

Sanlien Technology

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<http://www.sanlien.com>

sanlien

2024 ANNUAL REPORT

Printed on March 28, 2025

Notice to readers: This is translation of the 2023 annual report of Sanlien Technology Corp. The translation is for reference only. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

I. The Company's Spokesman

Name: Chen Hsiu-Hui

Job Title: Vice President

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Deputy Spokesman

Name: Huang Yi-Chen

Job Title: Accounting Manager

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II. Address and telephone number of the Company:

Name	Address	Tel. No.
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North Taiwan	3F, No. 190, Sec. 2, Zhongxing Rd., Xindian Dist., New Taipei City	(02)8665-9813
Central Taiwan	1F, No. 12, Lane 6, Gongyequ 1st Rd., Xitun Dist., Taichung City	(04)2359-3552
South Taiwan	No. 17, Bengong 6th Rd., Gangshan Dist., Kaohsiung City	(07)622-9700
TAF (Taiwan Accreditation Foundation) National Level-2 Calibration Laboratory	3F, No. 190, Sec. 2, Zhongxing Rd., Xindian Dist., New Taipei City	(02)8665-9813
Sanlien Technology Corp., Taipei, Seon Branch	Birren 10a, 5703 Seon, Switzerland	+41 76-471-80-37

III. Stock Transfer Agency:

Agency: Transfer Agency Department, CTBC Bank Co., Ltd.

Address: 5F., No. 83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City 100, Taiwan
(R.O.C.)

Website: <https://www.ctbcbank.com>

Tel. No.: (02)6636-5566

IV. Name of External Auditor of the Latest Annual Financial Report:

Name of CPA: Gregory Kuo, CPA and Tsai Yi-Tai, CPA

Name of CPA Firm: PwC Taiwan

Website at <http://www.pwc.tw>

Address: No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City

Tel. No.: (02)2729-6666

V. Name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities: None.**VI. Company website:**

<http://www.sanlien.com>

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One. A Message to Shareholders

The Automatic Monitoring Core Business generated NT\$ 510 million of revenue in 2024, represented an annual growth rate of 21.6%. This was mainly due to the completion of the TPC power fault recorder oscilloscope project and TPC's Maintenance Division's generator stator core inspection instrument project and the sales growth of self-made products.

The electronic materials business benefited from the continuous growth of global semiconductor demand, the rapid advancement of new energy vehicles and IoT applications, and the rising demand for advanced process materials. The operating revenue in 2024 reached NT\$3.89 billion, with an annual increase of 22.4%, and the profit also showed an annual increase of 8.5%.

The Company's consolidated operating revenue in 2024 totaled approximately NT\$4.5 billion, with an annual increase of 21.7%. The consolidated operating net profit totaled approximately NT\$290 million, with an annual increase of 19%. In addition, the fluctuation of the market price of financial assets measured at fair value through profit or loss caused losses on financial assets measured at fair value, which were compared to the gains on financial assets in 2023, resulting in a net amount of non-consolidated income of NT\$146 million, with an annual decrease of 39.1%. The consolidated net income was NT\$350 million, an annual decrease of 17.2%; the consolidated total assets amounted to NT\$5.6 billion. The net profit (attributed to the parent company's shareholders) totaled approximately NT\$180 million, and the earnings per share was NT\$4.2.

I. 2024 Business Results

(I) Business plan implementation results

Unit: NT\$ thousand

Item	2024	2023	Increase (decrease) in amount	Increase (decrease) %
Operating revenue	4,504,004	3,702,071	801,933	21.7
Gross profit	618,416	551,291	67,125	12.2
Gross profit margin (%)	14.0	15.0	(1.0)	(6.7)
Operating expenses	326,804	306,306	20,498	6.7
Operating income	291,612	244,985	46,627	19.0
Non-operating revenue (expense)	146,887	241,280	(94,393)	(39.1)
Net profit before tax	438,499	486,265	(47,766)	(9.8)
Current net income	349,956	422,512	(72,556)	(17.2)
Net income attributable to owners of the parent	183,338	271,466	(88,128)	(32.5)
Basic EPS (retrospectively adjusted)	NT\$4.20	NT\$6.21	(NT\$2.01)	(32.4)

(II) Budget implementation status: Not applicable, as the Company didn't disclose its financial forecast in 2024.

(III) Analysis on financial revenue & expense and profitability

Item		2024	2023
Financial structure	Liability to asset ratio (%)	43.9	46.4
	Ratio of long-term capital to property, plant and equipment (%)	351.0	280.9
Solvency	Current ratio (%)	138.6	128.8
	Quick ratio (%)	85.8	80.5
	Interest coverage ratio	2,540.4	2,597.3
Profitability	ROA (%)	6.8	8.8
	ROE (%)	11.9	16.3
	Net operating profit to paid-in capital ratio (%)	66.7	58.9
	Net profit before tax to paid-in capital ratio (%)	100.4	116.9
	Net profit margin (%)	7.8	11.4
	Basic EPS (NT\$) (retrospectively adjusted)	4.20	6.21

(IV) R&D results

1. Successfully developed RAINdot (rain recorder).
2. Successfully developed Adot4 (analog recorder).
3. Developed the PCB DAS analysis system for the analysis of the PCBA strain measuring (IPC/Jedec9704 specifications).
4. Developed I Cube (multi-function warning system), adding a new inclination angle display, and the inter-story dislocation angle can be obtained immediately after an earthquake through a post-seismic analysis, which can be applied to the structural safety analysis of old buildings and businesses.

II. Outline of 2025 Business Plan

Automatic Monitoring Core Business:

The Company is committed to becoming a provider of comfort and safety by fulfilling its mission of "helping people to understand the natural and working environment". In addition to continuously investing in environmental monitoring, in recent years, the Company has also actively developed an integrated sensor analysis platform. Internet and smart internet technologies are combined to develop vibration safety detection and smart city disaster prevention monitoring solutions, to help improve the comfortable and safe environmental quality.

The Company will proceed to transform itself based on innovative thoughts and through continuous improvement, and use its best effort to provide the omnibearing environmental monitoring and sensing system integration services by virtue of "safety and comfort", in order to become a practitioner dedicated to constructing smart cities and helping national disaster prevention programs. The following strategies are adopted to achieve the goals:

1. We will continue to internalize the core technology and practice the consolidated effects through the management by department, based on the professional division of labor by "Technology Unit".
2. To continue to improve the core capabilities of the Company, in terms of research and development, the Company will be committed to developing high dynamic data extraction

capability (140 dB). In terms of ground construction, the Company will develop the IoT-based vibration monitoring capability for edge computing. In terms of production, the Company will focus on global deployment in response to the challenges of the big environment changes.

3. The Company established the Switzerland branch in Q4 2024, in which an R&D team has been allocated since 2025. The Company is committed to accelerating the product development schedule, expanding a broader product line, while optimizing and upgrading existing products and developing new products. By doing this, we aim to increase the net operating profit of the Company, and continue to promote the Company's EPS of NT\$1.
4. Through the production of marketing videos, participation in domestic and foreign exhibitions, and the adjustment and optimization of the structure and content of the official website of the Chinese and English versions, the brand visibility is enhanced.
5. Continue to develop the earthquake testing instrument and peripheral application systems, and develop earthquake early warning and disaster prevention and relief markets.
6. The acceptance inspection for the third phase solar equipment of the Kaohsiung Plant was completed. The facility is expected to start power generation in Q2 2025, supplying green energy to the Southern Office.
7. The ESG Committee continues to implement corporate social responsibility, enhance corporate governance systems, and promote environmental sustainability practices. The preparation of the sustainability report is expected to be completed in August 2025.

Electronic materials operations:

In 2024, the semiconductor market shook of the recession of 2023. Memory products became the focus of the first wave of recovery, especially AI, which has driven the rapid growth of the demand for high bandwidth memory (HBM). With the explosive increase in demand for AI and high-performance computing (HPC), along with the recovery in end-user demand from smartphones, personal computers, and automobiles, the global semiconductor sales market is expected to return to a growth trend in 2025, ushering in a new wave of growth.

In recent years, the Company have made active deployment plans. By doing so, not only have we successfully entered into the most advanced process market of semiconductors, but also responding to the continued expansion of production demand from wafer OEM customers, ensuring the stability of existing production capacity, and actively expanding the production lines related to advanced processes. Since 2022, the Company has successively planned to expand the advanced process production line and set up a high-cleanliness clean room to strengthen its product testing capability. The equipment was completed in 2023 with production begun in 2024. A new wave of revenue growth is expected to be driven.

According to the latest research report "Global Semiconductor Supply Chain Tracking Information" by IDC (International Data Corporation), as the application of AI and HPC continues to expand in 2025, the demand for high purity electronic materials in semiconductor processes will increase significantly. In particular in advanced processes such as 3nm and below, and the technology fields such as Chiplet, 2.5D/3D packaging, etc. To strengthen competitiveness in the advanced packaging market, the Company established a dedicated testing laboratory at the end of 2024, and officially put it into operation in 2025. By doing so, we are able to provide customers with localized material R&D and testing services to respond to market demand as quickly as possible.

III. The Company's future development strategy, and the effect of external competition, legal environment, and overall business environment.

(I) Future development strategy

The Company aims to “help the human beings understand the natural and working environment” as its mission and also strives to become the top 1 brand for becoming an expert in automated monitoring services - comfort and safety provider as well as environmental monitoring, micro-vibration sensing technology and system integration services. In the recent years, various disasters have occurred constantly all over the world. Therefore, multiple urban construction projects have included the disaster prevention system with IoT functions and land monitoring system as the major work items. The Company utilizes the informatization technology to establish the IoT comprehensively, optimize the environmental

monitoring system's performance, and combine the earthquake detection, automated monitoring and structural health checkup with the AIoT technology integration system products to develop seismographs and vibration measurement products successfully, in order to provide the global customers with solutions in line with the international vibration standards and norms. In the future, the Company will continue to promote the product carbon footprint verification and reduction management system.

Looking forward to the future, the Company will insist on "focus on its core profession, forward-looking investment, rolling planning-based management and continuous transformation" as its basic policy to accelerate upgrading of R&D, strengthen the production and marketing layout, develop its business domain and pursue stable growth.

(II) The effect of external competition, legal environment, and overall business environment

In recent years, the global protectionism has risen, trade fragmentation has intensified, foreign direct investment (FDI) and industry supply chain restructuring have continued, inflation and interest rate fluctuations have increased, and geopolitical tensions have intensified.

In response to these challenges, the management team of the Company has actively strengthened the resilience of the supply chain, promoted digital transformation and AI applications, ensured compliance with regulations and implemented sustainable development. At the same time, the information security and data security measures have also been improved, while keeping a close eye on global economic dynamics to ensure the steady growth of the Company.

All of the Company's operations strictly comply with the existing laws and regulations applicable domestically and in foreign countries where the Company makes investments. The management team will keep observing any changes in policies and laws that might affect the Company's business and finance. All of these practices pose positive effects to the Company's business. The Company will keep upholding its management philosophy, "Witness Technology and Write History for Industry." The Company has involved in multiple monitoring engineering projects about infrastructure domestically (e.g. high-speed rail, MRT, reservoir and bridge, et al.). Meanwhile, the Company will use the best to lay more solid foundation for automation in the railcar testing industry. Automation Business Dept. will develop new technologies and apply them to develop its business domain (e.g. earthquake early warning device and structural health diagnosis system, etc.), in order to generate stable profit.

Finally, I would like to extend my sincere appreciation to all shareholders, investors and employees for their supports, and also hope that all of you may continue to give encouragement and advice. We will keep growing stably and successfully and share with you our business achievements. Wish all of you

health and success!

Chairman Lin Ta-Chun

General Manager Lin Chia-Ching

Accounting Manager Huang Yi-Chen

Two. Corporate Governance Report

I. Information on Directors, Supervisors, Presidents, Vice Presidents, Assistant Vice Presidents, Supervisors of All the Company's Divisions and Branch Units

(I) Directors (including independent directors)

Information on directors (including independent directors) (I)

Job Title	Nationality or place of domicile	Name	Gender/age	Date elected (appointed)	Term of office	Date of first elected	Shares held at the time of appointment (Note 1)		Number of shares currently held (Note 1)		Shares held by representative, spouse and underage children		Shares held in the names of others		Major experience (academic degree)	Concurrent positions in the Company and other companies	Spouse or relatives within the second degree of kinship acting as other managers, directors or supervisors		
							Quantity of shares	Shareholding	Quantity of shares	Shareholding	Quantity of shares	Shareholding	Quantity of shares	Shareholding			Job Title	Name	Relationship
Chairman	the ROC	Rui Hua Investment Co., Ltd. Representative: Lin Ta-Chun	34 years	May 24, 2023	3 years	June 9, 2011	2,690,264	6.47%	2,876,977	6.59%	845,000	1.93%	0	0%	(Note 4)	(Note 5)	None	None	None
Director	the ROC	Sanlien Educational Foundation Representative: Chen, Chin-Ying	23 years	May 24, 2023	3 years	June 9, 2011	293,366	0.71%	347,934	0.80%	0	0.00%	0	0%	(Note 6)	(Note 7)	None	None	None
Director	the ROC	Multiple Investment Corp. Representative: Chen Shu-Hua (Note 2)	34 years	May 24, 2023	3 years	June 20, 1992	3,230,779	7.76%	3,392,317	7.76%	735,518	1.68%	0	0%	(Note 8)	(Note 9)	None	None	None
Director	the ROC	Chuang Chu-Wei	Female, 63 years old	May 24, 2023	3 years	May 24, 2023	817,000	1.96%	857,850	1.96%	0	0.0%	0	0%	(Note 10)	(Note 11)	None	None	None
Independent Director	the ROC	Ke Yen-Huei	Male, 65 years old	May 24, 2023	3 years	June 15, 2017	0	0%	0	0%	0	0.0%	0	0%	(Note 12)	(Note 13)	None	None	None
Independent Director	the ROC	Lin Ching-Rong (Note 3)	Female, 60 years old	May 24, 2023	3 years	June 1, 2001	57,484	0.14%	60,358	0.14%	0	0.0%	0	0%	(Note 14)	(Note 15)	None	None	None
Independent Director	the ROC	Liao Shian-Yao	Male, 36 years old	May 24, 2023	3 years	May 24, 2023	0	0%	0	0%	0	0.0%	0	0%	(Note 16)	(Note 17)	None	None	None

Note 1: The total number of shares issued on May 24, 2023: 41,608,815 shares.

Total shares issued on March 28, 2025: 43,689,255 shares.

Note 2: Multiple Investment Corp., one of the Company's directors, ceased to act as the Company's director from June 14, 2001 to June 28, 2002.

Note 3: Lin Ching-Rong, one of the Company's independent directors, ceased to act as the Company's director from June 15, 2017 to May 23, 2023.

Note 4: University of California (Davis); Project Manager of Sanlien Technology Corp.

Note 5: Chairman of Rui Hua Investment Co., Ltd.; Chairman of Gee Lien Resource Development Corp.; Juristic-Person Representative Director of Pacific Cycles Inc.; Chairman of Rift Holdings Inc.; Independent Director of Beast Kingdom Co., Ltd.

Note 6: Ph.D., Institute of Physical Education, National Sport University, Professor and Dean of Academic Affairs, Asia Eastern University of Science and Technology.

Note 7: Professor of Academic Affairs, Asia Eastern University of Science and Technology; Director, Sanlien Educational Foundation; Secretary General, Chinese Taipei Ski Association.

Note 8: Master of Business Administration, University of Texas at Arlington, USA; sales manager, Trisco Technology Corporation.

Note 9: Supervisor, Multiple Investment Corp.; Supervisor, Jie Shi Lin Investment Co., Ltd.; Assistant Vice President, Trisco Technology Corp.

Note 10: The 34th EMBA, National Chengchi University; General Manager, Chaxitex Co., Ltd.

- Note 11: Chariman of CHANITEX Foundation; Independent Director, Litemax Electronics Inc.; Director, Dyaco International Inc.; Director, Eiso Enterprise Co., Ltd.; Director, ASIA NEO Tech Industrial Co., Ltd.
- Note 12: Master of Accounting, Soochow University; EMBA, National Chengchi University; Vice General Manager, TEKOM Technology Co., LTD.; Managing Director, Jifu Investment Development Co., Ltd.; Senior Special Assistant of Chairman, Radiant Opto-Electronics Corporation; Audit Assistant Manager, Klynveld Peat Marwick Goerdeler CPA Firm; Assistant Professor, Institute of Finance, NYCU; Adjunct Lecturer, Department of Accounting, Soochow University; NTU EMBA for Executive, Forces and Trends; International Business Administration Program, Taiwan External Trade Development Council.
- Note 13: Remuneration Committee Member and Audit Committee Member, Sanlien Technology Corp.; Special Assistant of Chairman, CLINICO INC.; Director, CC&C TECHNOLOGIES, INC.; Independent Director, Level Biotechnology Inc.; Independent Director, G.M.I. Technology Inc.
- Note 14: Ph.D. of natural resource-forestry, UW-Madison; Mistress of the Department of Tourism and Director of the School of Tourism at Mingchuan University.
- Note 15: Remuneration Committee Member and Audit Committee Member, Sanlien Technology Corp.; Professor of Department of Business Administration, School of Management, Mingchuan University.
- Note 16: Master of Construction Engineering and Management Group, Department of Civil Engineering, National Taiwan University; Senior Special Assistant of Chairman, Futsu Construction Co., Ltd.
- Note 17: Remuneration Committee Member and Audit Committee Member, Sanlien Technology Corp.; Director, Futsu Construction Co., Ltd.; Director, AN DA Construction Co., Ltd.; Director, Hotel Royal-Nikko Taipei Co., Ltd.

Table 1: Major Shareholders of Juristic Person Shareholders

March 28, 2025

Name of Juristic-Person Shareholder	Major Shareholder of Juristic-Person Shareholder
Multiple Investment Corp.	Jie Shi Lin Investment Co. Ltd. (22.0%), Trisco Technology Corporation (18.0%), Lin Ting-Hsiang (11.5%), Lin Ting-Fung (9.5%), Rui Hua Investment Co., Ltd. (5.0%), Lin Ta-Wei (4.6%), Lin Ta-Cheng (4.6%), Lin Ta-Chun (4.5%), Lin Ta-Hsun (4.5%), Lin Huan-Ju (4.2%)
Sanlien Educational Foundation	Multiple Investment Corp. (40.0%), Trisco Technology Corporation (20.0%), Sanlien Technology Corp. (20.0%), Lin Jung-Chu (Deceased) (10.0%), Lin Ting-Fung (10.0%)
Rui Hua Investment Co., Ltd.	Lin Ta-Chun (38.7%), Huang Yi-Chun (35.9%), Lin Ta-Hsun (12.6%), Lucent Source., Ltd. (9.9%), Lin Ting-Fung (2.9%)

Table 2: Major Shareholders of Major Shareholders in Table 1 Who are Juristic Persons

March 28, 2025

Name of Major Shareholder	Major Shareholder of Juristic Person
Jie Shi Lin Investment Co., Ltd.	Lin Ta-Cheng (25.0%), Lin Ta-Wei (22.92%), Lin Ting-Hsiang (18.75%), Lin Huan-Ju (18.75%), Chen Shu-Hua (14.58%)
Trisco Technology Corporation	Sanlien Technology Corp. (26.2%), Multiple Investment Corp. (13.7%), Mega Bank (9.2%), Lin Ting-Hsiang (5.6%), Jie Shi Lin Investment Co., Ltd. (5.3%), San Long Assets Management Co., Ltd. (4.1%), Cheng Li-Hsiung (3.9%), Lin Pi-Yung (2.7%), Lin Li-Hsueh (2.7%), Taiwan Merchandise Corp. (2.4%)
Rui Hua Investment Co., Ltd.	Lin Ta-Chun (38.7%), Huang Yi-Chun (35.9%), Lin Ta-Hsun (12.6%), Lucent Source., Ltd. (9.9%), Lin Ting-Fung (2.9%)
Multiple Investment Corp.	Jie Shi Lin Investment Co. Ltd. (22.0%), Trisco Technology Corporation (18.0%), Lin Ting-Hsiang (11.5%), Lin Ting-Fung (9.5%), Rui Hua Investment Co., Ltd. (5.0%), Lin Ta-Wei (4.6%), Lin Ta-Cheng (4.6%), Lin Ta-Chun (4.5%), Lin Ta-Hsun (4.5%), Lin Huan-Ju (4.2%)
Lucent Source., Ltd.	Huang Yi-Chun (54.2%), Lin Ta-Hsun (26.4%), Lin Ta-Chun (9.2%), Lin Ting-Fung (5.7%), Huang Wen-zi(3.2%), Huang Ju-xiu(1.3%)

Information on directors (including independent directors) (II)

I. Information on directors and independence of independent directors:

March 28, 2025

Qualifications Name	Professional qualification and experience (Note 1)	Independence (Note 2)	Number of other public companies in which the independent director concurrently serves as an independent director
Chairman: Lin Ta-Chun	Knowledge of the industry and international market perspective; No the circumstances referred to in Article 30 of the Company Act are met.	N/A	1
Director: Chen Chin-Ying	Ability to conduct management administration and crisis management.; No the circumstances referred to in Article 30 of the Company Act are met.	N/A	None
Director: Chuang Chu-Wei	Knowledge of the industry and international market perspective; No the circumstances referred to in Article 30 of the Company Act are met.	N/A	None
Director: Chen Shu-Hua	Ability to make operational judgments and conduct management administration; No the circumstances referred to in Article 30 of the Company Act are met.	N/A	None

Qualifications Name	Professional qualification and experience (Note 1)	Independence (Note 2)	Number of other public companies in which the independent director concurrently serves as an independent director
Independent Director: Ke Yen-Huei	Master of Accounting, Soochow University. Used to be Assistant Professor-level Technical Expert, Adjunct Lecturer, Department of Accounting, Soochow University. Specializing in financial accounting and corporate sustainability. No the circumstances referred to in Article 30 of the Company Act are met.	Including but not limited to, they or their spouses or relatives within a 2nd degree of kinship do not serve as directors, supervisors or employees in the Company or any of its affiliates; they do not hold the Company's shares, but 70,077 shares (0.16%) are held in the name of their spouses or relatives within a 2nd degree of kinship (or proxy shareholder); they do not serve as directors, supervisors, or employees in any entity that has certain relationship with the Company; they have not provided commercial, legal, financial, accounting or other professional services to the Company and its affiliates in the most recent two years.	2
Independent Director: Lin Ching-Rong	Academic expertise related to the environment areas of company's business, and management experience in university colleges; No the circumstances referred to in Article 30 of the Company Act are met.	Including but not limited to, they or their spouses or relatives within a 2nd degree of kinship do not serve as directors, supervisors or employees in the Company or any of its affiliates; they do not hold the Company's shares, but 60,358 shares (0.14%) are held in the name of their spouses or relatives within a 2nd degree of kinship (or proxy shareholder); they do not serve as directors, supervisors, or employees in any entity that has certain relationship with the Company; they have not provided commercial, legal, financial, accounting or other professional services to the Company and its affiliates in the most recent two years.	None
Independent Director: Liao Shian-Yao	Organization leadership, strategic management and Industry relevant experience; No the circumstances referred to in Article 30 of the Company Act are met.	Including but not limited to, they or their spouses or relatives within a 2nd degree of kinship do not serve as directors, supervisors or employees in the Company or any of its affiliates; none of the Company's shares is held in the name of them or their spouses or relatives within a 2nd degree of kinship; they do not serve as directors, supervisors, or employees in any entity that has certain relationship with the Company; they have not provided commercial, legal, financial, accounting or other professional services to the Company and its affiliates in the most recent two years.	None

Note 1: Professional qualification and experience: Please specify the individual directors'/supervisor's professional qualification and experience. In the case of an Audit Committee member specialized in accounting or finance, please specify his/her educational background and work experience in accounting or finance, and whether he/she meets the circumstances referred to in Article 30 of the Company Act.

