findings, and the CPAs' review report. (2) Communication on CPAs' independence. (3) Key audit matters for Q1 2025. (4) Explanation of the impact of recent amendments to important laws and regulations.	No comment
2025/08/04 Seminar	(1) Audit report for May to Jul., 2025.	No comment	(1) The CPAs reported on the content of the reviewed financial statements of Q2 2025, significant audit findings, and the CPAs' review report. (2) Communication on CPAs' independence. (3) Key audit matters for Q2 2025. (4) Explanation of the impact of recent amendments to important laws and regulations.	No comment
2025/11/03 Seminar	(1) Audit report for Aug. to Oct., 2025. (2) Proposal for the 2026 audit plan	No comment	(1) The CPAs reported on the content of the audited financial statements of Q3 2025, significant audit findings, and the CPAs' audit report. (2) Communication on CPAs' independence. (3) Key audit matters for Q3 2025. (4) 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) Has the Board of Directors formulated a diversity policy, specific management objectives, and implemented them?	✓		(I) Please refer to page 11 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 Audit 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 2025 were submitted to the Board of Directors on Mar. 09, 2026, with an average score of 4.74 to 4.8 (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 accountant evaluated regularly?	✓		(IV) The Company's Audit Committee annually evaluates the competency and independence of its CPAs in accordance with standards established based on AQIs indicators and relevant regulations such as the Norm of Professional Ethics for Certified Public	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	
			<p>Accountant of the Republic of China. The latest evaluation was discussed and approved by the Auditing Committee and the Board of Directors on Jan. 19, 2026.</p> <p>The Company obtained the AQIs report and other relevant materials provided by the accounting firm to conduct the evaluation on the competency of CPAs. Key items are listed as follows:</p> <ol style="list-style-type: none"> 1. Aspect 1: Professionalism <ol style="list-style-type: none"> (1) Have the senior auditors possessed adequate auditing experiences to carry out the auditing tasks? (2) Have the certified public accountants and senior auditors accepted adequate educational & training programs every year to continually acquire professional expertise and skills? (3) Has the CPA firm maintained adequate senior human resources? (4) Does the CPA firm hold adequate professionals to back up the auditing team? 2. Aspect 2: Quality control management <ol style="list-style-type: none"> (1) Is the workload upon the certified public accountants excessively too heavy? (2) Is the auditing performance dedicated by the auditing team members in various phases appropriate? (3) Did EQCR certified public accountants devote adequate workhours to recheck the audit cases? (4) Was the CPA firm staffed with adequate human resources on quality control to back up the auditing team? 3. Aspect 3: Independence <ol style="list-style-type: none"> (1) Impact of the percentage of non-auditing service fees on independence. (2) Impact of the number of years accumulated in the CPA firm in the auditing cases toward financial 	

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	
			<p>statements on independence.</p> <p>4. Aspect 4: Supervision Whether the firm's quality control and audit engagements comply with relevant laws, regulations, and standards.</p> <p>5. Aspect 5: Capability of innovation Commitments by the CPA firm to heighten auditing quality, including the innovation capability and planning of the CPA firm.</p>	
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)?	✓		<p>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 2025 is as follows:</p> <ol style="list-style-type: none"> Enterprise Risk Management (Taiwan Corporate Governance Association: 3 hours) Response to Sustainable Development Action Plans for TWSE/TPEX Listed Companies (Taiwan Corporate Governance Association: 3 hours) Analysis of IFRS 18 "Presentation and Disclosure in Financial Statements": Standards and Practice (Accounting Research and Development Foundation: 6 hours) Key Points of Internal Control and Internal Audit for "Management of Sustainability Information" and Analysis of Practical Cases (Accounting Research and Development Foundation: 6 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	✓		<p>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.</p> <p>The website is https://www.finesse-tech.com/stakeholder.php</p>	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	
important corporate social responsibilities concerned by the stakeholders?				
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 2025 financial statements were not announced within two months after the end of the fiscal year, but were announced and reported three months ahead of the prescribed deadline. 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	✓		(I) Employee rights and employee care: please refer to Labor-	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	
(including but not limited to the interests of employees, 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>management Relations of this annual report.</p> <p>(II) Investor relations: The Company's website has an investor page to 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 OTC market on Dec. 16, 2024; therefore, there was no corporate governance evaluation for 2024. Up to the publication date of the annual report, the corporate governance evaluation results for 2025 had not yet been released.</p>				

(IV) Composition, Responsibilities and Operation of the Remuneration Committee

1. Information on the members of the Remuneration Committee Dec. 31, 2025

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.		3
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. 01, 2023 to Oct. 31, 2026. The Remuneration Committee conducted 2 meetings in 2025 (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	2	0	100%	None
Committee	Jen, Hsiu-Yen	2	0	100%	None
Committee	Pan, Cheng-Fen	2	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)		Summary description (Note 2)	Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No		
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 in 2025, with the Independent Director Liu, Tzu-Meng as the Chairman; Under the Committee, a Sustainable Development Task Force (ESG Task Force) is formed, with the President as the Chairman and the CEO as the Vice Chairman, and relevant personnel are appointed as Executive Secretaries and members to promote and implement sustainable development work.</p> <p>(2) The Sustainable Development Committee plays a role of cross-departmental communication and information integration, while the ESG Task Force identifies sustainability issues, formulates and executes work policy, and ensures the implementation of sustainability initiatives.</p> <p>(3) On Aug. 04, 2025, the Sustainable Development Committee convened a meeting and approved the 2024 Sustainability Report.</p>	No deviations.
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?	✓		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,	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>and stakeholder requirements are implemented by each unit.</p> <p><u>Environment</u></p> <ul style="list-style-type: none"> The Company has publicized the matters related to environmental protection. <p><u>Society</u></p> <ul style="list-style-type: none"> Occupational Health and Safety: Regular fire drills and training are held every year to enhance employees' emergency response and self safety management abilities. 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	✓		The Company's industry is the sales and technical services of semiconductor equipment subsystems, and the production	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)																				
renewable materials that are with low impact on the environmental impacts?			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 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.																					
(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?	✓		<p>The Company began implementing greenhouse gas inventory work in 2023 and completed the “Greenhouse Gas Inventory Protocol” (in accordance with ISO 14064-1:2018). Greenhouse gas emissions over the past two years (individual figures):</p> <table border="1"> <thead> <tr> <th>Year Scope</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Scope No. 1 (tCO₂e)</td> <td>95</td> <td>73</td> </tr> <tr> <td>Scope No. 2 (tCO₂e)</td> <td>535</td> <td>572</td> </tr> <tr> <td>Scope No. 3 (tCO₂e)</td> <td>401</td> <td>450</td> </tr> </tbody> </table> <p>Water consumption and total waste weight over the past two years:</p> <table border="1"> <thead> <tr> <th>Year Category</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Total water consumption (cubic meters)</td> <td>4,603</td> <td>6,231</td> </tr> <tr> <td>Industrial</td> <td>6.6</td> <td>8.3</td> </tr> </tbody> </table>	Year Scope	2023	2024	Scope No. 1 (tCO ₂ e)	95	73	Scope No. 2 (tCO ₂ e)	535	572	Scope No. 3 (tCO ₂ e)	401	450	Year Category	2023	2024	Total water consumption (cubic meters)	4,603	6,231	Industrial	6.6	8.3
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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					
			<table border="1"> <tr> <td>waste Total weight (metric tons)</td> <td></td> <td></td> </tr> </table> <p>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.</p>	waste Total weight (metric tons)			
waste Total weight (metric tons)							
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 remuneration, leave, and other benefits) and appropriately reflected business performance and achievements in the remuneration for employees?	✓		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, 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 (of which no less than 50% shall be reserved for remuneration to entry-level employees). (For details, please refer to “Labor-Management	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	
			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 2025 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 ,and no fires in 2025.</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 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,</p>

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		
			exercise, and medical care. (8) In 2025, the Company had no occupational disease cases.	
(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, marketing 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.
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		✓	This Company's Sustainability Report was prepared in accordance with the GRI Standards published by the Global Sustainability Standards Board (GSSB). This Company's 2024 Sustainability Report has not yet received assurance from a third-party assurance provider.	The 2024 Sustainability Report has not yet received assurance from a third-party assurance provider.