Note 2: Compliance of independence: Please specify the independent directors' compliance of independence, including but not limited to, whether they or their spouses or relatives within a 2nd degree of kinship serve as directors, supervisors or employees in the Company or any of its affiliates; the number and percentage of the Company's shares held in their own names or names of the spouses or relatives within a 2nd degree of kinship (or proxy shareholder); whether they serve as directors, supervisors, or employees in any entity that has certain relationship with the Company (please refer to the subparagraphs 5~8, Paragraph 1, Article 3 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); and the amount of remuneration received in the last two years for providing commercial, legal, financial, accounting or other professional services to the Company and its affiliates.

II. Diversity and Independence of Board of Directors:

(I) Diversity of the Board of Directors:

The Company has adopted the "Corporate Governance Best Practice Principles." Article 20 thereof expressly states the Board members' diversity policy. The existing Board members have different professional backgrounds, skills and experience covering sales, computer, electronic engineering, electrical engineering, civil engineering, finance & accounting and management that satisfy the Company's Board member diversity policy with respect to gender, age, professionalism, knowledge, skills and experience. Among the Company's 7 Board members, consisting of 3 independent directors and 4 directors, Chen Chin-Ying and Chen Shu-Hua are specialized in leadership, business judgment, business administration and crisis management, Lin Ta-Chun and Chuang Chu-Wei possess the industrial knowledge and international market prospective, Independent Director Ke Yen-Hui is specialized in finance and accounting, and Lin Ching-Rong and Liao Shian-Yao are specialized in environmental sustainability and business administration. No directors are also employees of the Company, independent directors account for 43%, and more than half of independent directors hold the term of office less than 3 years. 2 directors at the age less than 40 years old, 1 director at the age of 51~60 years old, and 4 directors at the age more than 60 years old. The Company values the gender equality in the composition of the Board members, the goal is to have at least 2 female directors, 3 more female directors were Eed in the 2023 re-election and Female directors account for 43%.

(II) Independence of the Board of Directors:

The Company's Board of Directors consists of 7 directors, including 3 independent directors, accounting for more than one-thirds of the whole directors. None of the directors (including independent directors) meets the circumstances referred to in Paragraph 3 and Paragraph 4, Article 26-3 of the Securities and Exchange Act.

(II) Information On General Manager, Vice General Manager, Assistant Vice Presidents, and Supervisors of All the Company's Divisions and Branch Units

March 28, 2025; Unit: Shares

Job Title	Nationality	Name	Gender	Date elected (appointed)	Shares held		Shares held by spouse and underage children		Shares held in the names of others		Major experience (academic degree)	Concurrent positions in other companies	Spouse or relatives within the second degree of kinship acting as managers			Remark
					Quantity of shares	%	Quantity of shares	%	Quantity of shares	%			Job Title	Name	Relationship	
General manager, Information Security officer	the ROC	Lin Chia-Ching	Male	January 17, 2023	100,552	0.23%	0	0.00%	0	0.00%	(Note 1)	(Note 2)	None	None	None	
				November 13, 2023												
Vice President, Chief Corporate Governance Office, Financial Manager	the ROC	Chen Hsiu-Hui	Female	March 1, 2024	37,098	0.08%	0	0.00%	0	0.00%	(Note 3)	None	None	None	None	
				August 12, 2022												
Assistant Vice President, 3rd Business Dept.	the ROC	Peng Chih-Hui	Male	September 1, 2022	34,961	0.08%	0	0.00%	0	0.00%	(Note 4)	None	None	None	None	
2nd Business Dept., Assistant Vice President	the ROC	Chen Huang-Chi	Male	January 1, 2014	28,841	0.07%	0	0.00%	0	0.00%	(Note 5)	None	None	None	None	
Accounting Manager	the ROC	Huang Yi-Chen	Female	July 1, 2011	25,946	0.06%	0	0.00%	0	0.00%	(Note 6)	None	None	None	None	
Chief Internal Auditor	the ROC	Shih Wen-Ling	Female	October 1, 2017	66,456	0.15%	0	0.00%	0	0.00%	(Note 7)	None	None	None	None	

Note 1: Department of Electrical Engineering, Loughwa University of Science and Technology; R&D Engineer, Director of Information Management Office and R&D Section Director, Trisco Technology Corporation; Assistant Manager, Management Dept. Manager, Administrative Service Division Director, CIO of General Manager Office, Director of Industrial Machinery and Equipment Division and Vice President, Sanlien Technology Corp.

- Note 2: Representative of Juristic-Person of SANTEK Technology, Inc.; Legal Representative of Timlien Trading (Shanghai) Co., Ltd.; Vice CEO of Sanlien Educational Foundation; Representative of Juristic-Person Director of Kemitek Industrial Corp.; Representative of Juristic-Person Director of Zhinan Star Venture Capital Investment Co., Ltd.
- Note 3: Master of Business Administration, NTUST; Special Assistant of General Manager Office, Spokesman, Resource Logistics Dept., Assistant Vice President, CFO and Vice President, Sanlien Technology Corp.
- Note 4: Department of Computer Science, NYCU; Project Manager, WiMart; Chief Engineer, Industrial Machinery and Equipment Division & Director, Automated Business Division, Sanlien Technology Corp.
- Note 5: Department of Electronic Engineering, Hwa Hsia University of Technology; Manager and Assistant Vice President, BI Business Unit, Sanlien Technology Corp.
- Note 6: Department of Accounting, Soochow University; Section Chief of Financial Office, Assistant Manager of Financial Accounting Office, and Manager of Financial Accounting Office, Sanlien Technology Corp.
- Note 7: Department of International Business Administration, Chinese Culture University; Section Chief of Procurement Office and Manager of Audit Office, Sanlien Technology Corp.; International Certified Internal Auditor License No. 105994.

II. Compensation paid to Directors, Supervisors, General Manager and Vice General Manager in the most recent year
(I) Compensation paid to directors (including independent directors)

Unit: NT\$ thousand																
Job Title	Name	Compensation to Directors				Total amount of A, B, C, D, and as a percentage of net profit after tax (Note 8)	Remuneration for concurrently serving as employee				Summation of A, B, C, D, E, F, and G, and as a % of net profit after tax (Note 8)		Remuneration from investees other than subsidiaries or parent company (Note 11)			
		Return (A) (Note 2)		Retirement Pension (B)			Remuneration to director (C) (Note 3)		Professional practice fees (D) (Note 4)		Salaries, bonuses, special allowances, etc. (E) (Note 5)			Employee remuneration (G) (Note 6)		
		All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company		All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company		All companies in the financial statements (Note 7)	The Company	
Chairman	Lin Ta-Chun	1,676	1,676	466	466	0	0	3,464	3,464	5,606 3.06%	0	0	0	0	5,606 3.06%	153
Director	Rui Hua Investment Co., Ltd.	276	276	0	0	1,919	1,919	0	0	2,195 1.20%	0	0	0	0	2,195 1.20%	126
Director Representative	Chen Shu-Hua Multiple Investment Corp.	0	0	0	0	0	0	25	25	25 0.01%	0	0	0	0	25 0.01%	445
Director		276	276	0	0	639	639	0	0	915 0.50%	0	0	0	0	915 0.50%	0
Director Representative	Chen Chin-Ying Sanlien Educational Foundation	0	0	0	0	0	0	25	25	25 0.01%	0	0	0	0	25 0.01%	0
Director		276	276	0	0	1,280	1,280	0	0	1,556 0.85%	0	0	0	0	1,556 0.85%	899
Director	Chuang Chu-Wei	276	276	0	0	639	639	25	25	940 0.51%	0	0	0	0	940 0.51%	0
Independent Director	Ke Yen-Huei	600	600	0	0	639	639	25	25	1,264 0.69%	0	0	0	0	1,264 0.69%	0
Independent Director	Lin Ching-Rong	600	600	0	0	639	639	20	20	1,259 0.69%	0	0	0	0	1,259 0.69%	0
Independent Director	Liao Shian-Yao	600	600	0	0	639	639	25	25	1,264 0.69%	0	0	0	0	1,264 0.69%	0
1. Please state the policies, systems, standards and structure of compensation to independent directors, and the relations between the compensation and the job responsibility, risk and engagement hours borne by the independent directors: The compensation paid to independent directors consists of monthly salary at fixed amount, remuneration to directors, and transportation allowance. According to the Articles of Incorporation, The Company shall set aside no more than 5% of the annual earnings as the remuneration to directors and independent directors, and decide the points or amount deserved by each director subject to his/her engagement in the Company's operations and contribution value. The distribution criteria shall be adopted by the Remuneration Committee separately.																
2. Compensation received by directors for providing service to any company included in the Financial Statements (e.g. consultancy service without the title of an employee in the parent company/all companies included in the financial statements/investees) in the most recent year except those disclosed in the above table: None.																

Note 1: Directors' names shall be identified one by one (juristic-person shareholders shall be identified by the name and representative individually). The general directors and independent directors shall be identified one by one. Any director who serves as the General Manager or Vice General Manager concurrently shall be disclosed in this table and the following Table (III).

Note 2: The remuneration to directors in the most recent year (including director's salary, duty allowance, pension, severance pay, bonus and reward, et al.).

Note 3: The amount of directors' remuneration that the Board of Directors has approved as part of the latest earnings appropriation.

Note 4: The professional practice fees for services rendered in the most recent year (including transportation allowances, special allowances, various subsidies, accommodation, corporate vehicle and other in-kind benefits). Where housing, cars, vehicles, or personal allowances were granted, please also disclose the nature and cost of assets, the rental rates calculated based on actual or fair value, costs of petrol and other subsidies. Where personal drivers were assigned, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the compensation paid to the above beneficiaries.

Unit: NT\$ thousand

Job Title	Name	Nature	Rental (cost)	Costs of petrol
Chairman	Lin Ta-Chun	Car - cost	953	28

Note 5: Any salaries, duty allowances, pension, severance pay, bonuses, rewards, transportation allowances, special allowances, various subsidies, accommodation, corporate vehicles and other in-kind benefits that the director received in the most recent year for assuming the role of the Company's employee concurrently (including General Manager, Vice General Manager, manager or other employee). Where housing, cars, vehicles, or personal allowances were granted, please also disclose the nature and cost of assets, the rental rates calculated based on actual or fair value, costs of petrol and other subsidies. Where personal drivers were assigned, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the compensation paid to the above beneficiaries. Part of the salary expense was recognized according to IFRS 2 - "Share-based Payment," including employee stock options, RSAs and subscription for new shares upon cash capital increase are treated as compensation.

Note 6: If the directors who acted as employees concurrently (including General Manager, Vice General Manager, other managers, and employees) received employee remuneration (including stocks and cash) in the most recent year, please disclose the employee remuneration approved by the Board of Directors prior to the motion for earnings distribution submitted to the shareholders' meeting in the most recent year. If it is impossible to impute the same, the amount to be distributed this year shall be based on that distributed actually last year, and please also complete Table 1-3.

Note 7: Please disclose the total compensation paid by all companies included in the consolidated financial statements (including the Company) to the Company's directors.

Note 8: The aggregate of the compensation to directors by the Company, and the names of such directors, should be disclosed in the relevant space of the table.

Note 9: Please disclose the aggregate of the compensation paid by all companies included in the consolidated financial statements (including the Company) to each director, which shall include the director's name disclosed in the relevant space of the table.

Note 10: The net profit after tax refers to that shown in the most recent parent company only or separate report.

Note 11: a. This field represents all forms of compensation the Company's directors have received from the Company's invested businesses other than subsidiaries, or from the parent company. (If none, please specify "None").
b. For directors who receive compensation from invested businesses other than subsidiaries, or from the parent company, amounts received from these invested businesses shall be added to column J of the Compensation Scale Table, in which case, column I will be renamed "the parent company and all invested businesses."
c. The compensation refers to any remuneration or return (including compensations received as an employee, director and supervisor) and professional practice fees which the Company's directors received for serving as directors, supervisors or managers in invested businesses other than subsidiaries or in the parent company.

*The basis of compensation disclosed above is different according to the basis of the Income Tax Act; hence, the above table has been prepared solely for information disclosure and not for tax purposes.

(II) Compensation to supervisors: N/A.

(III) Compensation to General Manager and Vice General Manager

Unit: NT\$ Thousand

Job Title	Name	Salaries (A) (Note 2)		Retirement Pension (B)		Bonuses and special allowances, etc. (C) (Note 3)		Employee remuneration (D) (Note 4)				Total amount of A, B, C and D as a percentage of net profit after tax (%) (Note 8)		Remuneration from investees other than subsidiaries (Note 9)
		The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company		All companies in the financial statements (Note 5)				
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
General Manager	Lin Chia-Ching	2,743	2,743	162	162	2,378	3,068	246	0	246	0	5,529 3.02%	6,219 3.39%	0
Vice General Manager	Chen Hsiu-Hui													

* Disclosure is mandatory for persons who hold positions equivalent to a General Manager or Vice General Manager (e.g. group president, CEO, general manager etc.).

Compensation Scale Table

Breakdown of compensation to General Manager and Vice General Manager	Name of General Manager and Vice General Manager	
	The Company (Note 6)	Parent company and all investees in the financial statements (Note 7)
Less than NT\$1,000,000		
NT\$1,000,000 (inclusive)~NT\$2,000,000 (exclusive)		
NT\$2,000,000 (inclusive)~NT\$3,500,000 (exclusive)		
NT\$3,500,000 (inclusive)~NT\$5,000,000 (exclusive)	Lin Chia-Ching, Chen Hsiu-Hui	Chen Hsiu-Hui
NT\$5,000,000 (inclusive)~NT\$10,000,000 (exclusive)		Lin Chia-Ching
NT\$10,000,000 (inclusive)~NT\$15,000,000 (exclusive)		
NT\$15,000,000 (inclusive)~NT\$30,000,000 (exclusive)		
NT\$30,000,000 (inclusive)~NT\$50,000,000 (exclusive)		
NT\$50,000,000 (inclusive)~NT\$100,000,000 (exclusive)		
More than NT\$100,000,000		
Total		

Note 1: The names of General Manager and Vice General Manager are presented separately, whereas the amount of benefits and allowances is presented in aggregate sums. Any director who serves as the General Manager or Vice General Manager concurrently shall be disclosed in this table and said Table (I).

Note 2: The salary, duty allowance and pension to General Manager and Vice General Manager in the most recent year.

Note 3: Any bonuses, rewards, transportation allowance, special allowances, various subsidies, accommodation, corporate vehicle, other in-kind benefits, and other remuneration. Where housing, cars, vehicles, or personal allowances were granted, please also disclose the nature and cost of assets, the rental rates calculated based on actual or fair value, costs of petrol and other subsidies. Where personal drivers were assigned, please make a footnote disclosure explaining the amount of salaries made to drivers, but do not count them as part of the compensation paid to the above beneficiaries. Part of the salary expense was recognized according to IFRS 2 - "Share-based Payment," including employee stock options, RSAs and subscription for new shares upon cash capital increase are treated as compensation.

Unit: NT\$ thousand

Job Title	Name	Nature	Rental (cost)	Costs of petrol
General Manager	Lin Chia-Ching	Rented or allocated car	474	19

Note 4: Please disclose the employee remuneration paid to General Manager and Vice General Manager approved by the Board of Directors in the most recent year (including stocks and cash). If it is impossible to impute the same, the amount to be distributed this year shall be based on that distributed actually last year, and please also complete Table 1-3.

Note 5: Please disclose the total compensation paid by all companies included in the consolidated financial statements (including the Company) to the Company's general manager and vice general manager.

Note 6: The aggregate of the compensation to General Manager and Vice General Manager by the Company, and the names of such General Manager and Vice General Manager, should be disclosed in the relevant space of the table.

Note 7: Please disclose the aggregate of the compensation paid by all companies included in the consolidated financial statements (including the Company) to each general manager and vice general manager of the Company, which shall include the general manager's and vice general manager's names disclosed in the relevant space of the table.

Note 8: The net profit after tax refers to that shown in the most recent parent company only or separate report.

Note 9: a. This field represents all forms of compensation the Company's general manager and vice general manager have received from the Company's invested businesses other than subsidiaries, or from the parent company. (If none, please specify "None").

b. For the Company's general manager and vice general manager who receive compensation from invested businesses other than subsidiaries, or from the parent company, amounts received from these invested businesses shall be added to column E of the Compensation Scale Table, in which case, column E will be renamed "the parent company and all invested businesses."

c. The compensation refers to any remuneration or return (including compensations received as an employee, director and supervisor) and professional practice fees which the Company's General Manager and Vice General Manager received for serving as directors, supervisors or managers in invested businesses other than subsidiaries or in parent company.

* The basis of compensation disclosed above is different according to the basis of the Income Tax Act; hence, the above table has been prepared solely for information disclosure and not for tax purposes.

(IV) Names of managers entitled to employee remuneration and amount entitled:

December 31, 2024; Unit: NT\$

	Job Title (Note 1)	Name (Note 1)	Amount in stock	Amount in cash	Total	As percentage of net profit after tax (%)
Manager	General Manager	Lin Chia-Ching	0	521,970 (Note)	521,970	0.28%
	Assistant Vice President/CFO	Chen Hsiu-Hui				
	Assistant Vice President	Peng Chi-Hui				
	Assistant Vice President	Chen Huang-Chi				
	Accounting Manager	Huang Yi-Chen				
	Chief Internal Auditor	Shih Wen-Ling				

(Note) The distributed amount in 2024 is simply an estimated figure (estimated based on the ratio in 2023).

Note 1: The Company shall disclose individual names and job titles, but may opt to disclose the allocation of earnings under aggregate disclosure method.

Note 2: Please disclose the employee remuneration paid to managers approved by the Board of Directors in the most recent year (including stocks and cash). If it is impossible to impute the same, the amount to be distributed this year shall be based on that distributed actually last year. The net profit after tax refers to that for the most recent year. Where the Company has adopted IFRs, it shall refer to that shown in the most recent parent company only or separate report.

Note 3: The applicable definition of managers refers to the following, per the letter of Securities and Futures Bureau under Tai-Cai-Zheng-3-Zi No. 0920001301 dated March 27, 2003:

(1) General manager and equivalents; (2) Vice general manager and equivalents; (3) Assistant vice president and equivalents; (4) Financial managers; (5) Accounting managers; (6) Any other persons empowered to manage affairs and enter signature on behalf of the company.

Note 4: If any director, general manager or vice general manager receives the employee remuneration (including stock and cash), please also complete this table, in addition to Table 1-2.

(V) The compensation paid by the Company and all companies included in the consolidated financial statements to the directors, supervisors, general manager and vice general manager in the most recent two years, the analysis of the percentage of total compensation to net profit after tax in the parent company only financial reports or separate financial reports, the policy, standard and package of compensation payment, the procedure for determination of compensation and the connection with the operating performance and future risk.

1. The policy, standard and package of compensation payment, the procedure for determination of compensation and the connection with the operating performance and future risk.

(1) Directors and supervisors: The compensation package paid by the Company to directors in 2024 consists of the return, remuneration and transportation allowance to the directors. No supervisors have been appointed since the independent directors were elected at the shareholders' meeting on June 15, 2017. For the ratio of remuneration distributed to directors and independent directors, according to Article 18 of the Articles of Incorporation, no more than 5% of the earnings gained in the current year shall be distributed as the remuneration to directors. Meanwhile, the Company's Remuneration Committee will consider the directors' contribution to the Company's performance, assess and propose the salary and remuneration periodically, and submit the proposal to the Board of Directors for approval.

(2) General Manager and Vice General Manager: The compensation package paid to General Manager and Vice General Manager consists of the salary, bonus and employee remuneration. The Company's Remuneration Committee is responsible for determining the compensation to the Company's General Manager and Vice General Manager, in consideration of the level of their engagement in the Company's operations and contribution value, job rank, personal seniority, academic background & experience, potential contribution to the Company, and also the pay level among the peers. Relevant performance evaluation and reasonableness of remuneration have been reviewed and approved by Remuneration Committee and Board of Directors. Meanwhile, the compensation system will be reviewed in a timely manner subject to the overview of business and related laws and regulations, in order to help the Company seek the balance between ESG and risk control.

(3) The variable remuneration to directors (including independent directors) and managers is subject to financial indicators (earnings before tax and EPS before tax) and non-financial indicators (engagement in the Company's operation and contribution value), and the payment of salary and remuneration also takes in account the special contribution from other projects.