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	
Company apply for assurance or guarantee of such reports to a third-party certification body?			
<p>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.</p>			
<p>VII. Other important information for the implementation of sustainable development: The Company believes that giving back to society is not limited to monetary donations but also includes contributing manpower, donating goods, and providing services. The Company continues to support the Catholic Franciscan Kindergarten in Jianshi Township, Hsinchu (caring for underprivileged indigenous children in Jianshi) and the Taipei City Youxi Care Association (assisting homeless persons in cleaning and returning to the workplace, and providing services for rural areas).</p>			

(VI) Climate-Related Information

1. Information on climate-related implementation

Item	Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	<p>(1) The Board of Directors has established a Sustainable Development Committee, convened by Independent Director Liu, Tzu-Meng. The committee meets at least once a year to discuss climate-related risks and opportunities and is responsible for overseeing corporate sustainability management strategies and subsequent action plans. Under the Committee, a Sustainable Development Task Force (ESG Task Force) is formed, with the President as the Chairman and the CEO as the Vice Chairman, and relevant personnel are appointed as Executive Secretaries and members to promote and implement sustainable development work.</p> <p>(2) The ESG Task Force has established a Sustainable Environment Task Force, which is responsible for implementing greenhouse gas emission reduction pathways and plans, and regularly tracking and reviewing progress and effectiveness.</p>
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	<p>Under the supervision and guidance of the Board of Directors and the Climate Risk Management Committee, the Company evaluates the actual and potential impacts of climate-related risks and opportunities on its business, strategy, and finance. Considerations include the extent of impact, temporal and geographical scope, impact on the value chain, and financial impact. We also formulate strategic solutions to promptly address the actual and potential impacts of climate change and enhance the organization's climate resilience. To understand the short-, medium-, and long-term impacts of climate change-related risks and opportunities on the Company, we have defined the following time frames: short-term (1–3 years), medium-term (4–10 years), and long-term (10+ years).</p>

Item	Implementation status			
	Category	Category	Time of occurrence	Description
	Transition risk	Policy and regulatory risks	Short-term	Tighter policies/regulations: a. Carbon emission controls and carbon taxes/fees b. Reporting and disclosure obligations, increased operating costs (software) c. Rising costs of environmental permits and risk of fines for non-compliance
		Market risk	Medium-term	Market demand and cost volatility: a. High uncertainty in market information, risk of products/assets repricing b. Rising raw materials and procurement costs
	Opportunities	Products and services	Long-term	Opportunities in low-carbon products and services: a. R&D and sales of energy-efficient and low-carbon products and services b. Diversified business models to enhance market resilience
3. Describe the financial impact of extreme weather events and transformative actions.	<ul style="list-style-type: none"> • Policy/Regulations: Climate Change Response Act, and the 2050 net-zero target. Governments continue to promote stricter environmental regulations. To comply with these laws and regulations, the Company will incur increased compliance costs. • Market/Products: High uncertainty in market information, risk of products/assets repricing, and rising raw materials and procurement costs. • Technology/R&D: Growing demand for low-carbon technology transformation in international markets and increased customer climate awareness are increasing pressure on R&D and resource investments. 			
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	By reference to the Risk Management Best-Practice Principles for Taiwan Stock Exchange and Taipei Exchange listed Companies, the ESG Task Force identifies and evaluates internal risk issues and implements risk mitigation measures.			
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	The Company did not use scenario analysis.			

Item	Implementation status																						
<p>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</p>	<p>Strategies have been formulated to address the primary impacts of climate change opportunities and risks:</p> <p>(1) “Immediate and long-term”: For high-risk areas, identify potential risk scenarios and probabilities, and evaluate ways to mitigate financial impacts through commercial insurance or preventive measures.</p> <p>(2) “Policy and regulations, technology, market, reputation”: For relevant risks, the Sustainable Development Executive Committee develops corresponding strategies and management policies, and establishes indicators for regular monitoring.</p> <p>(3) “Resource utilization efficiency, renewable energy development, innovative products and services, market, operational resilience”: The Sustainable Development Executive Committee develops strategies and management policies to expand competitive advantages regarding these opportunities, and establishes indicators for regular monitoring.</p> <p>Through collaboration between the ESG Task Force and relevant departments, identify short-, medium-, and long-term climate risks and opportunities across various business operations, evaluate the impact of climate risks on these operations, and formulates corresponding management actions or response strategies to strengthen the Group’s control over specific climate risks and its ability to capitalize on opportunities.</p>																						
<p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p>	<p>Currently, there is no internal carbon pricing system.</p>																						
<p>8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</p>	<p>(1) Since 2023, the Company has implemented a greenhouse gas inventory (individual) in accordance with the ISO 14064-1:2018 standard. The primary emission sources include: electricity consumption, accounting for 52%, followed by emissions generated during the production process of procured goods, accounting for 36%; the remaining emissions are generated by upstream and downstream transportation, chillers, air compressors, refrigerants, and methane from septic tanks.</p> <p>Reduction Targets:</p> <table border="1" data-bbox="598 1272 1361 1406"> <thead> <tr> <th data-bbox="598 1272 809 1339">Carbon reduction target</th> <th data-bbox="809 1272 991 1339">Short term: 2028</th> <th data-bbox="991 1272 1169 1339">Medium term: 2035</th> <th data-bbox="1169 1272 1361 1339">Long term: 2050</th> </tr> </thead> <tbody> <tr> <td data-bbox="598 1339 809 1406">Carbon intensity</td> <td data-bbox="809 1339 991 1406">Decrease by 5%</td> <td data-bbox="991 1339 1169 1406">Decrease by 10%</td> <td data-bbox="1169 1339 1361 1406">Decrease by 20%</td> </tr> </tbody> </table> <p>(2) The Company has not yet used carbon credits or renewable energy certificates.</p>	Carbon reduction target	Short term: 2028	Medium term: 2035	Long term: 2050	Carbon intensity	Decrease by 5%	Decrease by 10%	Decrease by 20%														
Carbon reduction target	Short term: 2028	Medium term: 2035	Long term: 2050																				
Carbon intensity	Decrease by 5%	Decrease by 10%	Decrease by 20%																				
<p>9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan.</p>	<p>(1) Greenhouse gas inventory information:</p> <table border="1" data-bbox="579 1532 1431 1957"> <thead> <tr> <th colspan="2" data-bbox="579 1532 863 1727" rowspan="2">Scope</th> <th colspan="2" data-bbox="863 1532 1163 1565">2023</th> <th colspan="2" data-bbox="1163 1532 1431 1565">2024</th> </tr> <tr> <th data-bbox="863 1565 1010 1727">Emissions (tCO₂e)</th> <th data-bbox="1010 1565 1163 1727">Intensity (tCO₂e/Revenue in millions)</th> <th data-bbox="1163 1565 1284 1727">Emissions (tCO₂e)</th> <th data-bbox="1284 1565 1431 1727">Intensity (tCO₂e/Revenue in millions)</th> </tr> </thead> <tbody> <tr> <td data-bbox="579 1727 647 1957" rowspan="3">The Company</td> <td data-bbox="647 1727 863 1794">Scope No. 1 Direct Emissions</td> <td data-bbox="863 1727 1010 1794">95</td> <td data-bbox="1010 1727 1163 1957" rowspan="3"></td> <td data-bbox="1163 1727 1284 1794">73</td> <td data-bbox="1284 1727 1431 1957" rowspan="3"></td> </tr> <tr> <td data-bbox="647 1794 863 1921">Scope No. 2 Energy-related Indirect Emissions</td> <td data-bbox="863 1794 1010 1921">535</td> <td data-bbox="1163 1794 1284 1921">572</td> </tr> <tr> <td data-bbox="647 1921 863 1957">Scope No. 3</td> <td data-bbox="863 1921 1010 1957">401</td> <td data-bbox="1163 1921 1284 1957">450</td> </tr> </tbody> </table>	Scope		2023		2024		Emissions (tCO ₂ e)	Intensity (tCO ₂ e/Revenue in millions)	Emissions (tCO ₂ e)	Intensity (tCO ₂ e/Revenue in millions)	The Company	Scope No. 1 Direct Emissions	95		73		Scope No. 2 Energy-related Indirect Emissions	535	572	Scope No. 3	401	450
Scope				2023		2024																	
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	Scope No. 3	401		450																			

Item	Implementation status				
		Other Indirect Emissions			
	Total	1,031	1.57	1,095	1.55

(2) Not yet received assurance from a third-party assurance provider.

(VII) 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. 07, 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-	✓		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.

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
Listed Companies”?				
(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 periodically review them?	✓		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 violation is found to be true, it will be punished according to the Company’s regulations, and the Procedures are reviewed and revised regularly.	No deviations.
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?	✓		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.	No deviations.
(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?	✓		The Company’s Board of Directors approved the establishment of a dedicated unit to implement ethical corporate management on May 05, 2025 (i.e. Administration Department), which shall report to the Board of Directors on a regular basis (at least once a year).	No deviations.
(III) Does the Company have developed policies to prevent conflicts of interest, provided adequate channel for communication, and substantiated the policies?	✓		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.	No deviations.
(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	✓		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	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	
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?			policies. The Company self-examines the effectiveness of the design and implementation of the internal control policies through the annual self-evaluation of corporate internal control.
(V) Has the Company organized corporate management internal and external education and training programs on a regular basis?	✓		The Company conducts annual training and awareness campaigns on ethical corporate management. Activities in 2025 included: an awareness campaign on the “Ethical Corporate Management Operating Procedures and Code of Conduct” and related precautions (involving 50 employees for 1 hour each).
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
(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.
(III) Has the Company taken proper measures to protect the whistle-blowers from suffering any consequence of reporting an incident?	✓		The Company shall keep the identity of the whistleblower and the content of the report confidential, and commit to protect the whistleblower from victimisation due to his/her reporting.

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	
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. 07, 2024.				

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

1. The Company timely arranges board members and managerial officers 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	2025/05/05	Corporate Governance Association in Taiwan	Enterprise Risk Management	3
		2025/08/05	Corporate Governance Association in Taiwan	Considerations for Recent Investment in the United States	3
		2025/11/03	Corporate Governance Association in Taiwan	Response to Sustainable Development Action Plans for TWSE/TPEX Listed Companies	3

Title	Name	Training date	Organizer	Course name	Training hours
		2025/11/04	Taiwan Investor Relations Institute	Trends in Digital Technology and Artificial Intelligence and Sustainable Development Risk Management	3
President	Chiao, Yuan-Yu	2025/05/05	Corporate Governance Association in Taiwan	Enterprise Risk Management	3
		2025/11/03	Corporate Governance Association in Taiwan	Response to Sustainable Development Action Plans for TWSE/TPEX Listed Companies	3
COO	Hung, Pen-Yuan	2025/05/05	Corporate Governance Association in Taiwan	Enterprise Risk Management	3
		2025/11/03	Corporate Governance Association in Taiwan	Response to Sustainable Development Action Plans for TWSE/TPEX Listed Companies	3
		2025/11/05	Accounting Research and Development Foundation	Professional Training Course on Analysis of IFRS 18 "Presentation and Disclosure in Financial Statements": Standards and Practice	6
		2025/11/07	Accounting Research and Development Foundation	Professional Training Course on Key Points of Internal Control and Internal Audit for "Management of Sustainability Information" and Analysis of Practical Cases	6

● Pursuit of Study and Training for Directors:

Title	Name	Training date	Organizer	Course name	Training hours
Chairman	Kou, Chung-Shan	2025/05/05	Corporate Governance Association in Taiwan	Enterprise Risk Management	3
		2025/08/05	Corporate Governance Association in Taiwan	Considerations for Recent Investment in the United States	3
		2025/11/03	Corporate Governance Association in Taiwan	Response to Sustainable Development Action Plans for TWSE/TPEX Listed Companies	3
		2025/11/04	Taiwan Investor Relations Institute	Trends in Digital Technology and Artificial Intelligence and Sustainable Development Risk Management	3
Director	Lai, Cheng-Shih	2025/05/05	Corporate Governance Association in Taiwan	Enterprise Risk Management	3
		2025/08/05	Corporate Governance Association in Taiwan	Considerations for Recent Investment in the United States	3

Title	Name	Training date	Organizer	Course name	Training hours
		2025/11/03	Corporate Governance Association in Taiwan	Response to Sustainable Development Action Plans for TWSE/TPEX Listed Companies	3
		2025/11/04	Taiwan Investor Relations Institute	Trends in Digital Technology and Artificial Intelligence and Sustainable Development Risk Management	3
Director	Highlight Tech Corp. Representative: Huang, Chun-Yu	2025/05/05	Corporate Governance Association in Taiwan	Enterprise Risk Management	3
		2025/08/05	Corporate Governance Association in Taiwan	Considerations for Recent Investment in the United States	3
		2025/11/03	Corporate Governance Association in Taiwan	Response to Sustainable Development Action Plans for TWSE/TPEX Listed Companies	3
		2025/11/04	Taiwan Investor Relations Institute	Trends in Digital Technology and Artificial Intelligence and Sustainable Development Risk Management	3
Director	Highlight Tech Corp. Representative: Wu, Sheng-Hsien	2025/05/05	Corporate Governance Association in Taiwan	Enterprise Risk Management	3
		2025/08/05	Corporate Governance Association in Taiwan	Considerations for Recent Investment in the United States	3
		2025/09/03	Corporate Governance Association in Taiwan	The Role of the Board of Directors in Shaping Corporate Strategy Amid Global Environmental Upheaval	6
		2025/11/03	Corporate Governance Association in Taiwan	Response to Sustainable Development Action Plans for TWSE/TPEX Listed Companies	3
		2025/11/04	Taiwan Investor Relations Institute	Trends in Digital Technology and Artificial Intelligence and Sustainable Development Risk Management	3
Independent Director	Liu, Tzu-Meng	2025/05/05	Corporate Governance Association in Taiwan	Enterprise Risk Management	3
		2025/11/03	Corporate Governance Association in Taiwan	Response to Sustainable Development Action Plans for TWSE/TPEX Listed Companies	3

Title	Name	Training date	Organizer	Course name	Training hours
Independent Director	Jen, Hsiu-Yen	2025/05/05	Corporate Governance Association in Taiwan	Enterprise Risk Management	3
		2025/11/03	Corporate Governance Association in Taiwan	Response to Sustainable Development Action Plans for TWSE/TPEX Listed Companies	3
Independent Director	Pan, Cheng-Fen	2025/05/05	Corporate Governance Association in Taiwan	Enterprise Risk Management	3
		2025/11/03	Corporate Governance Association in Taiwan	Response to Sustainable Development Action Plans for TWSE/TPEX Listed Companies	3
Independent Director	Chen, Hsin	2025/09/12	Securities and Futures Institute	Enterprise Risk Management and Crisis Management – From the Perspective of Directors and Supervisors	3
		2025/10/16	Financial Supervisory Commission R.O.C.	The 15th Taipei Corporate Governance Forum	6
		2025/11/03	Corporate Governance Association in Taiwan	Response to Sustainable Development Action Plans for TWSE/TPEX Listed Companies	3

(IX) 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: Mar. 09, 2026

The following declaration is based on the 2025 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, 2025 (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. 09, 2026. That Board of Directors meeting was attended by 8 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: Chiao, Yuan-Yu

(X) 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
May 21, 2025 Annual Shareholders’ Meeting	Approved the Company’s 2024 Business Report and Financial Statements.	Recognized the 2024 business reports and financial statements
	Approved the 2024 earnings distribution proposal.	Earnings distribution of cash dividends of NTD77,287,599 (NTD2.3 per share) was completed on Jul. 04, 2025.
	Partial amendments to the Articles of Incorporation	On May 21, 2025, it was approved by the Ministry of Economic Affairs.
	A by-election of an independent director	As the Company's Chairman Kou, Chung-Shan also serves as the Chief Strategy Officer (equivalent to the position of President), it is proposed to elect an independent director. The new independent director Chen, Hsin took office right after the by-election at the 2025 shareholders' meeting, with a term of office from May 21, 2025 to Oct. 31, 2026.

2. Significant decisions resolved in the board meeting:

Date (term)	Decisions resolved
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

Date (term)	Decisions resolved
	<ul style="list-style-type: none"> ▪ 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
2025/05/05 (12th meeting of the 7th Remuneration Committee)	<p>Approved.</p> <ul style="list-style-type: none"> ▪ Proposal for the Consolidated Financial Statements for the Q1 of 2025 ▪ Proposal to amend the Audit Committee Charter ▪ Proposal for the Company to Repurchase Treasury Stock
2025/08/04 (13th 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 2025 ▪ Change in Audit Supervisor ▪ Proposal to Establish "Procedures for Treasury Stock Repurchase" ▪ Proposal for the Company to Establish the Sustainable Development Committee and Amend the "Organizational Regulations of the Sustainable Development Committee" ▪ Proposal for appointment of Sustainable Committee members of the Company ▪ Proposal for the 2024 Sustainability Report
2025/11/03 (14th meeting of the 7th Board Meeting)	<p>Approved.</p> <ul style="list-style-type: none"> ▪ Proposal for the Consolidated Financial Statements for the Q3 of 2025 ▪ Proposal for the 2026 audit plan ▪ Proposal for Determination of the Record Date for the 2023 Capital Increase by Conversion of Employee Stock Option into Common Stock ▪ Amendments to the Regulations Governing the Acquisition and Disposal of Assets ▪ Proposal to formulate the "Sustainable Development Best Practice Principles". ▪ Proposal for amendment to the Articles of Association
2026/01/19 (15th meeting of the 7th Board Meeting)	<p>Approved.</p> <ul style="list-style-type: none"> ▪ Evaluation of the Competence and Independence of CPAs and Remuneration for Appointment in 2026 ▪ Proposal to Formulate the Scope of Entry-level Employees of the Company ▪ Proposal to amend the "Internal Control System" ▪ Proposal for financial institution line of credit 2026 ▪ Proposal for matters regarding the convening of the 2026 annual shareholders' meeting ▪ Proposal for 2026 Annual Budget ▪ Proposal for Appointment of the President of the Company's Japanese Subsidiary ▪ Proposal to Lift the Non-Competition Restrictions on Pan, Yen-Ju, Vice President of the Company ▪ Proposal for the Remuneration of Pan, Yen-Ju, Vice President of the Company ▪ Proposal for the Distribution of Year-End Bonuses to Managers for 2025

Date (term)	Decisions resolved
2026/03/09 (16th meeting of the 7th Board Meeting)	<ul style="list-style-type: none"> ▪ Proposal for the 2025 annual business report and financial statements. ▪ 2025 Internal Control System Statement. ▪ Proposal for the 2025 earnings distribution. ▪ Proposal for the 2025 director remuneration and employee remuneration distribution. ▪ Proposal for Amendment to the Company's Regulations on Remunerations for Directors, Independent Directors, and Managers. ▪ Proposal for Cash Capital Reduction and Refund of Share Capital Contribution. ▪ Proposal for matters regarding the convening of the 2026 annual shareholders' meeting. ▪ Proposal for Amendment to the Regulations Governing the Acquisition and Disposal of Assets.