2. Analysis of the compensation paid to the directors, general manager and vice general manager in the most recent two years

Unit: NT\$ thousand

	Total Compensation				As percentage of net profit after tax		
	2024		2023		2024		2023
	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	All companies in the financial statements
Compensation to Directors	15,049	15,049	18,041	18,041	8.21%	8.21%	6.66%
Compensation to General Manager and Vice General Manager	5,529	6,219	5,020	5,360	3.02%	3.40%	1.98%

III. Corporate Governance Status

(I) Operations of Board of Directors

(1) Information about operations of Board of Directors

The Board held 5 (A) meetings in 2024. The attendance of directors is summarized as follows:

Job Title	Name (Note 1)	Count of actual presence (in attendance) B	Count of presence by proxy	Actual presence (in attendance) rate (%) 【B/A】(Note 2)	Remark Elected on May 24, 2023
Chairman	Rui Hua Investment Co., Ltd. Representative: Lin Ta-Chun	5	0	100.0%	Re-elected
Director	Multiple Investment Corp. Representative: Chen Shu-Hua	5	0	100.0%	Newly elected
Director	Sanlien Educational Foundation Representative: Chen Chin-Ying	5	0	100.0%	Newly elected
Director	Chuang Chu-Wei	5	0	100.0%	Newly elected
Independent Director	Ke Yen-Huei	5	0	100.0%	Re-elected
Independent Director	Lin Chin-Rong	4	0	80.0%	Newly elected
Independent Director	Liao Shian-Yao	5	0	100.0%	Newly elected

Other disclosures to be noted:

- I. For Board of Directors meetings that meet any of the following descriptions, state the date, session, contents of the motions, independent directors' opinions and how the Company has responded to such opinions:
 - (I) Any conditions referred to in Article 14-3 of the Securities and Exchange Act met by the Company were passed per resolution by the Board of Directors, and independent directors have no opinion.
 - (II) Any other resolution(s) by the Board of Directors meetings passed but with independent directors voicing opposing or qualified opinions on the record or in writing: None.
- II. For directors' avoidance of motions which involves conflict of interest, the names of directors, contents of the motions, reasons of the recusal for conflict of interest, and participation in voting must be disclosed:
 1. Name of the director: Chairman, Lin Ta-Chun (Rui Hua Investment Co., Ltd.)
 Motion: 1st meeting of the Board of Directors in 2024 (January 30)- Proposal for payment of bonus to the Chairman and managers in 2023.
 Reasons of the recusal for conflict of interest, and participation in voting: Chairman, Lin Ta-Chun recused himself from discussion and voting as the stakeholders to the proposal.
 2. Name of the director: Director Chen Chin-Ying (Sanlien Educational Foundation)
 Motion: 1st meeting of the Board of Directors in 2024 (January 30)- Proposal for Companys donation to Sanlien Educational Fundation in 2024.
 Reasons of the recusal for conflict of interest, and participation in voting: Director Chen Chin-Ying recused himself from discussion and voting as the stakeholders to the proposal.
 3. Name of the director: Chairman, Lin Ta-Chun (Rui Hua Investment Co., Ltd.)
 Motion: 4th meeting of the Board of Directors in 2024 (August 13)- Proposal for amendments to the endorsement guarantee limit of Associated company Gee

Lien Resource Development Corp.

Reasons of the recusal for conflict of interest, and participation in voting: Chairman, Lin Ta-Chun recused himself from discussion and voting as the stakeholders to the proposal.

III. The evaluation cycle and period, scope of evaluation, method and contents of evaluation about the Board of Directors' self (or peer) performance evaluation shall be disclosed in the status of evaluation conducted by the Board of Directors in Table (2).

IV. Enhancement of the functionality of the Board of Directors in the current and the most recent year (e.g. the establishment of an Audit Committee, the improvement of information transparency, etc.) and the respective progress reports:

Enhancement of the functionality of the Board of Directors:

1. In order to practice the corporate governance and improve the information transparency effectively, the Company discloses the full information about its operation and finance in the annual report and on the Company's website and MOPS, and also disclose the individual director's name and remuneration in the annual report and the complete Board meeting minute on the Company's website voluntarily.
2. In 2022, the Board of Directors approved the amendments to "Corporate Governance Best Practice Principles," "Sustainable Development Best Practice Principles," and "Rules of Procedure for Shareholders Meetings."
3. The directors attend various corporate governance courses to enhance the functionality of the Board of Directors.

Respective progress reports:

1. Participated in 10th Corporate Governance Evaluation 2023 and honored one of Top 6~20% TPEX-listed companies in 2024.
2. The appraisal on performance of the Board of Directors was completed in 2024, and the appraisal result was reported to the Board of Directors and also disclosed on the Company's website. Meanwhile, the ethical corporate management promotion taskforce submitted the promotion work report 2024.
3. All directors have satisfied the continuing education hours for new or reelected directors, totaling 45 hours/15 persons in 2024.

Note 1: The name and representative of the juristic-person shareholder of any director who is a juristic person, if any, shall be disclosed.

Note 2: (1) Before the end of the year, if a director resigns from his/her position, the resignation date should be marked in the remarks column. The actual presence rate (%) should be calculated based on how often the Board of Directors meeting was convened (times) and his/her actual presence (times) during his/her term of office.

- (2) If a re-election of directors had taken place prior to the close of the financial year, old and new directors are listed, in which case, the remarks column would specify whether they are former, newly elected or re-elected directors, and the date of the reelection. The actual presence rate (%) will be calculated based on how often the Board of Directors meeting was convened (times) and his/her actual presence (attendance) (times) during his/her term of office.

(2) Status of evaluation conducted by the Board of Directors

Evaluation cycle	Evaluation period	Scope of evaluation	Method	Contents of evaluation
Once per year	The performance evaluation on the Board of Directors was conducted from January 1, 2024 to December 31, 2024.	Performance evaluation on the Board of Directors, individual Board members and functional committees (Remuneration Committee and Audit Committee)	Performance evaluation conducted in the form of the Board of Directors' self-evaluation, Board member's self-evaluation and peer evaluation	<p>(1) Performance evaluation on the Board of Directors: Engagement in the Company's operation, Board decision-making quality, composition and structure of the Board, election and continuing education of directors and internal controls, etc.</p> <p>(2) Performance evaluation on individual Board members: Alignment with the goals and mission of the Company, knowledge of directors' duties, engagement in the Company's operations,</p>

				management of internal relationship and communication, professionalism and continuing education of directors, and internal controls, etc. (3) Performance evaluation functional committees: Engagement in the Company's operation, knowledge of the functional committee's duties, the functional committee's decision-making quality, composition and election of members of the functional committee, and internal controls, etc.
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(II) Operation of the Audit Committee

The Audit Committee held 4 (A) meetings in 2024. The attendance of independent directors is summarized as follows:

Job Title	Name (Note 1)	Count of actual presence (in attendance) B	Count of presence by proxy	Actual presence (in attendance) rate (%) 【 B / A 】 (Notes 1 and 2)	Remark Elected on May 24, 2023
Independent Director	Ke Yen-Huei	4	0	100.0 %	Re-elected
Independent Director	Lin Chin-Rong	3	0	75.0 %	Newly elected
Independent Director	Liao Shian-Yao	4	0	100.0 %	Newly elected

For the professional qualification and experience of the Audit Committee members, please refer to Attachment 1. Information On Directors (Independent Directors) (II) on Page 7-8 for details.

Other disclosures to be noted:

I. For the Audit Committee meetings that meet any of the following descriptions, state the date, session, contents of motions, independent directors' dissenting opinions, qualified opinions or important suggestions, Audit Committee meeting resolution, and how the Company has responded to the Audit Committee's opinions:

- (I) Conditions described in Article 14-5 of the Securities and Exchange Act.
- (II) Other than those described above, any resolutions unapproved by the Audit Committee but passed by more than two-thirds of directors:

1. Highlights of annual work of the Audit Committee in 2024:

- (1) Adoption of or amendments to the internal control system and internal audit operations.
- (2) Amendments to the Company's related regulations: Rules of Procedure for Board of Directors Meetings, Audit Committee Organizational Rules.
- (3) Review on annual financial reports, and semi-annual and quarterly financial reports
- (4) Amendments to the endorsement guarantee limit of Associated company
- (5) Independence and competence evaluation of CPAs
- (6) Annual cash and stock dividends distribution
- (7) Renewal of an addition to the facilities granted by banks
- (8) Annual internal audit plan
- (9) Legal compliance

2. Voting: A total of 4 Audit Committee meetings were held in 2024. Any conditions referred to in Article 14-5 of the Securities and Exchange Act met by the Company were approved by a majority of the Audit Committee members, and submitted to the Board of Directors for resolution.
- II. For independent directors' avoidance of motions which involves conflict of interest, the names of directors, contents of the motions, reasons of the recusal for conflict of interest, and participation in voting must be disclosed: None
- III. Communication between independent directors and chief internal auditor/external auditors:
The internal audit report for the previous month will be provided to each independent director for review by the end of each month. The chief internal auditor will attend the Audit Committee meeting regularly and also explain the internal audit report at the Board of Directors meeting. External auditors will also attend the meeting to explain the audit on financial statements or audit results.

Note 1: Before the end of the year, if an independent director resigns from his/her position, the resignation date should be marked in the remarks column. The actual presence rate (%) should be calculated based on how often the Audit Committee meeting was convened (times) and his/her actual presence (times) during his/her term of office.

Note 2: If a re-election of independent directors had taken place prior to the close of the financial year, old and new independent directors are listed, in which case, the remarks column would specify whether they are former, newly elected or re-elected directors, and the date of the reelection. The actual presence rate (%) will be calculated based on how often the Audit Committee meeting was convened (times) and his/her actual presence (attendance) (times) during his/her term of office.

Note 3: The Company's Audit Committee and Remuneration Committee both consists of all independent directors

(III) Status of corporate governance, and deviation from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof:

Evaluation criteria	Status (Note)			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Summary	
I. Does the Company establish and disclose its corporate governance best practice principles based on "Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies"?	V		The Company has adopted the "Corporate Governance Best Practice Principles" in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies. The Principles were approved by the Board of Directors on March 25, 2016 and posted on the Company's website. Meanwhile, the Company also amended the Principles per FSC's letter under Jin-Guan-Zheng-Fa-Zi No. 1100373495 dated December 6, 2021, and had the amended Principles resolved by the Board of Directors on January 25, 2022 and posted on the Company's website.	None.
II. The Company's equity structure and shareholders' equity				
(I) Does the Company have the internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters, and have the procedures implemented accordingly?	V		(I) The Company has appointed the spokesman and deputy spokesman dedicated to processing the suggestions or disputes raised by shareholders. The Company convenes shareholders' meetings each year and allows sufficient time for shareholders' questioning and proposal. Meanwhile, it set up the stakeholders section on the Company's website to publish the information about contact persons engaged in accepting and processing the suggestions, questions, disputes and legal actions from shareholders.	(I) None.
(II) Does the Company possess the list of the Company's major shareholders of ultimate controllers, and the list of the ultimate controllers of the major shareholders?	V		(II) The Company's personnel dedicated to shareholders services may ask TDCC for the roster of shareholders and report the summarization of the information about major shareholders' shareholdings to the management via the Company's shareholders service agency within two days after the shareholders' meeting and the last date before book closure	(II) None.
(III) Does the Company establish and implement the risk control and firewall mechanism with its affiliated companies?	V		(III) The Company and its affiliated companies function independently in terms of sales, R&D, HR and finance, and follow their respective internal control systems. Both conduct transactions in accordance with relevant laws and regulations.	(III) None.
(IV) Does the Company adopt internal rules prohibiting the Company's insiders from trading securities using information not disclosed to the market?	V		(IV) The Company has adopted the "Regulations Governing Prevention of Insider Trading," and included the Regulations into the Company's internal control system and also disclosed on the Company's website. Internal auditors will verify the compliance thereof periodically and organize the educational program to promote the Regulations and related laws and regulations.	(IV) None.

Evaluation criteria	Status (Note)		Deviation from Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	
<p>III. Composition and responsibilities of the Board of Directors</p> <p>(I) Does the Board of Directors have member diversity policies and specific management goals regulated and implemented substantively?</p>	V		<p>(I) None.</p> <p>(I) The Company had the amendments to “Corporate Governance Best Practice Principles” passed by the Board of Directors on January 25, 2022, which expressly define the principles and standards for composition of the Board members. The Board of Directors shall be appointed subject to the Company’s operations, business type and development, and the need for employment of talents only. Meanwhile, the composition of the Board of Directors shall be determined based on objective conditions and by taking diversity into consideration, preferably including without limitation to, the following two general standards: I. Basic requirements and values: Gender, age, nationality, and culture. II. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.</p> <p>All members of the Board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:</p> <p>I. Ability to make operational judgments.</p> <p>II. Ability to perform accounting and financial analysis.</p> <p>III. Ability to conduct management administration.</p> <p>IV. Ability to conduct crisis management.</p> <p>V. Industrial knowledge.</p> <p>VI. An international market perspective.</p> <p>VII. Leadership.</p> <p>VIII. Ability to make policy decisions.</p> <p>The existing Board members have different professional backgrounds, skills and experience covering sales, computer, electronic engineering, electrical engineering, civil engineering, finance & accounting and management that satisfy the Company’s Board member diversity policy with respect to gender, age, professionalism, knowledge, skills and experience. Each director satisfies and may help the Company’s achievement of corporate governance targets following the important core criteria. Existing diversity of the Board members:</p> <p>Among the Company’s 7 Board members, consisting of 3 independent directors and 4 directors, Chen Chin-Ying and Chen Shu-Hua are specialized</p>

Evaluation criteria	Status (Note)		Deviation from Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	
(II) Does the Company, in addition to setting up the Remuneration Committee and Audit Committee lawfully, have other functional committees set up voluntarily?		V	<p>in leadership, business judgment, business administration and crisis management, Lin Ta-Chun and Chuang Chu-Wei possess the industrial knowledge and international market prospective, Independent Director Ke Yen-Hui is specialized in finance and accounting, and Independent Director Lin Ching-Rong and Liao Shian-Yao are specialized in environmental sustainability and business administration. No directors are also employees of the Company, independent directors account for 43%, and more than half of independent directors hold the term of office less than 3 years. 2 directors at the age less than 40 years old, 1 director at the age of 51~60 years old, and 4 directors at the age more than 60 years old. The Company values the gender equality in the composition of the Board members, the goal is to have at least 2 female directors, 3 more female directors were elected in the 2023 re-election and Female directors account for 43%.</p> <p>(II) The Company has set up the Remuneration Committee and Audit Committee pursuant to laws, and have no other functional committees set up.</p> <p>(II) In consideration of the Company's scale and business needs, there is no need for the Company to establish any other functional committees separately.</p> <p>(III) None.</p>
(III) Does the Company establish a set of policies and assessment methods to evaluate the Board's performance, conduct the performance evaluation regularly at least on an annual basis, and submit the results of performance assessments to the Board of Directors and use them as reference in determining remuneration for individual directors, and their nomination for additional office term?	V		<p>(III) The Company had the amendments to "Regulations Governing Performance Evaluation on the Board of Directors" passed by the Board of Directors on November 13, 2020. The Company conducts the evaluation once per year. The performance evaluation results 2024 were reported to the Remuneration Committee on January 17, 2025 as reference in determining remuneration for individual directors, and their nomination for additional office term, and reported to the Board of Directors on January 17, 2025. The evaluation results 2023 and 2024 were also posted on the Company's website.</p>
(IV) Does the Company have the independence of the external auditors evaluated regularly?	V		<p>(IV) To be in line with the internal organizational adjustment of PwC Taiwan, with effect from the audit of the financial statements for Q1, 2023, the certified public accountants would be changed from CPA Tsai Yi-Tai and CPA Thomas Lee to CPA Gregory Kuo and CPA Tsai Yi-Tai. The Audit</p> <p>(IV) None.</p>

Evaluation criteria	Status (Note)			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	Summary	
			Committee periodically evaluates the independence and competence of the CPAs on an annual basis. In addition to requiring the CPAs to provide "Independence Declaration" and "Audit Quality Indicators (AQIs)", the Audit Committee also evaluate the independence and competence of the CPAs according to the AQIs. The critical indicators include whether the CPAs and audit personnel have sufficient audit experience and accept sufficient educational training; whether the accounting firm has the appropriate capability to control the audit quality; whether the accounting firm and CPAs maintain independence of mind and in appearance in the work of auditing; deficiencies of the accounting firm and CPAs found by the supervisory authority when carrying out the supervision, etc. The evaluation result of the most recent year has been discussed by the Audit Committee on March 14, 2025, and the evaluation result of the independence and competence of the attestation CPAs has been reported to the Board meeting held on the same date.	
IV. Does the TWSE/TPEX-listed company assign the adequate number of competent corporate governance officers, and appoint the chief corporate governance officer responsible for the corporate governance affairs (including but not limited to, provision to directors/supervisors the information needed by them to perform their duties, assistance to directors/supervisors in compliance, organization of the Board of Directors meetings and shareholders' meetings, and preparation of the Board meeting and shareholders' meeting minutes, etc.)?	V		The Company had the amendments to "Corporate Governance Best Practice Principles" passed by the Board of Directors on January 25, 2022. According to the Principles, the Company appointed the personnel dedicated to shareholders services to serve as the corporate governance officers. Meanwhile, on March 25, 2020, the Board of Directors passed the amendments to the "Rules of Procedure for Board of Directors Meetings." On May 13, 2019, the Board of Directors resolved to appoint the CFO to serve as the Chief Corporate Governance Officer concurrently, who has engaged in the management work in finance and shareholders service and served as the spokesman for more than two decades. The Chief Corporate Governance Officer is responsible for supervising the shareholders service unit's corporate governance practices, including completion of the company registration and registration of changes, organization of the Board of Directors meetings and shareholders' meetings pursuant to laws, assistance to the Company in legal compliance of the Board of Directors and shareholders' meetings, preparation of the Board of Directors meeting and shareholders' meeting minutes, provision to independent directors the information needed by them to perform their duties, discussion and research on the latest laws and regulations related to the Company's management to help directors and independent directors with legal compliance, and settlement of matters related to investors relations, and announcement of the qualifications, scope of duty, focus of execution work and	None.

Evaluation criteria	Status (Note)			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	Summary	
			continuing education on the Company's website. The Chief Corporate Governance Officer shall help take charge of the requirements from directors, and satisfy the directors' requirements within 5 days in order to help directors perform their job duties effectively and timely.	
V. Does the Company provide proper communication channels and create a stakeholder section on its website to address corporate social responsibility issues that are of significant concern to stakeholders (including but not limited to shareholders, employees, customers and suppliers)?	V		The Company has set up the stakeholder section on its website where the contact information about dedicated personnel with respect to employees, customers, suppliers, investors and other organizations is made available, as the communication channel between shareholders to address corporate social responsibility issues that are of significant concern to stakeholders. The Company maintains the communication channel with care and keeps it uninterrupted to respect and protect the stakeholders' interest and right.	None.
VI. Does the Company engage a shareholders service agency to handle shareholders' meeting affairs?	V		The Company appoints CTBC Bank Co., Ltd., Transfer Agency Department to handle the shareholders' meeting affairs.	None.
VII. Information disclosure				
(I) Does the Company set up a website to disclose the Company's business, finance and corporate governance information?	V		(I) The Company has set up the website to disclose the Company's business, finance and corporate governance information at http://www.sanlien.com .	(I) None.
(II) Does the Company have adopted other information disclosure methods (e.g., establishing an English website, designating dedicated persons for collecting and disclosing information of the Company, practicing the spokesman system, posting the investor conference on the Company's website, etc.)?	V		(II) The Company has set up the website in English and designated dedicated persons responsible for collecting and disclosing the Company's information. For the time being, the Company also collects and disclose information and communicate with the public via the spokesman and deputy spokesman.	(II) None.
(III) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline?		V	(III) According to the Company's current practices, the Company shall publish and report its annual financial report by March 15, and its financial reports for the first, second and third quarters as well as its operating status within 45 days per quarter.	(III) For the time being, it is impossible for the company to publish and report them before said-noted time limit.
VIII. Does the Company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor	V		(I) Employee rights: For the Company's employee interest and right, please refer to Page 77~78 of the annual report. (II) Employee care: For the Company's employee care and related policy to maintain the labor-management relationship, please refer to Pages 73~79.	None.