(XI) 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, 2025 to Dec. 31, 2025	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) When 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 amount and percentage of and reason for the reduction in audit fees shall be disclosed: Not applicable.

V. Changes in CPA: None.

VI. Where the company's chairperson, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held: 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 managerial officers and key shareholders holding over 10% in shareholding

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

Unit: shares

Title	Name	2025		From Jan. 01, 2026 to Mar. 20, 2026	
		Increase (decrease) in shares held	Increase (decrease) in shares collateralized	Increase (decrease) in shares held	Increase (decrease) in shares collateralized
Chairman	Kou, Chung-Shan	97,000	—	—	—
Director	Lai, Cheng-Shih	—	—	—	—
Representative of juristic person director	Wu, Sheng-Hsien	—	—	—	—
Representative of juristic person director	Huang, Chun-Yu	—	—	—	—

Title	Name	2025		From Jan. 01, 2026 to Mar. 25, 2026	
		Increase (decrease) in shares held	Increase (decrease) in shares collateralized	Increase (decrease) in shares held	Increase (decrease) in shares collateralized
Independent Director	Liu, Tzu-Meng	—	—	—	—
Independent Director	Jen, Hsiu-Yen	—	—	—	—
Independent Director	Pan, Cheng-Fen	—	—	—	—
Independent Director	Chen, Hsin	—	—	—	—

Title	Name	2025		From Jan. 01, 2026 to Mar. 25, 2026	
		Increase (decrease) in shares held	Increase (decrease) in shares collateralized	Increase (decrease) in shares held	Increase (decrease) in shares collateralized
Juristic person director and major shareholder	Highlight Tech Corp.	—	—	—	—
President	Chiao, Yuan-Yu	—	—	—	—
R&D Director	Tseng, Hsin-Hua	50,500	—	—	—
CTO	Pan, Yen-Ju	37,000	—	—	—
COO	Hung, Pen-Yuan	15,000	—	—	—
Vice Presidents	Lin, Tzu-Hsaun	30,500	—	—	—

(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. 20, 2026; 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	30.17%	—	—	—	—	—	—	—
Kou, Chung-Shan	2,515,866	7.45%	1,108,780	3.28%	—	—	Ma, Yi-Ming	Spouse	—
Cheng, Shu-Hui	1,659,909	4.92%	—	—	—	—	None	None	—
Ma, Yi-Ming	1,108,780	3.28%	2,515,866	7.45%	—	—	Kou, Chung-Shan	Spouse	—
Yuanjian	898,398	2.66%	—	—	—	—	Lu, Chun-	Representative	—

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	
Technology Investment Co., Ltd. Representative: Lu, Chun-Hung	78,287	0.23%	—	—	—	—	Hung		
Tehmag Foods Corporation	889,317	2.63%	—	—	—	—	None	None	—
Yuanta First Venture Capital Co., Ltd.	590,000	1.75%	—	—	—	—	None	None	—
Chen, Hsiu-Chen	540,000	1.60%	—	—	—	—	—	—	—
Xiang Xuan Investment Co., Ltd.	497,177	1.47%	—	—	—	—	None	None	—
Dehong Enterprise Co., Ltd.	467,535	1.38%	—	—	—	—	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, 2025; Unit: Thousand NT Dollars; thousand shares; %

Investees	Invested by the Company		Investment held by directors, supervisors, managerial officers, 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%
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	100%	—	—	9	100%
Seiki Semiconductor Co., Ltd.	950	52.78%	—	—	950	52.78%

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

Chapter 3. 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, 2026; 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	Other
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 06, 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. 05, 2022 Ching-Shou-Zhong-Tzu No. 11033815040

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	Other
Jun. 2022	10	50,000	500,000	22,919	229,919	Capital increase from earnings of NTD29,203 thousand	None	Jun. 01, 2022 Ching-Shou-Zhong-Tzu No. 11133321650
	29.194					Employee compensation of NTD6,030 thousand		
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 01, 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. 03, 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
Aug. 2025	36.25	50,000	500,000	34,396	343,958	Employee stock option of NTD7,925 thousand	None	Aug. 04, 2025 Ching-Shou-Shang-Tzu No. 11430672620
	10					Cancellation of treasury stock of NTD6,510 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	Other
Nov. 2025	33.95	50,000	500,000	33,769	337,698	Employee stock option of NTD250 thousand	None	Nov. 19, 2025 Ching-Shou-Shang-Tzu No. 11430888200

Mar. 25, 2026; Unit: shares

Share category	Authorized capital			Remark
	Outstanding shares (Note)	Unissued shares	Total	
Ordinary shares	33,769,804 shares	16,230,196 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. 20, 2026; Unit: shares; %

Name of major shareholders	Shares	Number of shares held	Ratio of shareholding (%)
Highlight Tech Corp.		10,189,353	30.17%
Kou, Chung-Shan		2,515,866	7.45%
Cheng, Shu-Hui		1,659,909	4.92%
Ma, Yi-Ming		1,108,780	3.28%
Yuanjian Technology Investment Co., Ltd.		898,398	2.66%
Tehmag Foods Corporation		889,317	2.63%
Yuanta First Venture Capital Co., Ltd.		590,000	1.75%
Chen, Hsiu-Chen		540,000	1.60%
Xiang Xuan Investment Co., Ltd.		497,177	1.47%
Dehong Enterprise Co., Ltd.		467,535	1.38%

(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 Mar. 09, 2026, cash dividends of NTD60,786 thousand were appropriated and distributed with cash dividends of NTD1.8 per share. The cash dividends will be distributed on Jul. 03, 2026 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 (of which no less than 50% shall be reserved for remuneration to entry-level employees), and no more than 2% may be allocated as director 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 and directors 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 Mar. 09, 2026, the Board of Directors passed a resolution proposing to distribute employee remuneration of NTD 10,865 thousand and director remuneration of NTD 1,811 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 2024 was approved by the Board of Directors on Feb. 26, 2025, which would be distributed in cash, and the distribution situation was reported at the shareholders' meeting on May 21, 2025. The employee remuneration of NTD 19,679 thousand and director and supervisor

remuneration of NTD 2,624 thousand were distributed, which were not different from the estimates in the accounts.

(VI) Repurchase of Company stock: None.

Dec. 31, 2025

Repurchase serial number	First repurchase
Repurchase purpose	Protect shareholders' equity
Repurchase period	May 06, 2025 to Jul. 05, 2025
Repurchase range price	NT\$ 41 to 90
Type and number of shares repurchase	651,000 common shares
Amount of shares repurchase	NTD 39,261,198
The ratio of the purchased number to the planned number (%)	41%
Number of shares that have been canceled and transferred	651,000 shares
Cumulative number of shares that the Company holds	0 shares
The ratio of the cumulative number of shares that the Company holds to the total number of issued shares (%)	0 %

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, 2026

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. 03, 2023
Duration	Apr. 03, 2023 to Apr. 03, 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. 04, 2025 to Apr. 03, 2027
Performance method	Issuance of new shares
Restricted subscription period and ratio (%)	Apr. 04, 2025 to Apr. 03, 2027: 50% Apr. 04, 2026 to Apr. 03, 2027: 50%

Number of shares acquired through exercise	817,500 shares
Amount of exercised warrants	NTD 29,576,875
Number of unexercised warrants	870 units
The subscription price per share for unexercised warrants	NTD33.95 per share
The ratio of shares unexercised to the total number of issued shares (%)	2.58%
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:

Mar. 25, 2026; Unit: shares; NT Dollars

	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	The ratio of the number of shares subscribed to the total number of issued shares	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	545,000	1.61%	234,000	36.25	8,482,500	0.69%	38,500	33.95	1,307,075	0.11%
	President	Chiao, Yuan-Yu										
	COO	Hung, Pen-Yuan										
	R&D Director	Tseng, Hsin-Hua										
	CTO	Pan, Yen-Ju										
	Vice Presidents	Lin, Tzu-Hsaun										
	Audit	Chang, Wan-Ping										
Employee	Chairman	Kou, Chung-Shan	719,000	2.13%	338,500	36.25	12,270,625	1.00%	21,000	33.95	712,950	0.06%
	Vice Presidents	Tseng, Hsin-Hua										
	Vice Presidents	Pan, Yen-Ju										
	Vice Presidents	Hung, Pen-Yuan										

Vice Presidents	Lin, Tzu-Hsaun											
Assistant Manager	Yang, Sung-Pin											
Manager	Huang, Ching-Pao											
Senior Manager	Li, Cheng-Chuan											
Manager	Lin, Yi-Yuan											
Senior Manager	Hsu, Chieh-Hsien											

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: None.

Chapter 4. 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

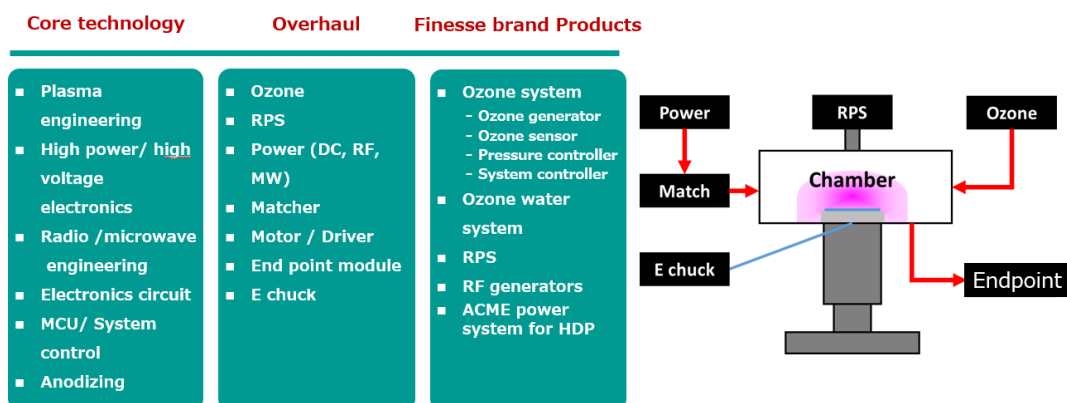
Unit: Thousand NT Dollars

Product item	Year		Year	
	2024		2025	
	Amount	Proportion	Amount	Proportion
Sales of semiconductor equipment subsystems	381,756	50.21%	295,675	44.06%

Product item \ Year	2024		2025	
	Amount	Proportion	Amount	Proportion
Technical service of semiconductor equipment	378,502	49.79%	375,398	55.94%
Total	760,258	100.00%	671,073	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 high-efficiency and energy-saving RF Generator System.
- (5) 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 high-efficiency and energy-saving 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. High-efficiency and energy-saving 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. Looking ahead to 2026, we plan to launch next-generation products and further expand the scope of technical support and energy-saving products to meet customers' increasingly diverse needs for advanced process applications.

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 ALD ozone generator for nano-generation process. E. Develop oxygen recovery and reuse technology for ozone generators F. Develop real-time pollution monitoring systems for ozone supply systems
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 new-generation ozone generator products. D. Develop critical replacement parts for maintenance of next-generation ozone generator E. Research ozone generator maintenance and life-extending key power 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. E. Develop next-generation remote plasma source 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.

Key research and development products	Plan objectives
	D. Develop control system circuits and components to improve the functionality and extend the service life of traditional remote plasma sources.
Semiconductor process Power supply	A. Develop high-power energy-saving RF Generator System units for semiconductor process. B. Develop microwave power supply for semiconductor process. C. Develop power modules for high-density plasma source equipment.

(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:

(1) Global Semiconductor Market Review and Outlook:

According to statistics from market research firms such as Gartner and WSTS, the global semiconductor market continued its strong recovery in 2025, with total revenue exceeding the USD720 billion and an annual growth rate of over 15%. This growth is primarily driven by the widespread adoption of Generative AI, particularly as high-end GPUs and AI accelerators in cloud data centers remain in short supply.

Revenue in the AI chip market continues to hit record highs, with global capacity for the most advanced processes and CoWoS packaging emerging as the biggest beneficiaries of the AI wave. In the memory market, driven by strong demand for HBM (High Bandwidth Memory) and DDR5, memory manufacturers have delivered impressive results, and the share of memory in the overall semiconductor market has rebounded significantly.

Looking ahead to 2026, global semiconductor revenue is projected to grow further to USD800 billion. Market drivers will expand from cloud servers to “edge computing (Edge AI),” including the replacement cycles for AI PCs, AI smartphones, and automotive electronics, which is expected to drive a new wave of chip demand.

(2) Overview of global wafer fab capacity and construction:

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 2026.

A. Capacity growth:

Global monthly production capacity for 12-inch wafers is expected to reach a record high in 2026. The primary growth will come from advanced processes (5 nm and below) and special applications for mature processes.

B. Regional distribution:

- Mainland China: Capacity expansion is fastest in the mature process segment, and its share of global capacity is expected to continue rising in 2026, primarily supplying automotive and consumer electronics chips.
- Taiwan: Remains the global R&D and manufacturing hub for advanced processes and advanced packaging. The capacity growth in 2026 will focus on the mass production of 2nm processes and a significant expansion of CoWoS packaging capacity.
- United States and Europe: Benefiting from the impetus of the CHIPS and Science Act, new fabs breaking ground in 2024–2025 will gradually enter trial production or mass production in 2026, with localized supply chains taking shape.

(3) Global Trends of Semiconductor Equipment Expenditures: Looking ahead to 2026, SEMI forecasts that the global semiconductor equipment market will remain at a high level. Unlike in the past, when focus was limited to front-end process equipment, investment priorities in 2026 will shift significantly toward “advanced back-end packaging equipment” and “testing equipment.” As Moore’s Law slows, heterogeneous integration has become key to enhancing chip performance, directly driving demand for high-end packaging process (SoIC, CoWoS) equipment. Furthermore, as new fabs in the U.S., Japan, and Germany begin installing equipment, global equipment expenditures are expected to show synchronized growth across multiple regions.

(4) According to the latest estimates from the Industry, Science and Technology International Strategy Center (ISTI), ITRI, and the Market Intelligence & Consulting Institute (MIC), the output value of Taiwan’s semiconductor industry successfully surpassed NTD5.5 trillion in 2025, solidifying its indispensable hub status within the global semiconductor supply chain.

Looking ahead to 2026, Taiwan’s semiconductor industry will face a new landscape characterized by both opportunities and challenges:

- Core of the AI Supply Chain: Taiwan possesses the world’s most comprehensive AI server supply chain, spanning wafer foundry, packaging and testing, to server assembly. The output value is

expected to continue setting new records, with the total output value projected to reach NTD6 trillion in 2026.

- **Geopolitics and Resilience:** As countries implement policies to localize chip production, Taiwanese semiconductor manufacturers are accelerating their global expansion. The key to future operations will lie in effectively managing cross-border production capacity while maintaining technological leadership and meeting customer demands for supply chain resilience.

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:

(1) 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.

(2) 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.

(3) 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. 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 high-efficiency and energy-saving 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, and control systems 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. Since our targets are semiconductor equipment from internationally leading manufacturers, 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 has accumulated extensive maintenance experience involving high-power RF amplifier circuits, high-density plasma excitation circuits and reaction chamber manufacturing, ozone high-voltage and high-power-oscillation power sources, etc. Such experience precisely addresses the need for practical expertise beyond academic technical knowledge in these fields.

In order to maintain a leading technological position, the Company has patented technologies from Taiwan, mainland China, Japan, and the United States, and collaborates 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 pure oxygen ozone supply system: Develop a high-concentration and nitrogen-free (N2-free) ozone supply system to ensure process stability and high-quality products.
- (3) Develop and manufacture highly reliable ozone concentration detection modules.
- (4) 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	2024		2025		Feb. 28, 2026	
	Head count	Proportion (%)	Head count	Proportion (%)	Head count	Proportion (%)
Degree of Doctor and Master	10	45	9	53	8	57
Bachelor's Degree	12	55	8	47	6	43
High school	0	0	0	0	0	0
Total	22	100	17	100	14	100

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

Unit: Thousand NT Dollars; %

Item	2021	2022	2023	2024	2025
Research costs	22,624	36,285	36,581	46,571	42,533
Revenue	590,581	752,648	727,750	760,258	671,073
Proportion of operation income (%)	3.83	4.82	5.03	6.13	6.34

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)

Year	Product
2022	<ul style="list-style-type: none"> ● 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
2025	<ul style="list-style-type: none"> ● Develop nano-generation microwave remote plasma source systems ● Develop maintenance technologies for next-generation high-concentration ozone generators ● Develop maintenance technologies for next-generation remote plasma source generators ● Develop protective films for reaction chambers specifically designed for remote plasma sources ● Develop high-concentration ozone sensors ● High-concentration ozone pressure regulating valve

(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	2024		2025	
			Sales	%	Sales	%
Domestic sales			503,035	66.17	412,341	61.45
Export	Asia		222,707	29.29	245,597	36.60
	America		32,521	4.28	9,731	1.45
	Europe		1,995	0.26	3,404	0.50
	Subtotal		257,223	33.83	258,732	38.55
Total			760,258	100.00	671,073	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 high-efficiency energy-saving 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 power supply system in the global market. By the end of 2025, more than 300 system units have been installed.