Evaluation criteria	Status (Note)		Deviation from Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof																				
	Yes	No																					
	Summary																						
relations, supplier relations, stakeholders' rights, continuing education of directors/supervisors, implementation of risk management policies and risk measurements, implementation of customer policy, and the Company's purchase of liability insurance for directors and supervisors)?			<p>(III) Investor relations: The Company values investors' interest and right. Therefore, the Company will publish real-time information on the MOPS designated by the competent authority pursuant to laws. Meanwhile, the Company has appointed the spokesman and deputy spokesman to act as the contact person for investor relations. Meanwhile, the Company set up the investors section on the Company's website to release related messages and contact information of the spokesman, deputy spokesman and shareholders service agency as the channel via which the investors may make inquiries.</p> <p>(IV) Supplier relations: The Company is used to identifying suppliers as its long-term partners and demands that all colleagues, when handling procurement projects, should choose the partners based on the principles of fairness, openness and impartiality, and adopt the supplier evaluation system to evaluate the suppliers periodically each year, and pay the on-site visit to suppliers' premises to verify the suppliers' production capacity, quality system and R&D abilities. Suppliers may also feed back their problems to the Company and negotiate with the Company at any time. Further, the Company also demands that suppliers should satisfy the labor standards and requirements for prohibition of forced labors, occupational health and safety, and government laws and regulations, and should also value the ESG practices to enhance the corporate social responsibility and sustainable development.</p> <p>(V) Stakeholders' rights: The Company has set up the stakeholders' section and also the concerned issues communication section, in order to collect the issues concerned about by stakeholders as reference to improve the corporate governance. Meanwhile, the Company designates the contact person for employee relations, customer relations, supplier relations, investor relations and other organizations as the communication channel with stakeholders.</p> <p>(VI) Continuing education of directors/supervisors in 2024 until March 28, 2025: The Company's whole directors have satisfied the continuing education hours required under the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies," as stated below:</p> <table><tr><th>Job Title</th><th>Name</th><th>Date</th><th>Name of Course</th><th>Continuing Education Hours</th></tr><tr><td>Director</td><td>Lin Ta-Chun</td><td>May 9, 2024</td><td>Corporate Governance and Securities Regulation Course</td><td>3H</td></tr><tr><td>Director</td><td>Lin Ta-Chun</td><td>May 24, 2024</td><td>Family Office Series Courses</td><td>3H</td></tr><tr><td>Director</td><td>Lin Ta-Chun</td><td>June 19, 2024</td><td>Exploring the international competitiveness of Taiwanese enterprises in the context of global competition and cooperation</td><td>3H</td></tr></table>	Job Title	Name	Date	Name of Course	Continuing Education Hours	Director	Lin Ta-Chun	May 9, 2024	Corporate Governance and Securities Regulation Course	3H	Director	Lin Ta-Chun	May 24, 2024	Family Office Series Courses	3H	Director	Lin Ta-Chun	June 19, 2024	Exploring the international competitiveness of Taiwanese enterprises in the context of global competition and cooperation	3H
Job Title	Name	Date	Name of Course	Continuing Education Hours																			
Director	Lin Ta-Chun	May 9, 2024	Corporate Governance and Securities Regulation Course	3H																			
Director	Lin Ta-Chun	May 24, 2024	Family Office Series Courses	3H																			
Director	Lin Ta-Chun	June 19, 2024	Exploring the international competitiveness of Taiwanese enterprises in the context of global competition and cooperation	3H																			

Evaluation criteria	Status (Note)					Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Summary					
	Yes	No				
	Director	Lin Ta-Chun	January 7, 2025	Boardroom Simulation	3H	
	Director	Chuang Chu-Wei	March 1, 2024	Director and Supervisor Responsibilities in Corporate M&A and Hostile M&A Attack and Defense	3H	
	Director	Chuang Chu-Wei	March 26, 2024	How to integrate with international carbon trading to promote corporate innovation opportunities	3H	
	Director	Chuang Chu-Wei	March 7, 2025	Introduction to GHG Inventory and Assurance	3H	
	Director	Chuang Chu-Wei	March 11, 2025	Trump 2.0: the Death of Globalization and upcoming regional wars	3H	
	Director	Chen Chin-Ying	April 12, 2024	Shareholders' Meeting, Proxy Contest and Ownership Strategy	3H	
	Director	Chen Chin-Ying	April 26, 2024	Global and Taiwan Economic Outlook 2024	3H	
	Director	Chen Shu-Hua	March 26, 2024	Legal Matters Board Directors Should Know About Ethical Corporate Management Best Practice Principles	3H	
	Director	Chen Shu-Hua	June 18, 2024	Interpret the key messages of financial reports	3H	
	Independent Director	Lin Ching-Rong	January 12, 2024	Corporate Carbon Management following the Promulgation of the Climate Change Act	3H	
	Independent Director	Lin Ching-Rong	January 19, 2024	Senior managers' compensation and ESG performance system design	3H	
	Independent Director	Lin Ching-Rong	March 14, 2025	Circular Economy Benefits and Sustainable Financial Business Opportunities	3H	
	Independent Director	Ke Yen-Huei	June 19, 2024	Exploring the international competitiveness of Taiwanese enterprises in the context of global competition and cooperation	3H	

Evaluation criteria	Status (Note)					Deviation from Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof	
	Yes	No	Summary				
			Independent Director	Ke Yen-Huei	August 20, 2024	The big challenge of internationalization: deciphering the growth decisions of Japanese trading companies	3H
			Independent Director	Liao Shian-Yao	September 12, 2024	Internal shareholder equity publicity and briefing sessions for listed companies and emerging companies	3H
			Independent Director	Liao Shian-Yao	December 09, 2024	Enterprise information security management and protection strategies	3H
			(VII) Implementation of risk management policies and risk measurements: N/A, as only applicable to the securities industry.				
			(VIII) Implementation of customer policy: N/A, as only applicable to the securities industry.				
			(IX) The Company's purchase of liability insurance for directors and supervisors, and social responsibility: The Company purchased the liability insurance for the whole directors and supervisors from March 4, 2025 to March 4, 2026, covering the liability of directors/supervisors and key managers' liability, and the Company's liability for damages. Meanwhile, the Company explained about the insured value and insurance premium at the Board of Directors meeting on March 14, 2025.				
			(X) Procedures for Handling Material Inside Information: The Company has adopted the Regulations Governing Prevention of Insider Trading per resolution by the Board of Directors on August 28, 2009. Meanwhile, the Company will communicate the Regulations to directors, supervisors, managers and employees at least once per year to prevent them from violating the Regulations or engage in any insider trading. And on November 14, 2022, the board of directors approved the revision of the management measures for preventing insider trading, including the evaluation procedures for releasing important information, the preservation of audit records, and the handling of violations.				
			(XI) The Company has been honored as Level A+ in "6 th ~12 th TWSE/TPEX-Listed Company Information Disclosure Evaluation, and one of the TPEX-listed companies ranking Top 6%~20% in 10th Corporate Governance Evaluation, and received the 2016 National Talent Development Awards.				
IX. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by the TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified. (Not applicable, if the Company is not one of the evaluated subjects.) The Company continues to review and discuss the improvements, and set forth various corrective action plans and measures in response to laws & regulations to strengthen the corporate governance. For example, the Company adopted the amendments to "Corporate Governance Best Practice Principles" in 2022, and also set forth the unit or personnel that specializes (or is involved) in corporate governance, the continuing education hours to be satisfied by all directors/supervisors. In addition, the shareholders' meeting was held by the end of May in 2024. During the re-election, 3 female directors were added, accounting for 43% of the directors. The company's chairman and general manager or other persons of equivalent rank (top managers) are not the same person, spouse or first-degree relative to strengthen corporate governance.							

Note 1: Always provide explanations in the summary description column, regardless of whether the status is ticked "Yes" or "No."

Note 1: Always provide explanations in the summary description column, regardless of whether the status is ticked "Yes" or "No."

(IV) Composition and operation of Remuneration Committee:

1. Information about the Remuneration Committee members

Identity (Note 1)	Qualifications	Professional qualification and experience (Note 2)	Independence (Note 3)	Number of other public companies in which the member concurrently serves as a remuneration committee member
	Name			
Independent Director and Convener	Ke Yen-Huei	Financial accounting and business sustainability	Including but not limited to, they or their spouses or relatives within a 2nd degree of kinship do not serve as directors, supervisors or employees in the Company or any of its affiliates; they do not hold the Company's shares, but 70,077 shares (0.16%) are held in the name of their spouses or relatives within a 2nd degree of kinship (or proxy shareholder); they do not serve as directors, supervisors, or employees in any entity that has certain relationship with the Company; they have not provided commercial, legal, financial, accounting or other professional services to the Company and its affiliates in the most recent two years.	2
Independent Director	Lin Ching-Rong	Academic expertise related to the company's business environment and management experience in university colleges	Including but not limited to, they or their spouses or relatives within a 2nd degree of kinship do not serve as directors, supervisors or employees in the Company or any of its affiliates; they hold the Company's shares 60,358 shares (0.14%), but are not held in the name of their spouses or relatives within a 2nd degree of kinship (or proxy shareholder); they do not serve as directors, supervisors, or employees in any entity that has certain relationship with the Company; they have not provided commercial, legal, financial, accounting or other professional services to the Company and its affiliates in the most recent two years.	None
Independent Director	Liao Shian-Yao	Organization leadership, strategic management and Industry relevant experience	Including but not limited to, they or their spouses or relatives within a 2nd degree of kinship do not serve as directors, supervisors or employees in the Company or any of its affiliates; they, their spouses or relatives within a 2nd degree of kinship do not hold the Company's shares; they do not serve as directors, supervisors, or employees in any entity that has certain relationship with the Company; they have not provided commercial, legal, financial, accounting or other professional services to the Company and its affiliates in the most recent two years.	None

Note 1: Please specify the related seniority, professional qualification & experience, and independence of each Remuneration Committee member in the Table. For members who are also independent directors, references have been made to Attachment 1 - Information on Directors and Supervisors (I) on page OO. Please describe the party's identity as director, or others (with additional remark for the role of convener, if any).

Note 2: Professional qualification and experience: Please specify the professional qualification and experience of the Remuneration Committee members individually.

Note 3: Compliance of independence: Please specify the Remuneration Committee members' compliance of independence, including but not limited to, whether they or their spouses or relatives within a 2nd degree of kinship serve as directors, supervisors or employees in the Company or any of its affiliates; the number and percentage of the Company's shares held in their own names or names of the spouses or relatives within a 2nd degree of kinship (or proxy shareholder); whether they serve as directors, supervisors, or employees in any entity that has certain relationship with the Company (please refer to the subparagraphs 5~8, Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); and the amount of remuneration received in the last two years for providing commercial, legal, financial, accounting or other professional services to the Company and its affiliates.

2. Information about operations of Remuneration Committee

(1) The Company's Remuneration Committee consists of 3 members.

(2) The current members' term of office: The term of office commences from August 11, 2023 until May 23, 2026. A total of 3 (A) Remuneration Committee meetings were convened in the most recent year. Below are the members' qualifications and attendance records:

Job Title	Name	Count of actual presence (in attendance) (B)	Count of presence by proxy	Actual presence ratio (%) (B/A) (Note)	Remark Elected on August 11, 2023
Convener	Lin Ching-Rong	3	0	100%	Newly elected
Member	Ke Yen-Huei	3	0	100%	Re-elected
Member	Liao Shian-Yao	3	0	100%	Newly elected

Other disclosures to be noted:

- I. Should the Board rejects or modifies the suggestions from the Remuneration Committee, state the date, session, contents of the motions, resolution made by Board meeting and results thereof, and how the Company has responded to Remuneration Committee's opinions (describe the differences and reasons, if any, should the Board of Directors approve a solution that was more favorable than the one proposed by the Remuneration Committee): None.
- II. Should any resolution(s) by the Remuneration Committee be passed but with member voicing opposing or qualified opinions on the record or in writing, please describe the date and session of the meeting, contents of the motion, the entire members' opinions, and how their opinions are addressed:
 1. 1st meeting of the Remuneration Committee in 2024 (January 30)
 Present members: Ke Yen-Huei, Lin Ching-Rong, Liao Shian-Yao
 Motion: Proposal for payment of bonus to the Company's Chairman and managers in 2023.
 Voting counts: The motion was approved by all of the present members unanimously upon inquiry by the chairperson.
 The Company's handling of the members' opinions: Proposed to the Board of Directors meeting and then approved by all directors present at the meeting.
 2. 2nd meeting of the Remuneration Committee in 2024 (March 15)
 Present members: Ke Yen-Huei, Lin Ching-Rong, Liao Shian-Yao
 Motion: Proposal for remuneration to employees and directors in 2023.
 Voting counts: The motion was approved by all of the present members unanimously upon inquiry by the chairperson.
 The Company's handling of the members' opinions: Proposed to the Board of Directors meeting and then approved by all directors present at the meeting.
 3. 3rd meeting of the Remuneration Committee in 2024 (May 14)
 Present members: Ke Yen-Huei, Lin Ching-Rong, Liao Shian-Yao
 Motion: Proposal for amendment on the remuneration of the managers.
 Voting counts: The motion was approved by all of the present members unanimously upon inquiry by the chairperson.
 The Company's handling of the members' opinions: Proposed to the Board of Directors meeting and then approved by all directors present at the meeting.

Note 1: Before the end of the year, if a Remuneration Committee member resigns from his/her position, the resignation date should be marked in the remarks column. The actual presence rate (%) should be calculated based on how often the Remuneration Committee meeting was convened (times) and his/her actual presence (times) during his/her term of office.

Note 2: If a re-election of Remuneration Committee members had taken place prior to the close of the financial year, old and new Remuneration Committee members are listed, in which case, the remarks column would specify whether they are former, newly elected or re-elected directors, and the date of the reelection. The actual presence rate (%) will be calculated based on how often the Remuneration Committee meeting was convened (times) and his/her actual presence (attendance) (times) during his/her term of office.

(V) Status of ESG practices, and deviation from Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof:

Item	Status (Note 1)		Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	
I. Does the Company implement a governance framework that supports sustainable development, and designated a unit that specializes (or is involved) in the promotion of sustainable development? Is the unit empowered by the Board of Directors and run by senior management, and how does the Board supervise progress?	V		<p>The Company has established the Sustainable Development Committee, a cross-department unit in March 2021. The Committee convener is served by the General Manager designated by the Chairman, and is responsible for supervising the Committee's operations. The Committee governs the groups including Environmental Sustainability Group, Social Relations Group and Corporate Governance Group. The groups' members consist of the management team, administrative service unit, EHS personnel, and functional organizations' representatives dedicated to ESG practices, responsible for implementing work plans, executing policies and following up the progress of various programs. The 2024 implementation focus was to perform the 2023 greenhouse gas inventory and issue an inventory list and report for each district, and perform internal education and training on ESG report data collection and inventory. It also updates the ESG project database with the latest information on net zero carbon reduction and environmental sustainability. The implementation results of annual plans are reported to the management meeting and Board meeting yearly. The Board gave the committee a positive review of its annual performance results and recommended to continue to strengthen internal education and training and compliance with regulations. The date of the last reported board meeting is November 13, 2024. The subsidiary, Kemitek Industrial Corp., established the Corporate Sustainability Committee in March 2021. The Committee convener is served by the General Manager. Meanwhile, the Committee governs the units dedicated to corporate governance, business & financial accounting, social care, environmental sustainability, product liability and health & safety. The members consist of the staff from financial, administrative, HR, manufacturing and health & safety units. The convener is responsible for adopting policies and reviewing measures. The Committee chairman shall adopt the annual plan and review customers' audit data. The secretary-general helps the chairman promote relevant operations, handle internal and external communications and follow upon each group's progress. Key implementation achievements in 2024 were 5% water saving; implementation of employee care and community give-back; adoption of street trees in industrial parks and maintenance of surrounding</p>

Item	Status (Note 1)		Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	
			environment; and Xin yue beach cleaning, which were reported in the annual management review meeting. Short-, intermediate-, and long-term goals and strategies were formulated: Strengthen internal promotion, education and training, and draw up concrete action plans for three major aspects: environmental protection, social responsibility, and corporate governance.
II. Does the Company, in accordance with the materiality principle, conduct risk assessments on environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy? (Note 2)	V		<p>The Company adopted the "Risk Management Policy" as approved per resolution by the Board of Directors on May 13, 2020, as the basis for management of various risks. The risk assessment boundary primarily covers the Company. Meanwhile, in consideration of the criticality to the core profession and level of impact to the major topics, the subsidiary, Kemitek Industrial Corp., was also included into the assessment. Conducted the investigation and analysis based on questionnaire to CSR stakeholders based on the materiality principle under the GRI Standards, to evaluate the ESG issues of materiality in nature, and adopted effective risk management policies and took specific actions therefor. When engaging any operations, the Company shall identify, measure, supervise and control various risks effectively, and control the potential risks to the tolerable level, in order to achieve the goals for rationalization of risks and remuneration. It is necessary to report to the Board of Directors on the risk management operations at least for once per year. The latest reporting at the Board of Directors meeting took place on November 13, 2024.</p> <p>(I) Environmental aspect: The Company will disclose it on the official website to help the understanding about the relevant operations. Focused on water consumption and GHG investigation: investigated the carbon emissions from self-made products, adopted the energy-conservation & carbon-reduction and GHG reduction strategies, such as installation of the solar and green power system, construction of the office smart control and management system (including: electricity, automated air conditioner, lighting timer, indoor temperature and humidity and CO2 control system), in-factory GHG management, air pollutant emissions, waste management, water sources management, waste water treatment, and energy consumption, and any other related policies and programs. In order to deal with the possible risks arising from climate changes, 3 large-scale emergent power</p>
			None.

Item	Status (Note 1)		Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	
		<p>generator units and a large-scale reservoir with capacity of 2,486 tons have already been built at the factory premises.</p> <p>(II) Social aspect: Invested in construction of the disaster prevention education and earthquake early warning system; organized the conference for 20th Anniversary of the 921 Earthquake and conference on Taiwan bridge management and real-time monitoring; published popular science books and publications, and promoted popular science education; encouraged excellent geoscience teachers to attend continuing education programs overseas; received the Exercise Enterprise Certification from Sports Administration; organized community fitness class and continued to sponsor and participate in charity projects. Adopted the supplier management policy and worked with suppliers to improve the corporate social responsibility; reviewed customers' credit limit and evaluated suppliers and contractors periodically to prevent the Company from suffering from the losses caused by default risk.</p> <p>(III) Corporate governance aspect: The Company was recognized as ranking the top 6%-20% among TPEx-listed companies in the Corporate Governance Evaluation. The corporate governance section was set up on the official website. The Company also adopted the nomination system and appointed the chief corporate governance officer.</p>	
III. Environmental issues (I) Does the Company have an appropriate environmental management system established in accordance with its industrial character?	V	<p>(I) The Company has adopted the labor health and safety work rules and procedures for maintenance and management of working environment. Each office also hired cleaning service workers to keep the environment clean and established the dedicated unit, such as environmental health and safety committee, to promote and execute the inspection and monitoring on working environment and site health and safety management periodically, in order to build a safe environment suitable for workers. The subsidiary, Kemitek Industrial Corp., complies with the environmental laws and regulations set by the Ministry of Environmental Protection (such as the Air Pollution Control Act, the Water Pollution Control Act, the Waste Disposal Act, and the Toxic and Concern Chemical Substances Management Act, etc.) has adopted</p>	(I) None.

Item	Status (Note 1)		Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	
			<p>the EHS manual, resource and energy management procedure, hazardous industrial waste control procedure and water rationing response plan to ensure the safety of environment and employees. In 2024, a total of five environmental management plans were implemented. In terms of water conservation, the vacuum pump cooling water, water overflow from the water seal box, and water used by measuring instruments in the pure water system were recycled and reused. In terms of cost reduction, the thickness of the plastic bags used for dust protection on the outer layer of product packaging was reduced, and paper records were continuously replaced with electronic records (Notes, SCADA, professional operating software) for record and signature review to reduce paper usage. The wastewater treatment dosage operating procedures were adjusted to reduce the dosage of chemicals used and the amount of sludge, while simultaneously reducing the amount and cost of outsourced waste sludge treatment. It also passed ISO14001 certification on May 29, 2022. The certification is effective until May 28, 2025. The recertification audit is scheduled to be conducted at the end of April, and the latest certificate will be obtained in May of the same year.</p> <p>(II) The Company's offices all implement the resource classification and recycling, and promote paperless and e-process to practice the environmental protection and carbon reduction policies.</p> <p>(III) The Company appoints Sustainable Development Committee as the unit dedicated to managing climate changes, reviewing and managing the Company's climate changes risk, opportunities and actions, and also reviewing the implementation status and discussing on the future planning. In order to deal with the risk caused by the global climate changes to the factory's operations and supply of raw materials, a large-scale reservoir with capacity of 2,486 tons have already been built at the factory premises, which can afford to supply the water to the factory for 7 days in the case of suspended water supply. Meanwhile, the Company will also hire water trucks to help relieve the pressure from insufficient water supply, if necessary. Three large-scale emergency power generators with the capacity 2,200KW were also built at the factory premises, which can afford the power supply</p>
(II) Does the Company endeavor to utilize all resources more efficiently, and use renewable materials which have a low impact on the environment?	V		(II) None.
(III) Does the Company assess the current and future potential risks and opportunities that climate change may present to enterprises and adopt the responsive measures against climate-related issues?	V		(III) None.

Item	Status (Note 1)		Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof															
	Yes	No																
(IV) Does the Company maintain statistics on GHG emission, water consumption, and total waste volume in the last two years, and implement policies aimed at conserving energy and reducing carbon, GHG, water, or other wastes?	V	<p>throughout the whole factory in the case of power outage. For the time being, at least one month's safety inventory has been in place for various raw materials in order to deal with the risk over shortage of raw materials.</p> <p>(IV) The Company proposed the GHG emission management policies and targets to endeavor to mitigate the environmental impact posed by the production process, e.g. utilization of production value chain integration to improve the energy efficiency, replacement of old equipment with new one and improvement of production process to reduce waste of resources, and improvement of GHG emission to create the value of energy conservation and carbon reduction.</p> <p>(Unit: Ton CO2e)</p> <table><tr><th>Year</th><th>Scope 1</th><th>Scope 2</th><th>Scope 3</th><th>Intensity (Ton/NT\$ Thousand)</th></tr><tr><td>2023</td><td>3,836</td><td>6,450</td><td>5,445</td><td>0.0042</td></tr><tr><td>2024</td><td>3,004</td><td>6,922</td><td>5,705</td><td>0.0035</td></tr></table> <p>1. GHG: Scope 1 and Scope 2 cover the information about all factories and subsidiaries. Scope 3 covers the Company's information. The type of the Company's GHG emission is CO2. Scope 1 refers to the direct emission of various factory premises, from the sources including petrol used by company cars, and the production process. Scope 2 refers to the indirect emission from power purchased from other sources. Scope 3 refers to other indirect emissions from the sources such as transportation of products. Due to the adjustment of the factory's product variety, production increased and electricity consumption increased. The total GHG emissions was 15,631 tons CO2e, including the indirect emissions accounting for about 44%. (The intensity of the Company's GHG emissions: calculated per unit of turnover)</p> <p>2. Water consumption: The factory's water supply source was primarily tap water, which served as the main raw materials and was used for cleaning chemical containers after being treated through the pure water equipment. The water consumption was 221,384 tons and 183,981 tons in 2024 and 2023, increasing by 37,403 tons (20%) annually, primarily due to the newly added pure water system of the subsidiary is officially operational, and the product variety is adjusted and the production capacity is</p>	Year	Scope 1	Scope 2	Scope 3	Intensity (Ton/NT\$ Thousand)	2023	3,836	6,450	5,445	0.0042	2024	3,004	6,922	5,705	0.0035	(IV) None.
Year	Scope 1	Scope 2	Scope 3	Intensity (Ton/NT\$ Thousand)														
2023	3,836	6,450	5,445	0.0042														
2024	3,004	6,922	5,705	0.0035														

Item	Status (Note 1)		Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	
			<p>increased, resulting in the increase in water consumption in 2024.</p> <p>3. Waste: Since 2024, the factory has commissioned a professional manufacturer to recycle and reuse 19,72 kg of general waste pallets. Kemitek reduced the quantity of waste by improving the production process. The disposal of hazardous waste liquid was contracted to legal service providers, and also reported to the Environmental Protection Administration. The hazardous waste liquid weighed about 41.60 tons and 75.34 tons in 2024 and 2023, decreasing by 33.74 tons (-44.8%) annually.</p> <p>Notwithstanding, the Company would test the stationary pollution resource installations periodically pursuant to laws and analyzed, followed up and controlled the test results. No GHG was emitted from the waste gas of the production process at the factory premises, but the chemical air pollutants arising from chemical mixing and preparation included ammonia gas and volatile organic compounds. The air pollutant data from 2023 to 2024 are held satisfying the emission standards required by laws.</p> <p>4. Energy-conservation and carbon-reduction policy: In response to environmental protection and the government's energy-conservation and carbon-reduction policies, the Company and its subsidiaries have adopted various measures, including update on the Company's lighting in steps, replacement of the old lighting with power-saving lighting delivering the effect of energy conservation and carbon reduction, establishment of office automated monitoring system, including electricity, temperature and humidity monitoring system, automated air conditioner and lighting timer, and indoor temperature and humidity and CO2 control system. Meanwhile, the Company adopted the "Sanlien Vitality Bonus Point" rules to encourage its employees to commute by mass transportation means, in the low-carbon or carbon-free manner, in order to practice the energy conservation and carbon reduction physically. Further, the R&D Center (Benzhou, Kaohsiung) constructed the third-phase solar photovoltaic system in 2023 to block direct sunlight onto the factory premises, lower the temperature indoor, save power consumed by the air conditioner, and reduce GHG emission and energy consumption. Kemitek has built the fourth phase of solar panel power generation equipment</p>

Item	Status (Note 1)		Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	
IV. Social issues (1) Does the Company develop its policies and procedures in accordance with laws and International Bill of Human Rights?	V		(1) None.

Item	Status (Note 1)		Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	
(II) Does the Company adopt and implement reasonable employee benefit policy (including remuneration, vacation and other benefits, etc.), and reflect the operating performance or results to the remuneration to employees adequately?	V		(II) None.
	<p>(II) The Company adopts reasonable remuneration policy, performs employees' performance and competence evaluation periodically each year, including CSR plan, and also establishes effective career development and training plan for employees. It also adopts the reward and punishment rules as the basis for rewarding and disciplining employees. Meanwhile, the Company also adopts the paternity leave in response to the government laws and regulations. In order to encourage employees to get married and raise children proactively, and also to reduce young couples' burden of raising children, the Company implements the "Social Welfare Allowance: Marriage Allowance/Childcare Allowance" program, hoping to improve the employees' well-being and help mitigate the low-birth society trend. In 2024, a total of 8 employees and 8 children were benefited. The Company also adopts the "Employment Promotion Allowance Implementation Program" to facilitate employment opportunities for the indigenous people and physically and mentally disabled. The Company also adopts the "Sanlien Regulations for Apprenticeship of Young Technology Talents in Workplace." In 2024, total 5 students of University of Kang Ning and National Taiwan University of Science and Technology had the chance to attend the apprenticeship plan and experience how an enterprise operates, so as to practicing their learning results, promote the industry-academia cooperation, provide the young people with a new channel to connect with the workplace earlier, and help increase the young people's employment rate. Respect internationally recognized fundamental human rights and create a diverse and inclusive workplace. There is no differential treatment and right to work due to gender, race, age, marriage, political position, religious belief, nationality, etc., and "the original native plan" and the plan for "building nests and attracting phoenixes" are being implemented successively to welcome international outstanding talents to join Sanlian. A total of 3 foreign consultants or employees are employed in the group. The Company also adopts the regulations governing "Sanlien Vitality Bonus Point" to encourage employees to participate in social charity activities or serve as volunteer workers. The Company would organize the charity activities, such as tree</p>		

Item	Status (Note 1)		Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	
(III) Does the Company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?	V	<p>planting, beach cleaning, and donation of blood and materials, via the Worker Welfare Committee. At the end of March, 2025 and 2024, a total of 128 persons attended the activities. The Company also values the gender equality. The Company's female employees accounted for 34%, including the female managers accounting for 35%, in 2024.</p> <p>(III) The Company sets up AED at the office premises and organizes first-aid education and training, in order to provide employees with a safe working environment. The Company also provides employees with health checkup and health & safety educational promotional programs without charge each year, and also organizes the fitness to encourage employees to keep fit while working to care the employees' physical and mental health. The EHS Committee has engaged in promoting the balanced work and life project since 2016, and executed various employee care and support courses, employee pressure relief courses, family-friendly measures, and assistance measures to support specific employees, in order to construct a friendly and healthy working environment. Neither occupational accidents nor fire accidents have occurred to employees in 2024. The Company has received the Exercise Enterprise Certification from Sports Administration from 2018 to 2022 consecutively.</p> <p>(IV) The Company establishes the effective career development and training plan for employees, promotes the Sanlien Academy plan and interdisciplinary learning group project and department's learning concept, provides employees with diversified learning and development stages to help them plan the competence-orientation career map and career development to practice the lifetime learning targets.</p> <p>(V) All of the products managed by the Company satisfy RoHS. The Company also has set up the TAF Biosafety Level 2 Laboratory equipped with the international recognized certification system, in order to provide customers with fair, objective and independent third-party laboratory certification services. The Company also adopts the customer management procedure, and also sets up the stakeholder section and contact window on its website to provide customers with the channels to raise questions and feed back opinion. Meanwhile, the</p>	(III) None.
(IV) Does the Company have an effective career capacity development training program established for employees?	V		(IV) None.
(V) Does the Company comply with laws and international standards with respect to customers' health, safety, and privacy, marketing and labeling in all products and services offered, and implement consumer or customer interest protection policies and grievance procedures?	V		(V) None.

Item	Status (Note 1)		Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	
(VI) Does the Company adopt any specific supplier management policy demanding that the suppliers should comply with the related regulations governing environmental protection, occupational safety and health or labors' human rights, and how the policy is implemented?	V		Company will respond to, process, improve and follow up these questions in accordance with the correction and prevention measures and procedures. (VI) The Company adopts the supplier management policy to conduct evaluation on suppliers periodically, pays the on-site visit to suppliers' premises to verify the suppliers' production capacity, quality system and R&D abilities, demands that suppliers should satisfy the labor standards and requirements for prohibition of forced labors, occupational health and safety, and government laws and regulations and also value the ESG practices to enhance the corporate social responsibility and sustainable development, in order to improve the CSR and sustainable development altogether. (VI) None.
V. Does the Company prepare the ESG report or any report of non-financial information based on international reporting standards or guidelines? Does said report have been assured or guaranteed by a third party certification unit?	V		The Company has been preparing a 2024 sustainability report in accordance with the latest GRI standards issued by the Global Reporting Initiative (GRI), which is expected to be uploaded to the company website and MOPS at the end of August, 2025. The foregoing report has not yet been assured or guaranteed by a third party certification unit.
VI. If the Company has established sustainability policies in accordance with "Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies," please describe the current practices and any deviations thereof from such principles: None.			
VII. Other information useful to the understanding of sustainable practice: The Company founded "Sanlien Educational Foundation" at the beginning of 2002, hoping to promote the seminars and activities benefiting education permanently. Therefore, the Company founded "Sanlien Educational Foundation" at the beginning of 2002, hoping to promote the seminars and activities benefiting schools, communities and enterprises through discussion, exchange, and issuance of publications, together with the social people who have the common consensus on humanities and technology, so as to integrate resources and practice the lifetime learning concept. The foundation will continue to promote and participate in the charity activities in the spirit upheld by it as usual. For the Foundation's 2024 work report, please refer to Pages 53-54 of the annual report.			
Note 1: If the execution status is specified "Yes," please explain the key policies, strategies, and measures taken and the execution progress. If the execution status is specified "No," please explain deviation and cause of deviation in the field titled "Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof," and state any policy, strategy, and measure planned for the future.			
Note 2: Materiality principle refers to environmental, social and corporate governance issues that are of material impact to the Company's investors and stakeholders.			
(VI) Climate-related information of publicly traded and OTC companies			
1. Implementation of reporting of climate-related information			
Item	Status of implementation		
1. Describe board and management supervision and governance of climate-related risks and opportunities.	The Company established an inter-departmental Sustainable Development Committee in March 2021 to be responsible for the implementation of climate-related work plans, policy operation and implementation, and tracking the progress of various solutions. It also conducts the annual greenhouse gas inventory of the previous year. The relevant schedule planning and annual implementation status are regularly reported to the board of directors.		
2. Describe how the identified climate risks and opportunities will affect the Company's business, strategy and finances	Short-term risks: The Company may encounter domestic carbon and energy-related taxes, rising electricity bills, and carbon tax overseas, resulting in an increase in operating costs.		

(short, intermediate and long term).	Intermediate-term risks: Foreign carbon tax, natural disasters and other extreme climate events, resulting in disruption of domestic and foreign supply chains, which affect operations, production and sales. Long-term risk: Changes in customer behaviors.
3. Describe the financial impact caused by extreme climate events and transition actions.	Extreme climate events: Based on a 4°C scenario analysis, the locations of the Company's plants should be less affected by future droughts and floods, rising average temperatures, and rising sea levels. In the event of a strong typhoon, the probability of property damage and financial impact shall be considered low. The Company also has safety stock for products made in-house, so the impact is low. Transition actions: The Company has installed solar panels. The subsequent transition plan will include the replacement of energy-consuming equipment to increase the Company's costs, but the financial impact will be low.
4. Describe how the identification, assessment, and management processes of climate risks are integrated into the overall risk management system.	The interdepartmental "Sustainable Development Committee" sets the scenarios and proposes climate change-related discussion topics. The relevant units then identify and assess the degree of impact of climate risks and opportunities, financial impact, and countermeasures, and submit them to the risk management organization for review.
5. If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.	N/A
6. If there is a transition plan in place to manage climate-related risks, specify the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	N/A
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be explained.	N/A
8. If climate-related goals are set, the activities, scope of greenhouse gas emissions, planning schedule, annual progress, and other information covered should be explained. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant goals, the source and quantity of carbon reduction credits to be exchanged or the quantity of renewable energy certificates (RECs) should be explained.	N/A
9. Status of greenhouse gas inventory and assurance and the reduction goals, strategy and specific action plans.	Also, fill in 2. GHG inventory and assurance in the last 2 years

2. GHG inventory and assurance in the last 2 years

(1) Greenhouse gas inventory information

Describe the emission volume (metric tons CO₂e), intensity (metric tons CO₂e/million NT\$) and data coverage of greenhouse gases in the past two years: Please refer to Pages 36 of the annual report

(2) Greenhouse gas assurance information

Describe the status of assurance in the last 2 years as of the date of publication of the annual report, including the scope of assurance, body of assurance, standards of assurance and opinions of assurance: The Company has not yet made assurance of such matters.

(3) Greenhouse gas reduction goals, strategies and concrete action plans

Describe the greenhouse gas reduction base year and data, reduction goals, strategies, and concrete action plans and achievement of reduction goals: N/A

(VII) Status of ethical management, and deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof:

Item	Status (Note 1)		Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	
<p>I. Establishing ethical management policies and plans</p> <p>(I) Does the Company state in its regulations or external correspondence about the ethical management policies and practices passed by the Board of Directors and the commitment of the Board of Directors and senior management to actively implement the operating policies?</p>	V		<p>(I) The Company's corporate culture identifies "Honesty" as the first priority, and base its management philosophy on "3S" principles, namely "Sincerity," "Speedy" and "Service." It adopted the "Ethical Management Best Practice Principles" as approved per resolution by the Board of Directors on March 25, 2016, in order to practice the corporate culture valuing ethical management and the Company's robust development and establish the good business practices. The Principles are also posted on the website to remind the management of the Company and Board of Directors to practice the commitment in ethical management policies.</p>
<p>(II) Does the Company establish the assessment mechanism about unethical conduct to analyze and assess the operating activities with higher risk of unethical conduct in the scope of business periodically, and adopt the unethical conduct prevention program based on the mechanism, which shall at least cover the prevention measures referred to in the subparagraphs of Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies"?</p>	V		<p>(II) The Company's management regulations also expressly provide that no gifts, rebate or other unjustified benefits should be accepted in the business relationship. The Company complies with related laws and regulations, and establishes the internal control systems and executes the same precisely. It adopted the "Ethical Management Best Practice Principles" and "Procedure for Ethical Management and Guidelines of Conduct" as approved per resolution by the Board of Directors on March 25, 2016. It designates the ethical management promotion group to serve as the dedicated unit to promote ethical management and adopt related prevention measures. Legal Affairs Committee reviews various contracts with external parties, and the audit unit conducts the audit on various units' internal control implementation in order to prevent any business activities involving unethical conduct.</p>
<p>(III) Does the Company expressly state the SOP, guidelines for conduct and reward & punishment and grievance systems in the unethical conduct prevention program, implement the</p>	V		<p>(III) The Company's management regulations expressly provide that employees shall act "clean and honest." The Company has also adopted the "Regulations</p>

Item	Status (Note 1)		Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	
same precisely, and review amendments to said program?			Governing Prevention of Insider Trading”, and would also communicate its management philosophy to employees in the orientation training, weekly meetings and department meetings. Meanwhile, it adopted the “Ethical Management Best Practice Principles” and “Procedure for Ethical Management and Guidelines of Conduct” as approved per resolution by the Board of Directors on March 25, 2016, in order to expressly define the operating procedure, guidelines of conduct, punishment against violations and complaint/whistle-blowing system. The same has also been disclosed in the whistle-blowing mailbox.
II. Implementation of ethical management (I) Does the Company evaluate the ethical record of all counterparts it has business relationships with? Are there any ethical management clauses in the agreements it signs with business partners?	V		(I) The Company would perform the evaluation on suppliers and customers periodically, in order to avoid trading with anyone with unethical conduct record. Also, it would issue a letter to each supplier and customer to communicate the Company’s ethical management philosophy.
(II) Does the Company establish a unit dedicated to promoting ethical corporate management under supervision of the Board of Directors which shall be responsible for reporting the status of implementation of the ethical management policy and unethical conduct prevent program to the Board of Directors periodically (at least for once per year)?	V		(II) The Company adopted the amendments to “Ethical Management Best Practice Principles” as approved per resolution by the Board of Directors on March 25, 2020. It also designates the ethical management promotion group subordinated to the Board of Directors to serve as the dedicated (concurrent) unit to promote ethical management and report the implementation status to the Board of Directors periodically each year.
(III) Does the Company have any policy that prevents conflict of interest, and channels that facilitate the report of conflict of interest?	V		(III) The Company’s management regulations have expressly defined the policy to prevent conflict of interest. The Company also has the Audit Office/legal affairs unit state the cases involving conflict of interest.
(IV) Does the Company fulfill the ethical management by establishing an effective accounting system and internal control system, and have an internal audit unit research and	V		(IV) The Company establishes the accounting system and internal control system pursuant to laws, and implements the same precisely. The Company’s financial reports will

Item	Status (Note 1)			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	Summary	
<p>adopt related audit plans based on the unethical conduct risk assessment result and conduct audits on the compliance by the unethical conduct prevention program, or appoint a CPA to conduct the audits?</p> <p>(V) Does the Company organize internal or external training on a regular basis to maintain ethical management?</p>	V		<p>be disclosed on the MOPS and its official website after being audited and certified by the external auditors. The internal audit unit would report the internal audit operations to directors and supervisors periodically.</p> <p>(V) The Company would also communicate its management philosophy to employees in the orientation training, weekly meetings and department meetings.</p>	(V) None.
<p>III. Implementation of the Company's whistle-blowing system</p> <p>(I) Does the Company have a specific report and reward system stipulated, a convenient whistle-blowing channel established, and a responsible staff designated to deal with the accused party?</p>	V		<p>(I) The Company's management regulations have expressly defined the reward and punishment rules. Meanwhile, the Company adopted the "Ethical Management Best Practice Principles" and "Procedure for Ethical Management and Guidelines of Conduct" as approved per resolution by the Board of Directors on March 25, 2016, in order to expressly define the operating procedure, guidelines of conduct, punishment against violations and complaint/whistle-blowing system. It also disclosed in the whistle-blowing mailbox that any complaints may be raised in writing or via email. The audit unit is also appointed to process the complaints as the dedicated unit.</p>	(I) None.
<p>(II) Does the Company define the standard operating procedure, followup measures to be taken upon completion of the investigation, and nondisclosure mechanism toward the investigation of reported cases as accepted?</p>	V		<p>(II) The Company adopts the reward and punishment rules and personal data management regulations, and expressly defines the standard operating procedure and non-disclosure mechanism for processing of complaints in its "Procedure for Ethical Management and Guidelines of Conduct."</p>	(II) None.
<p>(III) Does the Company have taken proper measures to protect the whistle-blowers from suffering any consequence of reporting an incident?</p>	V		<p>(III) The Company adopts the reward and punishment rules and personal data management regulations, and expressly defines the standard operating procedure and processing of complaints in its "Procedure for Ethical Management and Guidelines of Conduct." The whistle-blowers' identity and contents of the complaint would also be kept confidential. The Company promises that the whistle-blowers would not be treated inadequately as a</p>	(III) None.

Item	Status (Note 1)		Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and causes thereof
	Yes	No	
			and contents of the complaint would also be kept confidential. The Company promises that the whistle-blowers would not be treated inadequately as a result of the complaint.
IV. Enhanced information disclosure Does the Company disclose the contents of its ethical management best practice principles and the result of implementation on its official website and MOPS?	V		The Company adopted the amendments to "Ethical Management Best Practice Principles" passed by the Board of Directors on March 25, 2020, and posted the contents thereof and implementation results on the website.
V. If the Company has established sustainability policies in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies," please describe the current practices and any deviations thereof from such principles: None.			None.
VI. Other important information that is helpful in understanding the ethical corporate management operation of the Company: (e.g. the Company's review on and amendments to the ethical management best practice principles adopted by it) (I) The Company adopted the amendments to "Ethical Management Best Practice Principles" approved by the Board of Directors on March 25, 2020, and published them on its website as the basis for ethical management practices. (II) The Company adopted the "Code of Ethical Conduct" as approved per resolution by the Board of Directors on March 25, 2016, in order to guide the Company's directors and managers to act in line with the ethical standards and enable the Company's stakeholders to better understand the Company's ethical standards. (III) The Company also adopts the "Regulations Governing Prevention of Insider Trading," and communicates the Regulations to directors, supervisors, managers and employees at least for once per year. (IV) The Company has been honored as Level A+ in "6th~12th TWSE/TPEX-Listed Company Information Disclosure Evaluation." (V) The Company ranked top 20% among the TPEX-listed companies in 1st Corporate Governance Evaluation, and top 21~35% in the second Corporate Governance evaluation, and top 6~20% in 3rd~10th Corporate Governance Evaluation.			

Note 1: Always provide explanations in the summary description column, regardless of whether the status is ticked "Yes" or "No."

(VIII) Other information material to the understanding of corporate governance within the Company: The Company has been honored as Level A+ in "6th~12th TWSE/TPEX-Listed Company Information Disclosure Evaluation. The Company ranked top 20% among the TPEX-listed companies in 1st Corporate Governance Evaluation, and top 21~35% in the second Corporate Governance evaluation, and top 6~20% in 3rd~10th Corporate Governance Evaluation."

(IX) Status of Internal Control System

1. Declaration for Statement of Internal Control: Chinese version uploaded to
<https://mops.twse.com.tw>

Sanlien Technology Corp.
Declaration for Statement of Internal Control

Date: March 14, 2025

The following declaration was made based on the 2024 self-inspection of the Company's internal control system:

- I. The Company acknowledges and understands that the establishment, implementation and maintenance of the internal control system are the responsibility of the Company's Board of Directors and managers, and that such a system has been implemented within the Company. The purpose of this system is to provide reasonable assurance over the effectiveness and efficiency of business operations (including profitability, performance, security of assets etc), reliable, timely and transparent financial reporting, and regulatory compliance.
- II. The internal control system is designed with inherent limitations. No matter how perfect the internal control system is, it can only provide a reasonable assurance to the fulfillment of the three objectives referred to above. Moreover, the effectiveness of the internal control system could be affected by the changes of environment and circumstances. However, a self-monitor mechanism is installed in the internal control system of the Company. The Company will make corrections once the deficiencies are identified.
- III. The Company has assessed the effectiveness of the internal control system design and implementation in accordance with the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "the Regulations"). The criteria introduced by the Regulations consisted of five major elements, each representing a different stage of internal control: 1. Control environment; 2. Risk assessment; 3. Control activities; 4. Information and communication; and 5. Monitoring activities. Each element further encompasses several sub-elements. Please refer to "the Regulations" for details.
- IV. The Company has adopted said criteria to validate the effectiveness of its internal control system design and execution thereof.
- V. Based on the assessment result referred to in the preceding paragraph, the Company believes that the design and implementation of the internal control system (including monitoring and management on subsidiaries) as of December 31, 2024, including the achievement rate of effectiveness and efficiency of operations and reliability, timeliness, transparency, and regulatory compliance of reporting, as well as the compliance with applicable laws, regulations, and bylaws, are effective and may reasonably ensure the achievement of aforementioned goals.
- VI. The Declaration will be the major contents of the annual report and prospectus of the Company and to be publicly disclosed. Any illegalities such as misrepresentations or concealments in the published contents mentioned above will be considered a breach of Articles 20, 32, 171, and 174 of the Securities and Exchange Act and incur legal liability.
- VII. The Declaration was passed unanimously without objection by all 7 directors present at the Board meeting dated March 14, 2025.

Sanlien Technology Corp.

Chairman: (seal)

General Manager: (seal)

2. The external auditor's report issued by the CPA commissioned to conduct an internal control audit, if any:

No CPA was commissioned to conduct the internal control audit.