Regarding ALD ozone supply systems, market promotion efforts have yielded significant results, with cumulative sales exceeding 100 units in recent years; however, there remains room for continued growth in market share within this sector. Meanwhile, the Remote Plasma Source (RPS) is currently undergoing rigorous market validation and customer certification, laying the groundwork for its subsequent formal introduction into mass production and sales.

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 high-efficiency and energy-saving RF power source 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

(1) Overview:

Demand for the Company's technical services and proprietary brand products is closely related to capital expenditures and capacity expansion in the semiconductor industry. The semiconductor industry has

transformed from a traditional circular industry into a data-driven sector with long-term growth potential. As a cornerstone of the global digital economy, semiconductors not only underpin the development of information technology and communications but also play a critical role in key sectors such as national defense, automotive, healthcare, and industrial automation. Looking ahead, driven by the dual engines of global digital transformation and the explosive demand for AI computing power, the semiconductor industry will maintain strong and steady growth momentum.

- (2) Key Drivers of Industry Growth. The growth momentum of the semiconductor industry has shifted from a reliance on consumer electronics alone to a diversified, structural demand. The primary drivers are as follows:
 - A. Explosive demand for generative AI and high-performance computing (HPC): With the widespread adoption of generative AI applications such as ChatGPT, demand from cloud data centers for AI servers, GPUs, and ASICs has grown exponentially. This has directly driven capacity expansion for advanced processes (7nm and below) and advanced packaging (CoWoS, SoIC), thereby boosting demand for high-purity process equipment and critical components.
 - B. Edge AI Driving a Consumer Electronics Upgrade Cycle: Smartphones and PCs are integrating “AI functions.” AI-enabled smartphones and PCs equipped with neural processing units (NPUs) will drive a new wave of device upgrades. These chips demand higher performance and lower power consumption, which will stimulate the volume of advanced process wafer production.
 - C. Structural Upgrades in Automotive Electronics and Industrial Automation: Although the automotive market faces short-term volatility, the long-term trends of rising electric vehicle (EV) penetration and software-defined vehicles (SDVs) remain unchanged. The silicon content per vehicle in automotive semiconductors (including third-generation semiconductors such as SiC/GaN) continues to increase. Meanwhile, Industry 4.0 and robotics also rely heavily on sensors and power semiconductors.
 - D. Technical Challenges of Process Scaling and Heterogeneous Integration: As Moore’s Law advances toward the 2nm and even angstrom era, coupled with the application of 3D IC stacking

technology, process steps are becoming increasingly complex. This has significantly increased the frequency and precision requirements for deposition, etching, and chamber cleaning, which directly benefits the market penetration of our RPS and ALD-related products.

(3) Challenges Faced by the Industry: However, as the semiconductor industry grows, it also faces the following challenges, which test the resilience of the supply chain:

A. Geopolitics and Supply Chain Localization: Countries are competing to establish autonomous semiconductor supply chains, leading to the fragmentation of the global production system and increasing operating costs and compliance complexity.

B. Green Manufacturing and ESG Pressure: Amid the global trend toward net-zero carbon emissions, wafer fabs are imposing increasingly stringent requirements on equipment energy efficiency, exhaust gas treatment, and the recycling and maintenance of components.

C. Macroeconomic Uncertainty: Exchange rate fluctuations, inflation, and variations in end-consumer spending power may still cause short-term fluctuations in inventory adjustments.

(4) Future Development Trends: Despite the aforementioned challenges, authoritative agencies predict that the semiconductor market's output value will approach USD1 trillion by 2030. Future developments are expected to follow the trends below:

A. Ubiquitous Computing: Computing capabilities will extend from the cloud to edge devices, with all types of IoT devices requiring computing power.

B. Resilience over Cost: Customers will increasingly favor partners with localized service capabilities, technological autonomy, and stable supply chains; this trend benefits local suppliers with strong R&D capabilities.

C. Green Process Innovation: Technologies that help customers reduce their carbon footprint, improve yield rates, and extend equipment lifespan (such as high-efficiency plasma cleaning and component life-extension maintenance) will become top priorities in procurement.

(5) Conclusion: In summary, driven by the implementation of AI technologies, the evolution of advanced processes, and the restructuring of global supply chains, the market size for semiconductor equipment and technical services will continue to expand. Leveraging our deep expertise in remote plasma sources and critical component maintenance, the Company not only meets the high-purity requirements of advanced processes but also aligns with the ESG circular economy trend, presenting significant growth potential for the future.

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 a high-efficiency and energy-saving RF power 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 300 units installed by the end of 2025.

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:

- Global market expansion and localization strategy: The Company is actively expanding its international footprint. In addition to establishing a subsidiary in Shanghai to deepen our presence in the Chinese mainland market, we are simultaneously accelerating our strategic expansion into the Japanese and U.S. markets.
- By establishing a global service network, we are committed to providing real-time, localized services to fully capitalize on the vast business opportunities in the global semiconductor industry. We are responding to the demand of important domestic customers to build factories overseas, thereby further expanding our overseas market share.
- 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. Structural growth in the semiconductor industry, strong demand for AI and advanced processes: Looking ahead to 2026–2030, the global semiconductor market is projected to reach the USD1 trillion milestone. The Company’s growth momentum is primarily driven by the following trends:
- Widespread adoption of AI applications: From high-performance computing (HPC) in cloud data centers to edge-based AI smartphones and AI PCs, this is fueling explosive demand for advanced process chips.
 - Rebound in semiconductor equipment spending: As wafer fabs expand capacity and technology nodes evolve (e.g., 2nm, CoWoS advanced packaging), demand for high-purity process equipment (such as our RPS and ALD systems) has increased significantly.
 - Green manufacturing trends: Customers’ emphasis on energy-efficient equipment and component refurbishment has directly driven growth in our maintenance services and retrofitting business.
- B. Integrating into the supply chains of major global manufacturers and deepening global partnerships: As a strategic partner of the world’s largest semiconductor equipment supplier, the Company is not only its sole global provider of ozone generator technical services but has also recently been promoted to a key ODM and OEM partner for its critical RF components.
- Deepening cooperation: The scope of cooperation has expanded from after-sales maintenance to the manufacturing of components for new equipment, with technical dependence continuing to grow.
 - Global synergy: Aligning with the global footprint of this customer and terminal wafer fabs, we have launched localized service networks in the United States, Japan, and mainland China. This strategy will provide the Company with long-term and stable order momentum.

Disadvantages and countermeasures:

A. Geopolitical factors affecting supply chain stability and macroeconomic challenges

- Supply chain fragmentation and disruption risks: Due to geopolitical tensions and trade protectionism, certain critical electronic components and raw materials may face the risks of import/export restrictions or extended lead times (no longer affected by the pandemic, but by policy factors).

[Countermeasures]:

- Establishing a diversified supply system (Second Source): Actively introduce alternative material/part certifications to reduce reliance on a single country or supplier.
- Flexible inventory management: Increase safety stock levels for strategic materials with long lead times and sign long-term supply agreements (LTAs) with suppliers to secure material sources.

B. Raw material cost volatility and rising operating costs: Although global inflation is moderating, costs for special materials and energy required for advanced processes remain high, potentially compressing gross margin.

[Countermeasures]:

- High-value-added transformation: Continuously optimize the product mix to increase the proportion of high-margin proprietary brand products (RPS/ALD) and critical component repairs.
- Cost pass-through and value-based pricing: Maintain close communication with customers to reasonably reflect costs and create a win-win pricing mechanism by offering upgrade solutions with “energy-saving and carbon-reducing” benefits.

C. The magnetic effect of domestic major manufacturers makes it difficult to recruit excellent talents

- 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.

- 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.

- 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.