- (X) Important resolution of the shareholders' meeting and Board of Directors meeting from 2024 until March 28, 2025

1. Important resolution of the Board of Directors meetings:

Year	Date	Important resolution
2024 1st	January 30, 2024	<ol style="list-style-type: none"> 1. Approved the proposal for 2023 remuneration to the Company's Directors and managers. 2. Approved the Company's donation to Sanlien Technology Foundation. 3. Approved the proposal for the Company's 2024 Annual General Meeting. 4. Approved the new appointment of Company's vice president.
2024 2nd	March 15, 2024	<ol style="list-style-type: none"> 1. Approved the proposal for renewal of the Bank's facilities granted by banks. 2. Approved the Company's 2023 payment of remuneration to employees and directors. 3. Approved the amendments to the Company's relevant regulations. (1) Rules of Procedure for Board of Directors Meetings (2) Audit Committee Charter 4. Approved the Company's 2023 business report, parent company only and consolidated financial statements. 5. Approved the Company's 2023 earnings distribution plan. 6. Approved issuance of new shares through capital increase from earnings. 7. Approved 2023 Declaration for Statement of Internal Control. 8. Approved the appointment of the Company's 2024 external auditors, and evaluation on independence and competence of the external auditors. 9. Approved the proposal for the Company's 2024 Annual General Meeting. (Modification and new matters)
2024 3rd	March 14, 2024	<ol style="list-style-type: none"> 1. Approved the Company's 2024 Q1 consolidated financial statements. 2. Approved the amendment on the remuneration of the managers.
2024 4th	August 13, 2024	<ol style="list-style-type: none"> 1. Approved the Company's 2024 Q2 consolidated financial statements. 2. Approved the issuance of new shares through capital increase from 2023 earnings and ex-rights operations. 3. Approved the proposal for the Company to establish a Switzerland branch. 4. Approved the amendments to the endorsement guarantee limit of Associated company Gee Lien Resource Development Corp.
2024 5th	November 13, 2024	<ol style="list-style-type: none"> 1. Approved the Company's 2024 Q3 consolidated financial statements. 2. Approved the Company's 1H 2024 earnings distribution plan. 3. Approved the Company's 2025 internal audit plan. 4. Approved the amendments to the Company's "Sustainable Information Management Operations" Internal Control and Audit Measures.
2025 1st	January 17, 2025	<ol style="list-style-type: none"> 1. Approved the proposal for 2024 remuneration to the Company's Directors and managers. 2. Approved the Company's donation to Sanlien Technology Foundation. 3. Approved the proposal for the Company's 2025 Annual General Meeting. 4. Approved the amendments to the Company's Article of Incorporation.
2025 2nd	March 14, 2025	<ol style="list-style-type: none"> 1. Approved the Company's 2024 payment of remuneration to employees and directors. 2. Approved the proposal for renewal of the Bank's facilities granted by banks.

Year	Date	Important resolution
		3. Approved the Company's 2024 business report, parent company only and consolidated financial statements. 4. Approved the Company's 2024 earnings distribution plan. 5. Approved 2024 Declaration for Statement of Internal Control. 6. Approved the appointment of the Company's 2025 external auditors, and evaluation on independence and competence of the external auditors. 7. Approved the establishment of the scope of the definition of "grass-roots employees" of the Company.

2. Review on important resolutions of shareholders' meetings and execution in 2024.

Date	Important resolution and execution thereof
May 29, 2023 Annual General Meeting	<p>Acknowledgement matters:</p> <ol style="list-style-type: none"> 1. Acknowledged the Company's 2023 Business Report and Financial Statements. 2. Acknowledged the Company's 2023 earnings distribution plan. <p>Execution status: Chairman set September 15, 2024 as the ex-dividend in accordance with the authorization of the Board of Directors on March 15, 2024, and completed the allocation of cash dividends, NT\$108,182,919, on October 14, 2024. On August 13, 2024, the Board of Directors approved the issuance of new shares and the ex-rights operation, set September 15, 2024 as the ex-dividend base date, and completed the distribution of stock dividends of NT\$20,804,400 on October 14, 2024.</p> <p>Discussion matters:</p> <ol style="list-style-type: none"> 1. Approved issuance of new shares through capital increase from 2023 earnings. <p>Execution status: Published on the Company's website and the MOPS on May 29, 2024. Declared effective by the Financial Supervisory Commission on August 2, 2024. And approved by the Taipei City Government's letter dated September 20, 2024, with Fu-Chan-Yeh-Shang-Zi No. 11353440500.</p>

- (XI) The main contents of important resolutions of the Board passed but with directors or supervisors voicing opposing opinions on the record or in writing from 2024 until March 28, 2025: None.

IV. Information about CPA's Audit Fees:

Unit: NT\$ Thousand

Name of CPA Firm	Name of CPA	Audit Period	Audit fees	Non-audit fees	Remark
PwC Taiwan	Gregory Kuo	2024	2,880	775	For the profit-seeking income tax return audit and certification, preparation of E-filing forms, and audit of surplus capital increase NT\$775 thousand.
	Tsai Yi-Tai				

- (I) If a change of CPA firm results in a lower audit fee for that year compared to the previous year: None.
- (II) If the audit fee was reduced by more than 10% from the previous year: None.

- V. Information about replacement of CPAs: In accordance with the internal organizational adjustment of PwC Taiwan, with effect from the audit of the financial statements for Q1, 2023, the certified public accountants would be changed from Tsai Yi-Tai, CPA and Thomas Lee, CPA to Gregory Kuo, CPA and Tsai Yi-Tai, CPA.

(I) About the former CPAs

Date of replacement	Passed by the Board of Directors on March 29, 2023		
Cause and Remarks	Internal organizational adjustment of CPA		
To specify whether the client or CPA terminates or rejects the	Contracting Parties	CPA	Client
	Status		

appointment	Appointment terminated automatically		NA	NA
	Appointment rejected (discontinued)		NA	NA
The opinions other than unqualified Opinion issued in the last two years and the reasons for the said opinions	None			
Disagree with the Company?	Yes		Accounting principles or practices	
			Disclosure of financial report	
			Auditing scope or procedures	
			Others	
	None	V		
	Description			
Supplementary disclosures (To be disclosed under the subparagraphs 6.1(4)~(7) of Article 10 of the Regulations.)	None			

(II) About the succeeding CPAs

Name of CPA Firm	PwC Taiwan
Name of CPA	Gregory Kuo, CPA and Tsai Yi-Tai, CPA
Date of engagement	Approved by the Board of Directors on March 29, 2023
Prior to the formal engagement, any inquiry or consultation on the accounting treatment or accounting principles for specific transactions, and the type of audit opinion that might be rendered on the financial report	None
Written opinions from the successor CPAs that are different from the former CPA's opinions	None

(III) The former CPA's response to the items referred to in the subparagraphs 6(1) and (2)3 of Article 10 of the regulations: None.

VI. Disclosure of any of the Company's Chairman, General Manager, or managers responsible for financial or accounting matters being employed by the auditor's firm or any of its affiliated company in the last year: None.

VII. Any transfer of equity interests and pledge of or change in equity interests by a director, supervisor, manager, or shareholder with a stake of more than ten percent from 2024 until March 28, 2025.

(I) Changes of the equity of directors, supervisor, managers and major shareholders: Posted on [https://mops.twse.com.tw/Home/Summaries/SummaryTableofShareholdingbyDirectors, Supervisors, Managers, and Major Shareholders](https://mops.twse.com.tw/Home/Summaries/SummaryTableofShareholdingbyDirectorsSupervisorsManagersandMajorShareholders)

(II) Information on transfer of Shareholding:

Name (Note 1)	Reason for transfer (Note 2)	Date of transaction	Counterparty	Relationship between the counterparty and the Company, directors, supervisors, managerial officers, and major shareholders	No. of shares	Transaction price
Sanlien Educational Foundation	Endowment	June 19, 2024	Lin Ta-Chun	Representative of the juristic-person shareholder, Rui Hua Investment Co., Ltd.	5,000	N/A
Sanlien Educational Foundation	Endowment	June 19, 2024	Lin Ta-Hsun	Within the second degree of kinship with Chairman, Lin Ta-Chun	3,000	N/A

Note 1: Fill in the names of the directors, supervisors, and managerial officers, and the shareholders with greater than 10 percent shareholding.

Note 2: Specify whether the shares are acquired or disposed of.

(III) Information about changes in the pledge of equity: N/A

VIII. Disclosure of relationship among the top ten shareholders including related parties, spouses and relatives within the second degree of kinship

March 28, 2025; Unit: Shares

Name (Note 1)	Shares held on own name		Shares held by spouse and underage children		Total shares held in the names of others		If there is relationship, such as related party, spouse, or relative within the second degree of kinship, among the top ten shareholders, please disclose the designation or name and relationship. (Note 3)		Remark
	Quantity of shares	Shareholding	Quantity of shares	Shareholding	Quantity of shares	Shareholding	Name	Relationship	
Multiple Investment Corp.	3,392,317	7.76%	0	0%	0	0%	None	None	
Representative of Multiple Investment Corp.: Lin Ting-Hsiang	626,782	1.43%	103,559	0.25%	0	0%	None	None	
Rui Hua Investment Co., Ltd.	2,876,977	6.59%	0	0%	0	0%	Lin Ta Chun	The shareholder is representative of Rui Hua Investment Co., Ltd.	
Representative of Rui Hua Investment Co., Ltd.: Lin Ta-Chun	845,000	1.93%	0	0%	0	0%	None	None	
Lucent Source, Ltd.	2,679,087	6.13%	0	0%	0	0%	None	None	
Representative of Lucent Source, Ltd.: Huang Wen-Tzu	0	0%	0	0%	0	0%	None	None	
Chanitex Co., Ltd.	2,124,000	4.86%	0	0%	0	0%	None	None	
Representative of Chanitex Co., Ltd.: Chen Chun-An	0	0	857,850	1.96%	0	0%	Chuang Chu-Wei	Spouse	
Hsieh Ming-Yuan	1,000,000	2.29%	300,000	0.69%	0	0%	Hsieh Yi-Ping	Relative within the second degree of kinship	
Hsieh Yi-Ping	1,000,000	2.29%	0	0%	0	0%	Hsieh Ming-Yuan	Relative within the second degree of kinship	
Dian Jiang Jia Investment Co., Ltd.	939,435	2.15%	0	0%	0	0%	None	None	
Representative of Dian Jiang Jia Investment Co., Ltd.: Chen Ching-Song	472,500	1.08%	0	0%	0	0%	None	None	
Chuang Chu-Wei	857,850	1.96%	0	0%	0	0%	Chen Chun-An	The shareholder is spouse of representative of Chanitex Co., Ltd.	
Lin Ta Chun	845,000	1.93%	0	0%	0	0%	Rui Hua Investment Co., Ltd.	The shareholder is representative of Rui Hua Investment Co., Ltd.	
Lin Pi-Yung	818,601	1.87%	0	0%	0	0%	None	None	

Note 1: All top-10 shareholders shall be listed. The name of any juristic-person shareholder and the name of its representative are shown separately.

Note 2: The percentage of shares held under own name, spouse's name, underage children's names, and proxy shareholders' names are calculated separately.

Note 3: Relations among said shareholders (including juristic-person and natural-person shareholders) shall be disclosed in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers.

IX. Number of shares held by the Company, and the Company's directors, supervisors and managers, and the entities directly or indirectly controlled by the Company in a single investee, and consolidated shareholding percentage of the above categories

December 31, 2024; Unit: Shares

Investee (Note)	Investment by the Company		Investment by directors, supervisors, managers and enterprises controlled either directly or indirectly by the Company		Comprehensive investment	
	Quantity of Shares	Shareholding	Quantity of Shares	Shareholding	Quantity of Shares	Shareholding
Kemitek Industrial Corp.	25,490,748	37.24%	439,435	0.64%	25,930,183	37.88%
SANTEK Technology, Inc.	5,520,420	100.00%	0	0.00%	5,520,420	100.00%
Gee Lien Resource Development Corp.	490,000	49.00%	22,000	2.20%	512,000	51.20%
Rift Holdings Inc.	950,000	100.00%	0	0.00%	950,000	100.00%
Siap+Micros Holdings S. r. l	-	49.00%	0	0.00%	-	49.00%
Trisco Technology Corp.	4,226,598	26.15%	2,514,654	15.56%	6,741,252	41.72%

Note: The Company's investment under equity method.

Attachment: Sanlien Educational Foundation's 2024 work report

Activity	Time	Venue	Content of Implementation/Activity Introduction	Budget account titles	Expenditure	Number of participants or beneficiaries
Promote or sponsor cultural exchange and educational events	January~December	Taipei Zhongli Hsinchu Taichung	【Donations designated by charity projects】 1. 2024 Taipei Capital Cup WorldSkills Competition 2. Bo-Yo Social Welfare Foundation 3. Family with Special Child Support and Research Center Foundation (Chung Yuan Christian University) 4. Taichung Municipal Taichung Second Senior High School - Social activities and curriculum fund 5. National Chengchi University - Bachelor's degree in sports industry and culture 6. STP Seed Talent Program	Expenditure in donation	\$930,000	3,043 people
Promote or sponsor cultural exchange and educational events	January~December	Taipei	【Promotion of Arts and Literature, Social Care】 1. Charity tour of the Shuiyuan Village Troupe: 2/23 Rui Bin Elementary School, 12/28 New Taipei City Hospital 2. Poco A Poco Music Education Foundation 3. ESG World Citizens & Digital Governance Foundation (ESGWD) 4. Promote the development of the world's citizens' literacy and education 5. Culture and Creative Fund, Hengshan Calligraphy Art Center 6. Year-End Banquet for Underprivileged Students of the Affiliated Senior High School of National Chung Hsing University	Donations and expenses in co-organized activities	\$533,875	1,347 people
Promotion or sponsorship for the lifetime education benefiting individual, family, community and enterprise	January~December	Taipei Yilan Taichung Kaohsiung	【Goodhealth, Sports for All】 1. Community fitness class: Coach, Shu-Ling Chang; Location: Taipei City Gymnasium, a total of 45 sessions 2. Chinese Taipei Alpine Association: Hiking and mountaineering, a total of 4 sessions 1/6 Kaohsiung IVV International Happiness Two Days March (1,678 participants) 4/20-21 The 16th Taiwan IVV World Walking Days (about 5,905 participants) 10/19-20 - National Mountain Climbing Day - Northern Region (2,891 participants) - Southern Region (4,402 participants) 11/9-10 IML International Happiness Two Days March (6,296 participants) 【Technology Transfer Environmental Protection】 1. Taiwan Climbing and Mountaineering Alliance (TCMA): 4/3 Hualien Earthquake, post-earthquake inspection operations for National Park Hiking Trails 2. Plant trees to protect the earth - Protect water and forests Planted 3,500 trees in the Dagou River Watershed of Datong Township, Yilan County, with an estimated carbon sequestration increase of approximately 11,953 kgs 3. Taiwan Association of Disaster Prevention Industry (Disaster Prevention Education and Promotion Program - Earthquake Prevention and Disaster Prevention Superhero) A total of 3 sessions of Disaster prevention education seminars (Taiwan Association of Disaster Prevention Industry) Education and training for teachers: 5/4 Department of Earth Sciences, National Taiwan Normal University Education and promotion for students: 5/7 Keelung Long-Sheng Elementary School, 12/13 Taipei	Donations and expenses in co-organized activities	\$795,554	22,885 people

			Municipal Xisong High School 4. Chinese Taipei Mountaineering Association - 2025 Sports Equality: Mt. Kilimanjaro Overseas Climbing Team 5. 3886 Love, To the Peak: Relay Run of Rotary Club of Taipei: Distributing supplies to remote and indigenous schools along the route to raise public awareness of rural education, indigenous culture, forest environment, and ecological sustainability.			
Organize or sponsor seminars, trainings, and special publications for the development of high-tech and humanistic education, and combine technology and knowledge management to promote and enhance diverse technical and vocational education	January~December	Taipei Taoyuan Hsinchu Hualien Tainan Kaohsiung	【Popular Science Publications. Technology Transfer. Digital Diffusion】 1. Sanlien Technology Publications (Quarterly): Issues 131 to 134, total print volume of 8000 copies. 131st - Monitoring and inspection of urban excavation; 132nd - High-speed and synchronized data extraction system; 133rd - Smart manufacturing with automated integration; 134th - Industrial applications of KYOWA strain gauges 2. Video marketing about the advancement of Sanlien Technology: 1396 times (YouTube tutorials, digital sharing of e-journal) 4. Number of views on the digital platform of Sanlien Technology: 1,234 times (Hyweb Technology, Airiti Library) 5. Number of uses of the popular science e-books platform: 238 times (Hyweb Technology, Airiti Library, Yuan-Liou Digital) 6. Hong-Ya Publication distribution (San Min): 15 copies	Self-organized activities	\$907,206	10,883 people
Organize or sponsor seminars, trainings, and special publications for the development of high-tech and humanistic education, and combine technology and knowledge management to promote and enhance diverse technical and vocational education	January~December	Taipei Taoyuan Hsinchu Hualien Tainan Kaohsiung	【Technology Transfer Promotion of Popular Science】 1. High-tech academic research exchange "Southern Taiwan Building and Long-term Care Technology Alliance" Building Safety Monitoring Plan 2. Chung Yuan Civil Engineering Innovation Practice Classroom (Makerspace) planning and application, green energy development experimental competition 3. High school popular science camp - Exploring the world of biomechanics through artistic creation and programmatic experience - Kaohsiung Municipal Chungshan High School 4. Taipei Municipal Nei-Hu Vocational High School/ Sanlien Science and Technology Teaching Laboratory, rural science popularization activity promotion service plan 5. 6 sessions of PLC automatic control training courses 6. Science Popularization - Hosting 1 Session of Summer STEAM Inquiry and Practical Camp Hosting 1 Session of Winter STEAM Inquiry and Practical Camp Volunteer Workshop 7. High-tech academic research exchange - Artificial Intelligence Applications in Infrastructure Engineering Technology Seminar 8. High-tech academic research exchange - Industrial Alliance of Emerging Applications Through Interactive Technology Platform 9. NARLabs Smart Machinery Competition - i-ONE Instrument Technology Innovation Competition awards 10. Shock Resistant Earthquake Engineering Model Competition (IDEERS 2024) 11. Awards for outstanding earth science teachers to go abroad for training (Meteorological Application and Development Foundation 2018 to 2024, 5-4)	Donations and expenses in co-organized activities	\$1,174,849	1,256 people

Three. Status of Fund Raising

I. Capital and Outstanding Shares

(1) Source of Capital Stock

1. Types of stock

March 28, 2025

Types of stock	Authorized capital			Remark
	Issued shares	Unissued shares	Total	
Registered common shares	43,689,255 shares	61,310,745 shares	105,000,000 shares	Stocks traded on TPEX

2. Formation of capital

Unit: Share/NT\$

Year /Month	Issue Price	Authorized Capital Stock		Paid-in Capital Stock		Remark		
		Shares	Amount	Shares	Amount	Source of Capital Stock	Offset by any assets other than cash	Others
February 1967	10	20,000	200,000	20,000	200,000	Venture capital	None	
July 1969	10	60,000	600,000	60,000	600,000	Capital increase NT\$400,000 by cash	None	
December 1970	10	120,000	1,200,000	120,000	1,200,000	Capital increase NT\$600,000 by cash	None	
August 1975	10	300,000	3,000,000	300,000	3,000,000	Capital increase NT\$1,800,000 by cash	None	
June 1980	10	600,000	6,000,000	600,000	6,000,000	Capital increase NT\$3,000,000 by cash	None	
May 1981	10	1,200,000	12,000,000	1,200,000	12,000,000	Capital increase NT\$6,000,000 by cash	None	
July 1986	10	1,660,000	16,600,000	1,660,000	16,600,000	Capital increase NT\$4,600,000 by cash	None	
November 1987	10	2,080,000	20,800,000	2,080,000	20,800,000	Capital increase NT\$4,200,000 by cash	None	
June 1990	10	2,980,000	29,800,000	2,980,000	29,800,000	Capital increase NT\$4,840,000 by cash Capital increase NT\$4,160,000 by capital reserve	None	
July 1991	10	3,384,000	33,840,000	3,384,000	33,840,000	Capital increase NT\$4,040,000 by cash	None	
October 1991	10	3,980,000	39,800,000	3,980,000	39,800,000	Capital increase NT\$5,960,000 by cash	None	
June 1993	10	5,200,000	52,000,000	5,200,000	52,000,000	Capital increase NT\$2,250,000 by cash Capital increase NT\$9,950,000 by capital reserve	None	
May 1996	10	12,000,000	120,000,000	8,000,000	80,000,000	Capital increase NT\$12,400,000 by cash Capital increase NT\$15,600,000 by earnings	None	
May 1996	10	15,200,000	152,000,000	15,200,000	152,000,000	Capital increase NT\$40,000,000 by cash Capital increase NT\$16,000,000 by earnings Capital increase NT\$16,000,000 by capital reserve	None	
June 1998	10	21,100,000	211,000,000	21,100,000	211,000,000	Capital increase NT\$38,000,000 by earnings Capital increase NT\$2,760,000 by employee bonus Capital increase NT\$18,240,000 by capital reserve	None	
June 1999	10	23,800,000	238,000,000	23,800,000	238,000,000	Capital increase NT\$15,825,000 by earnings Capital increase NT\$1,680,000 by employee bonus Capital increase NT\$9,495,000 by capital reserve	None	Note 1

Year /Month	Issue Price	Authorized Capital Stock		Paid-in Capital Stock		Remark		
		Shares	Amount	Shares	Amount	Source of Capital Stock	Offset by any assets other than cash	Others
July 2000	10	27,800,000	278,000,000	27,800,000	278,000,000	Capital increase NT\$28,560,000 by earnings Capital increase NT\$1,920,000 by employee bonus Capital increase NT\$9,520,000 by capital reserve	None	Note 2
July 2001	10	105,000,000	1,050,000,000	33,600,000	336,000,000	Capital increase NT\$55,600,000 by earnings Capital increase NT\$2,400,000 by employee bonus	None	Note 3
August 2002	10	105,000,000	1,050,000,000	37,993,000	379,930,000	Capital increase NT\$40,320,000 by earnings Capital increase NT\$3,610,000 by employee bonus	None	Note 4
August 2003	10	105,000,000	1,050,000,000	38,732,860	387,328,600	Capital increase NT\$7,398,600 by earnings	None	Note 5
March 2005	10	105,000,000	1,050,000,000	37,812,860	378,128,600	Cancellation of treasury shares NT\$9,200,000	None	Note 6
July 2005	10	105,000,000	1,050,000,000	37,687,860	376,878,600	Cancellation of treasury shares NT\$1,250,000	None	Note 7
April 2006	10	105,000,000	1,050,000,000	37,543,820	375,438,200	Cancellation of treasury shares NT\$1,440,400	None	Note 8
May 2007	10	105,000,000	1,050,000,000	36,834,820	368,348,200	Cancellation of treasury shares NT\$7,090,000	None	Note 9
August 2007	10	105,000,000	1,050,000,000	38,087,342	380,873,420	Corporate bonds conversion NT\$12,525,220	None	Note 10
December 2007	10	105,000,000	1,050,000,000	38,102,493	381,024,930	Corporate bonds conversion NT\$151,510	None	Note 11
November 2008	10	105,000,000	1,050,000,000	38,304,513	383,045,130	Corporate bonds conversion NT\$2,020,200	None	Note 12
September 2013	10	105,000,000	1,050,000,000	41,368,874	413,688,740	Capital increase NT\$30,643,610 by earnings	None	Note 13
August 2015	10	105,000,000	1,050,000,000	44,264,695	442,646,950	Capital increase NT\$28,958,210 by earnings	None	Note 14
October 2020	10	105,000,000	1,050,000,000	41,608,815	416,088,150	Capital decrease NT\$26,558,800 by cash	None	Note 15
September 2024	10	105,000,000	1,050,000,000	43,689,255	436,892,550	Capital increase NT\$20,804,400 by earnings	None	Note 16