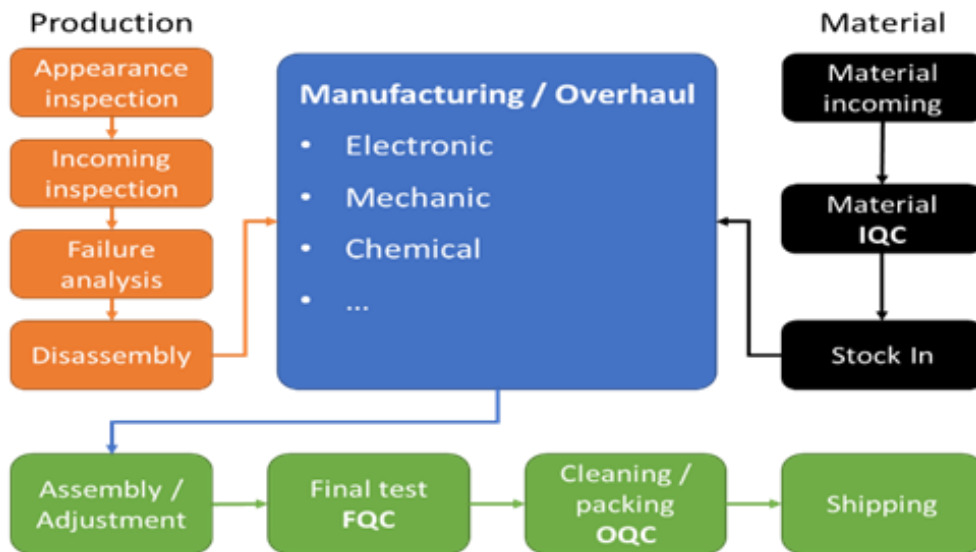
(II) Manufacturing process and key purposes of our principal products

1. Key purposes of our principal products

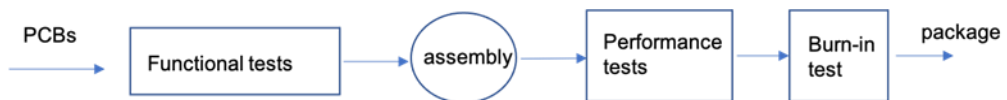
Product category	Purposes
Technical services for semiconductor equipment subsystems	Maintenance and functional improvement of cavity peripheral subsystems of semiconductor process equipment cover high-/low-frequency high-voltage/high-power supplies and adapters, ozone systems, remote plasma sources, wafer grinding, wafer transfer, and process monitoring systems. All are used in semiconductor processes.
High-efficiency and energy-saving 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

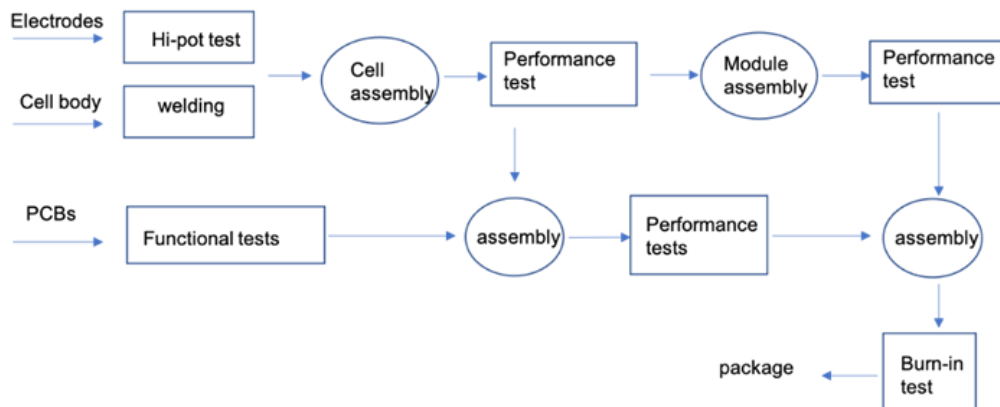
(1) Semiconductor equipment subsystem maintenance



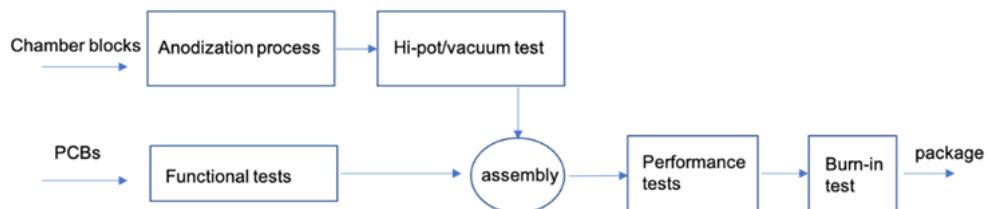
(2) High-efficiency and energy-saving RF Generator System



(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	2024				2025			
	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	168,497	53.20%	None	Supplier A	87,336	38.76%	None
2	Other	148,251	46.80%		Other	137,963	61.24%	
	Total	316,748	100.00%		Total	225,299	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 decreases the procurement amount from Company A in order to meet the declining 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	2024				2025			
	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	210,076	28%	None	Customer A	210,225	31%	None
2	Customer B	32,844	4%	None	Customer B	72,578	11%	None
2	Customer C	74,996	10%	None	Customer C	58,328	9%	None
3	Other	442,342	62%		Other	388,270	58%	
	Total	760,258	100%		Total	671,073	100%	

Description of reasons for increase or decrease:

Overall, the sales ratios for major customers A and C remained largely unchanged. The increase in sales to Customer B in 2025 was driven by product mix, as sales of semiconductor RF power generators increased compared to the previous period, and the unit selling price for this product was higher.

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		2024	2025	Feb. 28, 2026
Number of employees	Direct employee	77	72	72
	Indirect employee	83	76	73
	Total	160	148	145
Average age (Age)		35	37	37
Average years of service (years)		4.8	6.4	6.4
Academic qualification (%)	Doctoral Degree	3.1	3.4	3.5
	Master's Degree	12.5	11	10
	Bachelor's Degree (junior college)	66.3	67	67.5
	High school	17.5	18.6	19
	Below high school	0.5	0	0

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

- Old Pension System Under the Labor Standards Act

For employees covered by the old pension system under the Labor Standards Act, the Company, in accordance with relevant laws and regulations, contributes 2% of the employee's total monthly salary to a retirement reserve fund. This fund is held in a dedicated account at the Trust Department of the Bank of Taiwan and is supervised and managed by the Supervisory Committee of Labor Retirement Reserve. When an employee meets the retirement eligibility requirements, retirement benefits are paid based on their years of service and relevant laws and regulations.

- New Pension System Under the Labor Pension Act

Effective Jul. 01, 2005, for employees subject to the new pension system under the Labor Pension Act, the Company contributes 6% of the employee's monthly salary to a personal pension account established by the Bureau of Labor Insurance. Employees may also choose to make contributions on their own in accordance with the law.

(2) Conditions for retirement

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

A. Conditions for voluntary retirement:

- Those who have worked for more than 15 years and are over 55 years old.

- Those who have worked for more than 25 years.
- 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:

- Those aged 65 or above.
- 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:

- Individuals who apply for voluntary retirement shall collect the "Employee Resignation Application Form" from the management unit 30 days before the scheduled resignation.
- 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. 09, 2025 to Jul. 09, 2026	Short-term debts	None
Financing contract	Chang Hwa Bank	Apr. 29, 2025 to Apr. 30, 2026	Short-term debts	None

Chapter 5. Financial Status and Performance Review Analysis and Risks

I. Financial status

Unit: Thousand NT Dollars

Item	Year	2024	2025	Difference	
		Amount	Amount	Amount	%
Current assets		1,034,599	964,066	(70,533)	(7)
Investments accounted for using equity method		16,903	19,954	3,051	18
Property, plant and equipment		268,536	275,262	6,726	3
Intangible assets		8,547	12,879	4,332	51
Other assets		59,308	45,948	(13,360)	(23)
Total assets		1,387,893	1,318,109	(69,784)	(5)
Current liabilities		194,017	136,570	(57,447)	(30)
Non-current liabilities		19,765	16,844	(2,921)	(15)
Total liabilities		213,782	153,414	(60,368)	(28)
Share capital		336,033	337,698	1,665	0
Capital surplus		654,696	667,158	12,462	2
Retained earnings		179,937	151,817	(28,120)	16
Other equity interest		3,445	789	(2,656)	(77)
Total		1,174,111	1,164,695	(9,416)	(1)
Explanation of major changes (with a change ratio of 20% or more and a change amount exceeding NTD10 million):					
1. Decrease in other assets: Due to a decrease in equipment prepayments.					
2. Decrease in current liabilities and total liabilities: Due to a delay in the revenue recognition of ACME (RF Generator System) caused by the progress of customer installation and acceptance, as well as a decline in market share for certain key semiconductor component maintenance items, resulting in a decrease in contract liabilities and accounts payable (purchases).					