Note 1: Approval letter (88) Tai-Cai-Zheng (1) No. 47744 of Securities and Future Bureau, Ministry of Finance dated May 21, 1999

Note 2: Approval letter (89) Tai-Cai-Zheng (1) No. 56787 of Securities and Future Bureau, Ministry of Finance dated June 30, 2000

Note 3: Approval letter (90) Tai-Cai-Zheng (1) No. 142210 of Securities and Future Bureau, Ministry of Finance dated July 2, 2001

Note 4: Approval letter (91) Tai-Cai-Zheng (1) No. 0910136793 of Securities and Future Bureau, Ministry of Finance dated July 4, 2002

Note 5: Approval letter (92) Tai-Cai-Zheng (1) No. 0920130441 of Securities and Future Bureau, Ministry of Finance dated July 8, 2003

Note 6: Approval letter Jin-Guan-Zheng-3-Zi No. 0930160121 of FSC, Executive Yuan dated January 4, 2005

Note 7: Approval letter Jin-Guan-Zheng-3-Zi No. 0940112124 of FSC, Executive Yuan dated April 8, 2005

Note 8: Approval letter (91) Tai-Cai-Zheng (3) No. 0910168570 of FSC, Executive Yuan dated December 31, 2002

Note 9: Approval letter Tai-Cai-Zheng (3) No. 0930125271 of FSC, Executive Yuan dated June 3, 2004

Note 10: Approval letter Fu-Chan-Yeh-Shang-Zi No. 09689497700 of Taipei City Government dated September 17, 2007

Note 11: Approval letter Fu-Chan-Yeh-Shang-Zi No. 09780522700 of Taipei City Government dated January 18, 2008

Note 12: Approval letter Fu-Chan-Yeh-Shang-Zi No. 09791266800 of Taipei City Government dated November 13, 2008

Note 13: Approval letter Fu-Chan-Yeh-Shang-Zi No. 10287922800 of Taipei City Government dated September 16, 2013

Note 14: Approval letter Fu-Chan-Yeh-Shang-Zi No. 10487038200 of Taipei City Government dated August 12, 2015

Note 15: Approval letter Jin-Guan-Zheng-Fa-Zi No. 1090350817 of FSC, Executive Yuan dated August 3, 2020

Note 16: Approval letter Fu-Chan-Yeh-Shang-Zi No. 11353440500 of Taipei City Government dated September 20, 2024

3. Information on the self-registration system: None

(2) Major shareholders

March 28, 2025

No.	Name of Major Shareholder	Shares	Shareholding ratio
1	Multiple Investment Corp.	3,392,317	7.76%
2	Rui Hua Investment Co., Ltd.	2,876,977	6.59%
3	Lucent Source., Ltd.	2,679,087	6.13%
4	CHANITEX Co, Ltd.	2,124,000	4.86%
5	Hsieh Ming-Yuan	1,000,000	2.29%
6	Hsieh Yi-Ping	1,000,000	2.29%
7	Dian Jiang Jia Investment Co., Ltd.	939,435	2.15%
8	Chuang Chu-Wei	857,850	1.96%
9	Lin Ta-Chun	845,000	1.93%
10	Lin Pi-Yung	818,601	1.87%

(3) Dividend policy and implementation thereof

1. Dividend policy

The Company's business is at the stage of business growth. In consideration of the funding needs for future important investment plans and the Company's long-term financial planning, as well as the stability of earnings and cash flows, the dividends to shareholders shall be allocated from accumulated distributable earnings, which shall be no less than 15% of the distributable earnings for the current year. The stock dividends shall be no more than 80% of the dividends distributable to shareholders.

2. Proposed dividend distribution

According to the motion for distribution of earnings 2024 passed by the Board of Directors on March 14, 2025, the Company shall set aside the legal reserve pursuant to laws, and will distribute the cash dividend at NT\$2.6 per share, totaling NT\$113,592,063. The motion will be reported to a shareholder meeting.

(4) Impact on operating performance and EPS by stock dividend distribution proposed at the shareholders meeting: NA

(5) Remuneration to employees and directors

1. The percentages and ranges of remuneration to employees and directors in the Company's Articles of Incorporation:

The remuneration to employees shall be no less than 1%, while the remuneration to directors shall be no more than 5%.

2. The basis for estimating the amount of remuneration to employees and directors and for calculating the number of shares to be distributed as the remuneration to employees, and the accounting treatment of the discrepancy, if any, between the actual distribution and the estimated amount, for the current period:
The discrepancy between the actual distribution approved by the Board of Directors and the estimated amount, if any, shall be considered as the change in accounting estimate and stated as the income for next year.

3. The resolution of remuneration distribution approved by the Board of Directors

The distribution of remuneration approved by the Board of Directors on March 14, 2025:

(1) The remuneration to be distributed to employees totals NT\$8,524,817, and the remuneration to directors NT\$6,393,614, both of which are indifferent from those recognized for 2024.

(2) Proposed distribution of remuneration to employees in the form of stock as a percentage to the income after tax plus remuneration to employees in the parent company only or separate financial statement for the current period: N/A.

(3) The imputed basic earnings per share after distribution of the remuneration to employees and directors are NT\$4.2.

4. The actual distribution of remuneration to employees, directors and supervisors in the previous year (including allocated shares, amount and price per share), and the accounting disclosures, treatments and explanations if a discrepancy exists:

The actual remuneration to employees was NT\$12,020,466, and that to directors NT\$9,015,350, in 2023. There is no difference from the original intended distribution decided by the Board of Directors.

(6) Repurchase of the Company's Shares: None.

- II. Corporate bond status: None.
- III. Preferred stock status: None.
- IV. Overseas depository receipt status: None.
- V. Employee stock option status: None.
- VI. Restricted employee stocks status: None.
- VII. Mergers and acquisitions status: None.
- VIII. Implementation of capital utilization plan: None.

Four. Overview of Operation

I. Business Activities

(I) Business Scope

1. The contents of business conducted by the company and its affiliates
 - (1) CB01010 Mechanical Equipment Manufacturing.
 - (2) CC01010 Manufacture of Power Generation, Transmission, and Distribution Machinery.
 - (3) CC01060 Wired Communication Mechanical Equipment Manufacturing.
 - (4) CC01080 Electronics Components Manufacturing.
 - (5) CC01110 Computer and Peripheral Equipment Manufacturing.
 - (6) CE01010 General Instrument Manufacturing.
 - (7) E501011 Tap Water Pipelines Contractors.
 - (8) E599010 Piping Engineering.
 - (9) E601010 Electric Appliance Construction.
 - (10) E603010 Cable Installation Engineering.
 - (11) E603050 Automatic Control Equipment Engineering.
 - (12) E604010 Machinery Installation.
 - (13) E605010 Computer Equipment Installation.
 - (14) E701010 Telecommunications Engineering.
 - (15) E701030 Controlled Telecommunications Radio-Frequency Devices Installation Engineering.
 - (16) EZ05010 Instrument and Meters Installation Engineering.
 - (17) EZ07010 Drilling Engineering.
 - (18) EZ99990 Other Engineering.
 - (19) F113030 Wholesale of Precision Instruments.
 - (20) F113050 Wholesale of Computers and Clerical Machinery Equipment.
 - (21) F113070 Wholesale of Telecommunication Apparatus.
 - (22) F213030 Retail Sale of Computers and Clerical Machinery Equipment.
 - (23) F213040 Retail Sale of Precision Instruments
 - (24) F213060 Retail Sale of Telecommunication Apparatus.
 - (25) F218010 Retail Sale of Computer Software
 - (26) F219010 Retail Sale of Electronic Materials
 - (27) F401010 International Trade
 - (28) G801010 Warehousing
 - (29) H703090 Real Estate Business.
 - (30) I301010 Information Software Services.
 - (31) IF04010 Non-destructive Testing.
 - (32) IZ99990 Other Industrial and Commercial Services.
 - (33) J101050 Environmental Testing Services.
 - (34) C801010 Basic Chemical Industrial.
 - (35) C801030 Precision Chemical Material Manufacturing.
 - (36) H701010 Housing and Building Development and Rental.
 - (37) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Primary product (service) lines

Primary business lines	Primary product	Major purpose or function
Measurement engineering	Measurement engineering safety monitoring	<ol style="list-style-type: none"> 1. Public constructions, geotechnical engineering and urban civil engineering construction safety monitoring 2. Natural disaster early warning monitoring 3. Old structural and bridge enforcement and monitoring 4. Pile test: load test and completeness test 5. Civil engineering monitoring instrument and material production, sale and import & export 6. Plant micro-tremor monitoring
Automated equipment	Industrial automation and sensor-related equipment	<ol style="list-style-type: none"> 1. Proface and PATLITE products 2. Weather sensors 3. Plant and equipment automation and control 4. Wireless sensor module 5. Machine electrical control system design and development 6. Power equipment, system and quality testing and monitoring management system 7. Electromechanical system technical consulting, engineering and system integration services
	Semiconductor equipment and material supply and technical service	<ol style="list-style-type: none"> 1. Semiconductor equipment and material supply 2. Technical services including ultrasonic cleaning machine procurement, installation, commissioning, maintenance & repair and education & training of ultrasonic cleaning machine 3. Semiconductor related machine remodeling services.
	IC and LED packaging equipment technical services	<ol style="list-style-type: none"> 1. Technical services including IC, LED and Tr packaging equipment OEM die bonding machine procurement consulting, remodeling, adjustment, maintenance & repair, care, and education & training 2. Used and customized equipment trading service
	Provision of vibration-related solutions	Vibration and earthquake early warning monitoring equipment sale
Peripheral devices	Computer cutting machine, scanner and gas detection	<ol style="list-style-type: none"> 1. Plane material automated and semi-automated processing production and testing equipment. 2. Various air-quality monitoring sensors
Sensor services	Industrial sensor instrument, equipment, special sensor production and force sensor calibration services	<ol style="list-style-type: none"> 1. Academic R&D and testing 2. Industrial product R&D and production process quality testing 3. Automobile (motor) R&D performance test 4. Handcar relevant operation safety and maintenance testing 5. Automated software and hardware system planning services 6. Industrial special-purpose sensor development

Primary business lines	Primary product	Major purpose or function
		7. Electronic product process testing 8. Health management sensor manufacturing 9. Plant environment testing 10. Bridge monitoring system installation, testing service and equipment maintenance 11. Structure safety monitoring
Electronic materials	High-purity quality special-purpose materials for the semiconductor industry and optoelectronics industry	1. Semiconductor industry special-purpose chemical manufacturing and sale 2. Optoelectronics industry special-purpose chemical manufacturing and sale 3. Agency and sale of ultra-purity reagent for analysis 4. Testing and analysis services of certification labs providing special-purpose chemicals

3. Business proportion of primary products

Unit: NT\$ thousand

Item	Net operating revenue 2024	Business proportion
Sales revenue	4,292,522	95.3%
System integration revenue	47,267	1.0%
Engineering revenue	74,815	1.7%
Other operating revenue	89,400	2.0%
Total	4,504,004	100.0%

4. New products/services planned to be developed:

- (1) High precising All in One seismometer
- (2) Dot datalogger series product (shake, sound, digital etc.)

(II) Industry Overview

1. Industry Overview and Development

A. Measurement engineering

The global economy and construction development persisted, but the economy was recovering gradually. The continuing volatility in the commodity price and international financial market posed different impacts to the neighboring countries' finance and foreign exchange rate. Domestically, the economy has been growing remarkably. In order to take advantage of the chance to recover economy, the government has accelerated the adjustment on domestic economic structures, kept boosting various construction projects, and proactively promoted and practiced forward-looking infrastructure development program, hoping to drive domestic industrial upgrading and create the opportunity to compete with others globally, thereby upgrading the nation's competitiveness. Since 2020, the Company has invested in the R&D of its own brand of NB-IoT wireless transmission technology recorders. In recent years, the VWdot and VWdot4 vibrating wire recorders, as well as the WBdot resistive recorders, have been launched. In early 2024, the TILTdot wireless inclinometer was introduced, achieving excellent sales upon launch. In Q4 of 2024, the RAINdot rainfall recorder was released, with sales boosted by the strong demand for recorders, driving the sales of various sensors from Sanlien. Looking ahead to 2025, the Company plans to complete the equipment transmission technology upgrade to NB-IoT combined with LTE-M and is set to launch related products such as the Adot analog recorder, VWdot16 vibrating wire recorder, and SHAKEdot vibration meter. These advancements will bring greater development opportunities for the sales of measurement engineering instruments.

B. Automated equipment

In 2024, the global economic turbulence and high inflationary pressures led to a downturn in the manufacturing and machinery equipment industries. However, in the second half of the year, the semiconductor equipment investment effect provided some relief, resulting in a slight growth in HMI demand for the year. In 2025, the Company is optimistic about the development potential of industries such as semiconductors and automation. By focusing on deepening customer relationships, implementing a strategy of replacing old products with new ones, and improving after-sales service efficiency, there is hope to enhance performance and boost sales. Overseas sales of disaster prevention-related products have recovered as the economies of various countries recover. Orders from most countries have resumed, and the Company has secured projects such as the vibration monitoring project in Singapore and the earthquake early warning system construction project for Indonesia by the World Bank. Domestically, due to the frequent earthquakes in recent years, there has been an increased demand for earthquake early warning systems from technology plants. It is expected that planned projects will be finalized and orders obtained in 2025. Additionally, the Company actively participated in the planning of various large-scale earthquake monitoring projects, successfully securing the Taiwan Railway's seismic balance accelerometer project in 2024. This project is expected to be completed in 2025, and through this achievement, the Company aims to expand the sales of seismic balance accelerometers.

C. Peripheral devices

Housing safety is gradually gaining attention. The number of known orders for carbon monoxide gas detectors in 2025 growing slightly, new air quality application advancements are still underway, by utilizing the characteristics of semiconductor components that respond to specific gases, it can be introduced into applications such as camping cars in foreign countries. The cutting equipment has made breakthroughs in applications. In addition to the original livelihood applications, new applications in temple-related have been added. The development of new applications, such as semiconductors and special processing, has also yielded good results. Car body wraps is all the rage. It wasn't always the case that only imported cars had body wraps. Domestic cars are also being wrapped now, and introduced for vehicle interiors and bicycles last year. One factor contributing to the growing prevalence of vehicle body wrapping is the evolution of the wrapping itself, for instance, a cutting machine is only required to remove the coating for the interior of the vehicle body, the headlamps, and the windward sides. As a result, cutting machine sales were stimulated. GIS is expected to be implemented in 2025.

D. Sensor services

Taiwan is a major exporter of machine tools. However, in the past two years, the industry has been sluggish and weak due to challenges such as a global decline in economic demand and the impact of geopolitical factors. 2024 is a challenging year for the machine tool and related industries. However, it is expected that the industry will gradually recover in 2025, with noticeable improvements by Q2. Yet, alongside the global economic recovery, the increasingly severe labor shortage has emerged as a new concern for business growth. The demand for smart manufacturing and digital transformation will surge!

As the AI server industry continues to mature, Taiwan, being a major player in the ICT industry, will see a sustained increase in demand for PCB circuit board testing. Meeting customers' product testing and analysis needs in both hardware and software testing will be a key focus for business operations this year.

E. Electronic materials

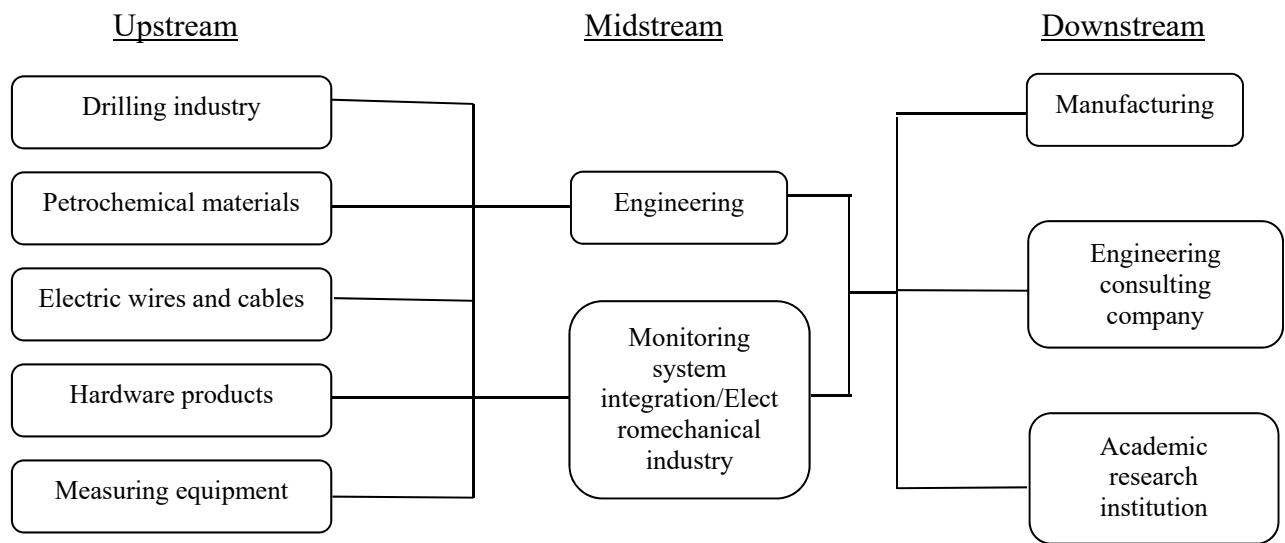
In 2024, the electronic materials industry is showing a steady upward trend, benefiting from the continued growth in global semiconductor demand as well as the rapid advancement of applications in electric vehicles and the IoT. The demand for advanced process materials has surged, especially in high dielectric constant materials, photoresists, and chemical mechanical planarization (CMP) consumables. Despite the ongoing challenges of geopolitics and supply chain pressures, global supply chain resilience has improved, and businesses are gradually adapting to these challenges, leading to enhanced operational stability.

Looking ahead to 2025, with the widespread adoption of AI and high-performance

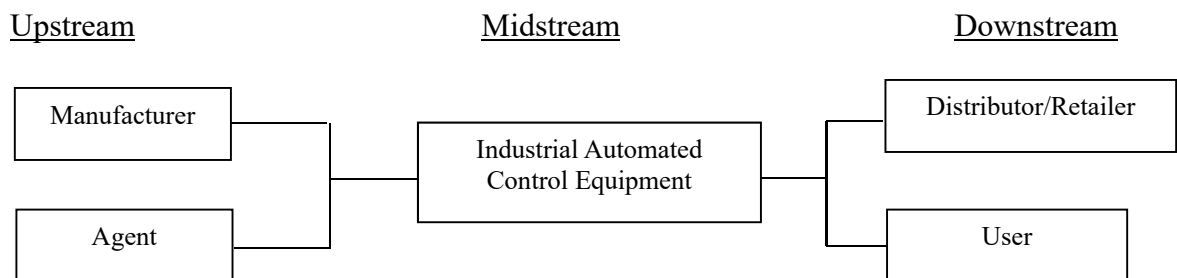
computing (HPC) technologies, the demand for advanced materials is expected to continue rising. Global leading foundries will further drive process upgrades, boosting the demand for related chemicals. At the same time, breakthroughs in new energy technologies will drive the expansion of the market for new battery materials. In terms of industry challenges, fluctuations in raw material prices and the cost pressures associated with the introduction of new technologies remain areas of concern. Enterprises need to strengthen investment in R&D to achieve differentiated competition, while also focusing on the diversification and sustainability of their supply chain layouts to address uncertainties and seize growth opportunities. Overall, the outlook for the electronic materials industry in 2025 is optimistic, with innovation and green transformation serving as key drivers.