II. Financial performance

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

Unit: Thousand NT Dollars

Item	Year	2024	2025	Increase (decrease)	Percentage of changes (%)
		Amount	Amount		
Revenue		760,258	671,073	(89,185)	(12)
Gross profit		269,874	221,545	(48,329)	(18)
Net operating profit		98,494	73,285	(25,209)	(26)
Non-operating revenues and expenditures		11,177	4,254	(6,923)	(62)
Net profit before tax		109,671	77,539	(32,132)	(29)
Profit after tax this term		89,548	68,245	(21,303)	(24)
Total comprehensive income		94,111	65,589	(28,522)	(30)

Item	Year	2024	2025	Increase (decrease)	Percentage of changes (%)
		Amount	Amount		
Explanation of major changes in the last two years (with a change ratio of 20% or more and a change amount reaching NTD10 million):					
Decrease in operating profit, net profit before tax, net profit for the period, and total comprehensive profit and loss for the period: Due to a delay in the revenue recognition of ACME (RF Generator System) caused by the progress of customer installation and acceptance, as well as a decline in market share for certain key semiconductor component maintenance items.					

(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	2024	2025	Increase (decrease)	Percentage of changes (%)
Operating activities		101,288	94,643	(6,645)	(7)
Investing activities		(23,288)	(170,000)	(146,712)	(630)
Financing activities		142,880	(92,010)	(234,890)	(164)
Change analysis:					
1. Increase in cash outflows from investing activities: Due to a decrease of NTD150,000 thousand in financial assets at amortized cost.					
2. Decrease in cash inflows from financing activities: Due to a cash capital increase of NTD236,353 thousand in 2024, resulting in a relative decrease in inflow in 2025.					

(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
379,794	80,782	(89,076)	371,500	Not applicable	Not applicable
Analysis and explanation:					
1. Operating activities: Primarily reflects the projected operating profit for 2026.					
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 2025, the expenditure on plant and equipment additions was NTD19,904 thousand, accounting for approximately 7% of the net book value (NTD275,262 thousand) of property, plant and equipment at the end of 2025, 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**(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, 2025; 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%	4,149	The operations were normal	—	—

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 International Limited	Overseas holding company	100%	8,973		—	—
Highlight Tech System (Shanghai) Corp.	Responsible for maintenance and sales centers in mainland China	100%	9,048		—	—
Schmidt Scientific Taiwan Ltd.	Responsible for agency trading of machines and equipment	15.18%	2,915		—	—
Finesse Technology Co., Ltd.	Key subsystem development, material sourcing, manufacturing, assembly, testing, sales and maintenance services for semiconductor equipment.	100%	(250)	Still in the stage of plant building	Revenue and profit can only be generated after the mass production verification in 2026	—
Seiki Semiconductor Co., Ltd.	Production and sales of chip and wafer bonding equipment; production and sales of ion beam surface treatment equipment; wafer bonding services and foundry.	52.78%	(1,416)	The Company is in its early stage of development	Currently, the Company is focused on building its team, establishing a service chain, and looking for partners. Product sales will commence following product development.	—

(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 2024 and 2025 were NTD685 thousand and NTD509 thousand, respectively, accounting for 0.09% and 0.08% 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 2024 and 2025 were NTD7,286 thousand and (NTD3,295) thousand, respectively, accounting for 0.96% and (0.49%) 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

Key research and development products	Plan objectives
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 RF-type remote plasma source equipment maintenance technology and supporting key components. (2) Develop alternative solutions for reaction chamber. (3) Develop power supplies for 12-inch high-density plasma equipment. (4) Develop next-generation RF-type remote plasma sources.

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 has no plans to expand its plants in the latest year and up to the publication date of the prospectus.

(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.

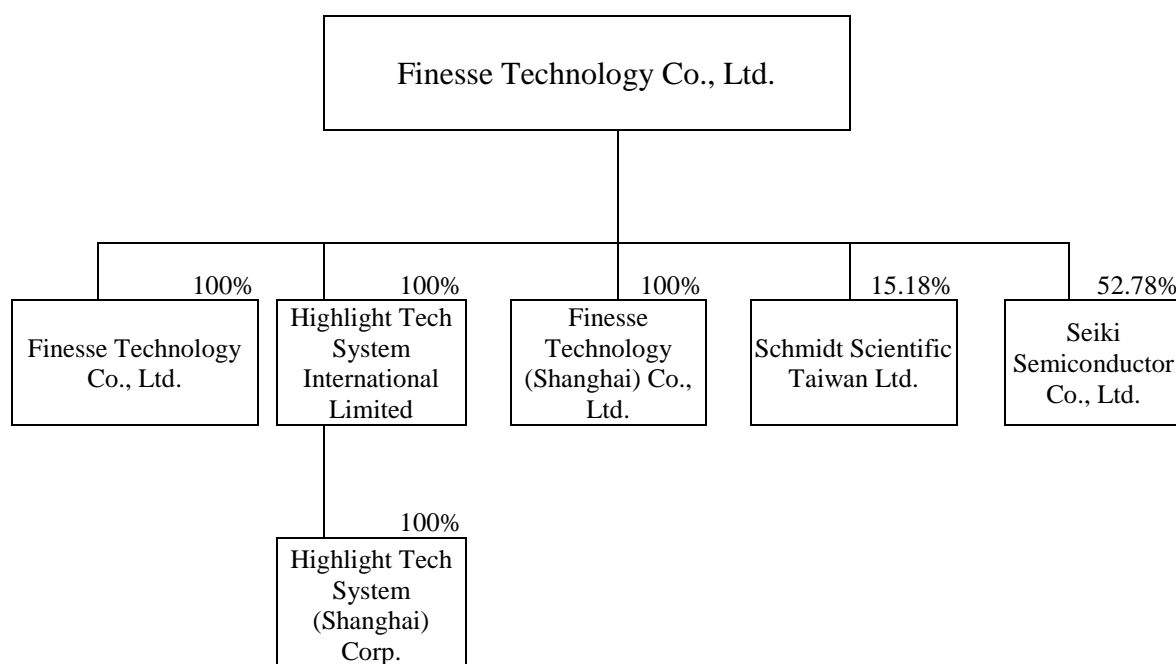
Chapter 6. Special Disclosure

I. Relevant information of affiliated enterprises

(I) The Affiliate's Consolidated Financial Statements: Please refer to page 112 of this annual report.

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

1. Affiliate companies as of Dec. 31, 2025



2. Fundamental particulars of affiliated enterprises

Dec. 31, 2025; 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,

Name of enterprise	Establishment date	Address	Paid-in shares capital	Main business items
				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 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.
Seiki Semiconductor Co., Ltd.	Jun. 20, 2025	Ln. 191, Zhonghe St., Zhubei City, Hsinchu County	NTD18,000	Production and sales of chip and wafer bonding equipment; production and sales of ion beam surface treatment equipment; wafer bonding services and foundry.

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, 2025

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

Affiliated companies	Business affairs	The business of each affiliated company business relationship
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
Seiki Semiconductor Co., Ltd.	Production and sales of chip and wafer bonding equipment; production and sales of ion beam surface treatment equipment; wafer bonding services and foundry.	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, 2025

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	Yeh, Wen-Yung	635,270 shares	15.18%
	Supervisor	Chiang, Ching-Wei		
Seiki Semiconductor Co., Ltd.	Director	Kou, Chung-Shan	950,000 shares	52.78%
	Director	Yeh, Kuo-Kuang		
	Supervisor	Hung, Pen-Yuan		

6. Business performances of affiliated enterprises

Dec. 31, 2025; Unit: NTD thousand

Name of enterprise	Capital	Total assets	Total liabilities	Net value	Revenue	Net operating income	Profit and/or loss this term (after tax net)	Earnings per share after tax (\$)
Finesse Technology (Shanghai) Co., Ltd.	9,379	49,347	12,234	37,113	41,128	4,476	4,149	(Note 1)
Highlight Tech System International Limited	29,334	88,562	—	88,562	—	(43)	8,973	(Note 1)
Highlight Tech System (Shanghai) Corp.	27,814	139,230	51,484	87,746	121,276	9,679	9,048	(Note 1)
Schmidt Scientific Taiwan Ltd.	41,850	152,810	21,367	131,443	173,771	25,225	19,206	4.59
Finesse Technology Co., Ltd.	18,936	15,587	91	15,496	—	(240)	(250)	(27.83) (Note 2)
Seiki Semiconductor Co., Ltd.	18,000	17,789	2,472	15,317	—	(2,707)	(2,683)	(1.49)

- Note: 1. The Company has no issued shares.
2. This company's shares have a par value of JPY 10 thousand per share.
3. Relevant related to the assets, liabilities and equity in this table are converted into NTD at the end of 2025 at the exchange rate of 31.430 (US dollars), 4.4716 (RMB), and 0.2008 (JPY).
4. Relevant related to profit and loss are converted into NTD at the average exchange rate of 2025: 31.180 (US dollars), 4.3645 (RMB), and 0.2085 (JPY).

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

Please refer to page 103 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 2025 (from Jan. 01, 2025 to Dec. 31, 2025), 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

Mar. 09, 2026

**Finesse Technology Co.,
Ltd.**

**Chairman:
Kou, Chung-Shan**

Mar. 25, 2026