2. The Correlation of Upstream, Midstream, and Downstream

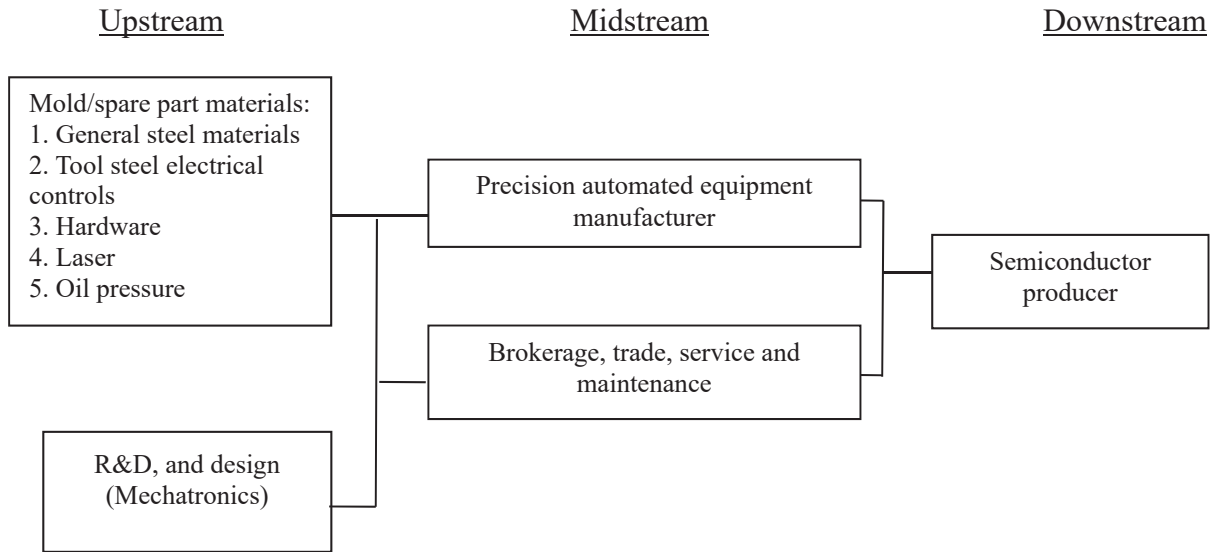
A. Measurement engineering:



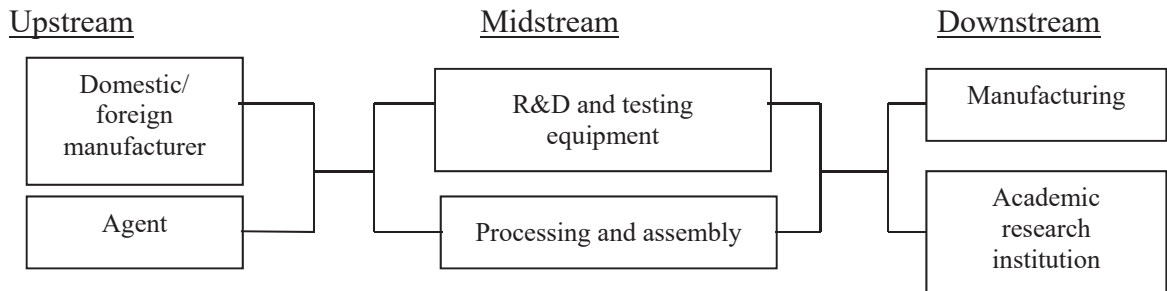
B-1. Industrial Automated Control Equipment and C. Peripheral devices



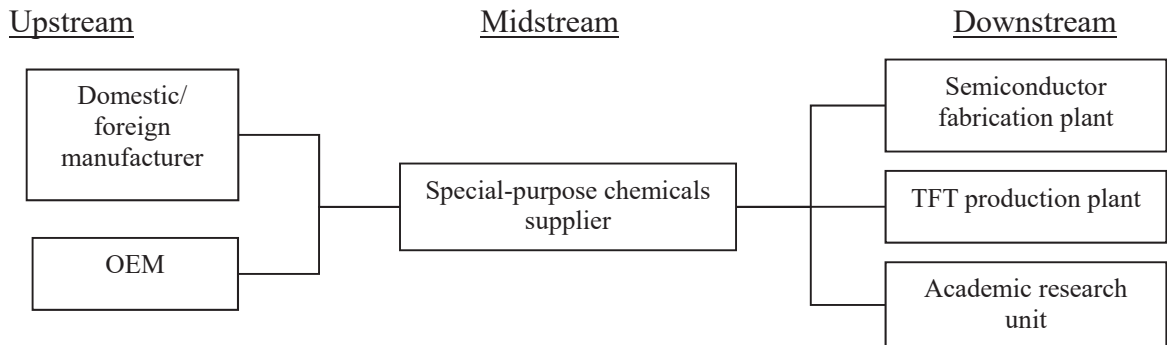
B-2. Precision automated equipment



D. Sensor services:



E. Electronic materials:



3. Product development trends, and competition status:

A. Measurement engineering

In order to boost domestic economic development, the government has accelerated the implementation of existing engineering projects, and planned and promoted forward-looking infrastructure development program. The forward-looking infrastructure development program focuses on railway construction and water environment construction to speed up various industries' development domestically. The private construction industry is expected to drive various investment projects through the various construction projects executed by the government. As a result, the public and private construction projects would be developed altogether.

Considering that the engineering projects are developing oriented toward the large-scale and complicated projects. As a result, the ability of planning, management and integration required by execution of the projects is improved relatively. The Company invests considerable capital in R&D of products and development of real-time monitoring

software, in order to provide customers with the one-stop services. Meanwhile, the Company researches and develops new instruments and improves the real-time monitoring programs, in order to enable customers to verify the latest structural status in any new construction project or service life extension project, and to eliminate any potential hazard in advance to improve the early warning timeliness. The Company adopts the project model emphasizing the design and construction integration work, focusing on the interface integration management between activities, pursuing the professional development of expertise or development of integrated engineering services to accumulate competitive strengths.

B. Automated equipment

The HMI products in the first half of 2024 adjusted their supply chain strategy to respond to market demand changes, which facilitated a close connection between inventory levels and market demand. The machine tool sector is still affected by unfavorable factors such as uncertain demand and the impact of the Japanese yen, which has affected orders for handheld human-machine interfaces and related products. In 2025, the global machine tool market will face increased competition due to the interplay of trade and political factors, along with China's focus on cost-performance advantages. To enhance competitiveness, the strategy will involve accelerating delivery schedules through rational inventory management and implementing a machine upgrade strategy to expand the customer base and secure early-order opportunities. Vibration disaster prevention products are positioned as high cost-performance with stable quality, complemented by the developed backend software to provide customers with real-time, high-quality hardware and software services.

C. Peripheral devices

The market is saturated, and developing new applications is the long-term solution. Cutting machines are imported from Japan. Competing manufacturers have replaced OEMs or switched to Chinese brand OEMs to reduce costs, but the quality is not as good as previous standards, and in addition, Chinese brands cutting machines are coming to Taiwan for sale. It creates potential for clients with high-quality expectations to acquire customers from other Japanese brands while maintaining a distribution relationship with domestic companies, winning the possibility to swap models at a lower cost and developing new applications.

D. Sensor services

In the future, the global trend of industrial smart manufacturing and the IoT will drive the development of sensors toward intelligence. Front-end sensors will feature multiple sensing functions and data processing capabilities, allowing users to quickly access the data they need. Once miniaturized, sensors can be widely applied to every corner of life, improving living quality and making the environment more comfortable, healthy, and safe. By developing new technologies and integrating the wisdom accumulated from past experiences, new products will transform our lifestyles. The key to future industry competitiveness lies in the widespread development of sensor services related to human needs.

E. Electronic materials

As the demand for electronic materials in 2024 recovers, the special chemical used in the semiconductor industry will play a key role in 2025 to meet the strong demand for advanced processes. In line with this trend, many international giants have accelerated the establishment of subsidiaries in Taiwan for localized production or engaged in professional contract manufacturing partnerships with local factories. This approach not only brings them closer to customer needs and shortens inventory lead times, but it also effectively reduces carbon emissions caused by cross-border transportation, aligning with global expectations for energy conservation, carbon reduction, and sustainable development.

To secure a foothold in the increasingly competitive market, Kemitek continues to deepen its partnerships and focuses on the advanced process specialty chemicals production line layout and quantitative production plans through 2030, aiming to meet the strong future demand for high-purity, high-performance chemicals in the semiconductor industry. In addition, Kemitek has increased investment in

equipment by establishing an R&D laboratory within its manufacturing site and introducing advanced process testing machinery. This has significantly shortened the timeline for technology development and validation, greatly enhancing product development capabilities and market responsiveness.

(III) Technology and R&D Status

1. R&D expenses invested in the most recent year until February 28, 2025

Unit: NT\$ thousand

Item	Until February 28, 2025	2024
R&D expenses	3,140	20,036
Net operating revenue	792,419	4,504,004
R&D expenses to net operating revenue %	0.4%	0.4%

2. R&D focus and results in 2024

- (1) Successfully developed the dot series product line, including the rain sensor data logger.
- (2) Successfully developed the 4-channel analog sensor data logger in the dot series product line.
- (3) Successfully developed the PCBDAS system to analyze the strain measurement data requirements for PCBA (IPC/Jedec 9704 specifications).
- (4) Successfully developed I Cube, a multi-functional earthquake early warning device used for old buildings and businesses.

(IV) Long-Term/Short-Term Business Development Plan

1. Short-term business development plan

- (1) Research and develop monitoring and investigation technologies for public facilities, and improve the application range of monitoring equipment.
- (2) Improve the cooperation between engineering units and academic research units to engage in the academia-industry R&D.
- (3) Integrate, plan and research & develop the monitoring equipment and system adapted to domestic/foreign environment, and practice the monitoring technology.
- (4) Continue to develop the earthquake testing instrument and peripheral application systems, and develop earthquake early warning and disaster prevention and relief markets.
- (5) Develop the cloud monitoring system and continue promoting the same to the customers in Philipian, Vietnam, Thailand and Indonesia.
- (6) Develop the earthquake monitoring and structural health monitoring related markets
- (7) Continue to upgrade the specifications of special-purpose chemical products in response to the new-generation process.
- (8) Continue to improve the process and analysis ability to secure the stable quality required by the Company voluntarily.

2. Long-term business development plan

- (1) International strategic alliance, cooperative development and monitoring of related research projects, production & manufacturing, and international marketing.
- (2) Strengthen the academia-industry cooperation in various industries.
- (3) Train all-round successor talents in response to the long-term industrial development.
- (4) Continue to develop the special-purpose chemical raw materials needed by the semiconductor next generation advanced process.
- (5) Develop new partners proactively to pursue local production of more chemical materials in Taiwan, so as to expand the special-purpose chemical market services in Taiwan.

II. Overview of Market and Production & Marketing

(I) Market analysis

1. Territories where the primary products are sold

Unit: NT\$ thousand

Territories	2024	Percentage
Domestic marketing	4,269,944	94.8%
Asia-Pacific	203,142	4.5%
Others (ASEAN and Europe, et al.)	30,918	0.7%
Total	4,504,004	100%

2. Future demand & supply and growth in the market

A. Measurement engineering

Large-scale projects and service life extension projects will drive the development of measurement engineering business. Meanwhile, the real-time automated monitoring also plays a very important role. Under the reasonable slope land development management, with respect to the specific areas to be safeguarded, permanent management and monitoring plays a very important role in the homeland monitoring from now on. At present, governments worldwide are attaching great importance to the disaster prevention industry and IoT smart cities. This trend gives Sanlien's NB-IoT monitoring instrument and equipment brand a significant niche. The measurement engineering market is expected to grow stably in next few years.

B. Automated equipment

Following the semiconductor costs declining and the function demand increasing year by year, various monitoring equipment models will be introduced successively for innovative technologies. For a long term, high CP instruments are expected to keep pace up with the trend. Besides, due to the maturing cloud technology, M2M and M2C (Machine to Cloud) will play a third eye to help human beings understand the machine and nature, while the vibration testing equipment cost and price will decline sharply and the business owners' willingness to invest capital in upgrading of equipment will increase accordingly.

Due to the mass production of automated equipment and increasing machine units, the demand for integration of machine is increasing. The utilization rate, operating mode and process & formula management of the machine become the key factors to manufacturing management; therefore, the demand thereof is expected to develop optimistically.

In the recent years, the Company has continued to invest capital in the earthquake early warning, in addition to the structural health checkup and solution, to experts and the general public through presentations and exhibitions, which are valued and recognized increasingly. The market is also expected to grow stably.

C. Peripheral devices

Due to special regulatory conditions, the public sector must replace old plotters each year. However, it is difficult for the only brand of Sanlien to compete due to the interface programs required for system connection. In response to diverse market demands, we will continue to develop new applications and seek new opportunities as a machine tool developer instead of just a cutting machine maker and also the roll to roll cutter will add power-saving motor switches to explore new opportunities. The development of gas detectors is aimed at assisting students and research institutes. The technology transfer after successful development is expected to bring orders from technology companies. Through practical experience, we can identify development problems and accumulate internal competencies to help customers.

D. Sensor services

In response to the smart manufacturing and IoT development trend, the sensor demand by various industries and people's livelihood is booming increasingly. The Company works with customers and suppliers proactively to develop the cheapest and convenient services available to users, in line with the demand for the trend products and tied in with a management system package integrating the current communication technology. Innovative products will be the key to the Company's survival in the future. High quality and streamlining are considered as the minimum product requirements. Therefore, new products integrate the technologies including sensor, communication and information to make the products to be more humanized and diversified to drive customers and create more profit. In response to the monitoring trend of disaster prevention market, the Company has invested relevant software and hardware resources in the structural safety monitoring business such as buildings and bridges. In line with the development of national disaster prevention policies, the Company will gradually be paid off in the infrastructure and private enterprise sectors in the future, and the revenue increase.

E. Electronic materials

In 2024, the semiconductor industry emerges from the downturn of 2023, with memory products becoming the first wave of recovery, particularly the growth potential of high-bandwidth memory (HBM) products driven by AI. With the explosive increase in demand for AI and high-performance computing (HPC), along with the gradual recovery in end-user demand from smartphones, personal computers, and automobiles, the semiconductor sales market is expected to return to a growth trend in 2025, ushering in a new wave of growth.

Through active strategic planning over the past few years, the Company has successfully entered the most advanced semiconductor manufacturing process market. As wafer foundry customers continue to expand their production capacity, the Company must not only maintain existing capacity but also meet the strong demand for advanced manufacturing processes from wafer foundries. Therefore, since 2022, the Company has been planning the expansion of production lines for advanced processes and the establishment of cleanrooms required for the inspection of new high-purity products. These equipment investments were completed in 2023, and the new production lines have officially started operations in 2024, which will drive another wave of revenue growth in the future.

According to IDC's latest research on "Global Semiconductor Supply Chain Tracking Intelligence," the demand for artificial intelligence (AI) and high-performance computing (HPC) is expected to continue rising in 2025. This surge in demand will significantly increase the need for high-purity electronic materials used in semiconductor processes, particularly in advanced processes (such as 3nm and below nodes) and advanced packaging technologies (such as Chiplet and 2.5D/3D packaging). Additionally, a new dedicated testing laboratory for advanced packaging process materials will be established by the end of 2024, with operations set to begin in 2025. This laboratory will directly offer customers localized materials R&D testing, enabling faster and more timely responses to customer needs.

3. Positive and negative factors for future development, and responsive measures

A. Measurement engineering

Positive factors:

- ✧ Integrated management technology.
- ✧ The product development is oriented toward the customer-oriented vertical and horizontal integration.
- ✧ Technical and digital applications yield higher added value.
- ✧ Vertical and horizontal strategic alliances.
- ✧ South East Asia, Europe and the USA markets.
- ✧ Introduction the IoT real-time monitoring technology and equipment.
- ✧ One-stop model for R&D and production/software/hardware.

Negative factors:

- ✧ Mature industry.
- ✧ Intensive low-price competition in the domestic market.
- ✧ M-shaped development in the construction industry.
- ✧ New transmission technology will be introduced in the future.

Responsive measures:

In response to the owner's strict control over the engineering quality to satisfy the quality requirements, the Company will develop and introduce new technologies, new materials and new methods that conserve energy and provide comfort, expand the utilization of real-time monitoring systems and IoT wireless remote testing technology, and construct the monitoring cloud and smart cities, hoping to expand and deepen the service range to create added value for the owner. Meanwhile, the Company will promote the technology and equipment applied domestically to the territories of South East Asia, and make adjustment in a timely manner to satisfy the local norms and customs, hoping to expand the scope of application and increase the market niche.

B. Automated equipment

Positive factors:

- ✧ Complete solutions for monitoring systems.
- ✧ Complete achievements, including the IoT monitoring technology and reservoir safety monitoring, comprehensive environmental monitoring, et al.
- ✧ Fair organizational communication and professional training to provide planning and service of consistent quality.
- ✧ Provision of real-time local technological service consulting service to solve any problems in the application for customers in a timely manner.
- ✧ Instrument development projects and quality.
- ✧ Matured EEW technology, and increasing expanded applications.
- ✧ Strong members and teams.
- ✧ Completed marketing resources and increased social media exposure.
- ✧ Close cooperation with the R&D team to provide the complete vertical technology integration ability.

Negative factors:

- ✧ Low repeatability of certain projects makes it difficult to control costs.
- ✧ Intensive competition of automated equipment.
- ✧ The own brand product lines increased year by year, reasonable planning of production and inventory is required.

Responsive measures:

- ✧ Improve the information sharing and management to enhance the project management and cost & effect.
- ✧ Strengthen cooperation with the academic circle to improve the theoretical basis.
- ✧ Actively organized large-scale seminars and participated in various exhibitions to increase exposure and product visibility.
- ✧ Improve the regional cooperation to shorten the lead time before any product hits the market.
- ✧ Provide overseas distributors with testing and enhanced technology services to improve the business positivity.
- ✧ Upgrade the product sale to provision of solutions.
- ✧ Strengthen the control over foreign exchange rate.
- ✧ Strengthen the control over inventory of the products requiring long lead time for delivery.

C. Peripheral devices

Positive factors:

- ✧ Fair brand identity.
- ✧ Wide application range and knowledge.
- ✧ Complete pre-sale and after-sale services.

Negative factors:

- ✧ Prolonged procedure for customers' evaluation on procurement of machine.
- ✧ Low-price machine derives low gross profit.

Responsive measures:

- ✧ Make good use of multimedia to improve the information sharing and increase the exposure frequency.
- ✧ Integrated sale and customized value-added services.
- ✧ Lease and equipment experience without compensation.
- ✧ Solve the problem of cash flows for consumables and small-amount installment payment via e-commerce platforms.

D. Sensor services

Given the rapid global technical development and data processing, the sensor application technology has aroused a new industrial revolution that makes multiple life products humanized and intelligent, and also integrates the past technologies to create new life products. The current R&D testing equipment and measurement technology development needs to meet the international testing norms and satisfy the future technological development. Meanwhile, in order to respond to the future market trend, the Company introduces foreign renowned testing equipment and works with domestic suppliers to provide customers with high-tech testing equipment and measurement technology services to satisfy customers' new demand. The Company also allies with customers to develop new products jointly to create new business opportunities.

E. Electronic materials

Positive factors:

- ✧ As experienced in working with the leading chemical manufacturers based in Japan and the USA under the technology transfer agreement, the Company may build its good chemical OEM identity.
- ✧ High-quality and stable mass production technology.
- ✧ Analysis and testing ability improving increasingly.
- ✧ Sound quality management system.
- ✧ Fair educational training system.
- ✧ The flat organization is able to respond to the industrial changes rapidly.
- ✧ Satisfy customers' needs for advanced process quality management need.
- ✧ Expand the establishment of new production lines to satisfy the production capacity needed by independent supply of the advanced process materials.
- ✧ The US-China trade restrictions allow Taiwanese factories to increase their supply export opportunities to mainland China.
- ✧ Some specific materials must be directly exported and supplied from Taiwan to meet the clients' demands for U.S. and Japan expansions, and it is unlikely for us to be replaced by other suppliers in the near future.
- ✧ The latest R&D products related to testing instruments are installed on-site to provide customers with the most real-time test results.

Negative factors:

- ✧ Under unfavorable market conditions, customers no longer give priority to quality, and instead speed up the evaluation of low-priced China-Made products.
- ✧ The semiconductor supply chain expansion is getting sound in China. The market is limited in Taiwan and the same trade might engage in the price war, and intensive competition.
- ✧ Rising prices of water, electricity, etc. have led to increased production costs.
- ✧ End users pose stricter requirements about the product specifications.
- ✧ As no localization factory premises available in Mainland China, it is impossible to meet the strong demand in Mainland China for the time being.
- ✧ The severe short of workers in the whole industries in Taiwan affects the recruitment of talents with expertise in chemistry.
- ✧ Threats to network security are growing by the day.

Responsive measures:

- ✧ Upgrade the testing ability and improve product quality to satisfy the stricter requirements needed by advanced process.
- ✧ Develop diversified products proactively.
- ✧ Review water and electricity conservation plans in the factory, recycle water resources or improve equipment to reduce electricity consumption and reduce production costs.
- ✧ Implement the cloud system to manage various data to monitor any abnormality in the production and analysis data.
- ✧ Introduced production automation equipment and digital forms to reduce labor costs while improving operational efficiency and precision.
- ✧ Expand production lines for advanced production processes, participate in the development of materials for advanced production processes, and provide customers with advanced technical consultation.
- ✧ Increase the R&D room directly beneath the OEM factory to reduce the development time of advanced manufacturing processes.
- ✧ Increase employee awareness of information security, and strengthen the server information security network.

(II) For the important purpose and production process of primary products, please refer to Page 60-61 of the annual report.

(III) Supply of main raw materials

Name of Raw Material	Supplier	Status of Supply
Proface touch screen	Schneider	Fair
Sensing elements/instruments	KYOWA	Fair
Computer plotter and cutting machine	GRAPHTEC	Fair
Civil engineering sensing elements/instruments	DGSI/Worldsensing	Fair
Gas sensor	FIGARO	Fair
Automated equipment	ICPDAS	Fair
Power monitoring equipment	KINKEI	Extended delivery period
Seismograph	GURALP/GeoSIG	Fair
Astronomical and sea weather monitoring	SIAP	Fair
Raw materials for developer	MLI	Fair
Raw materials for slurry and developer	TAMA	Fair

(IV) Information about major trade creditors and trade debtors in the most recent two years

1. Trade creditors' names as well as their sales amounts and ratios that accounted for over 10% of the total amount of goods purchased in either of the past two years, and an explanation of the reason for increases or decreases in said figures.

		2023			2024			
Item	Name	Amount	Percentage of the net amount of goods purchased in a year (%)	Relationship with the issuer	Name	Amount	Percentage of the net amount of goods purchased in a year (%)	Relationship with the issuer
1	TAMA Chemicals CO., LTD.	1,472,013	59.61	Note 2	TAMA Chemicals CO., LTD.	1,845,428	55.27	Note 2
	Net purchase	2,469,267	100.00		Net purchase	3,338,787	100.00	
Explanation of the reason for increases or decreases: The purchase was increased in response to the growth of sales.								

Note 1: Names of suppliers who accounted for over 10% of the net purchase in the past two years, provided that those not allowed to be disclosed per the contract or the trading counterparts are individuals who are not related parties may be represented by a code.

Note 2: Investees evaluating Kemitek Industrial Corp. under the equity method.

2. Trade debtors' names as well as their purchase amounts and ratios that accounted for over 10% of the net sales in the past two years, and an explanation of the reason for increases or decreases in said figures.

2023				2024				
Item	Name	Amount	Percentage of the net amount of goods sold in a year (%)	Relationship with the issuer	Name	Amount	Percentage of the net amount of goods sold in a year (%)	Relationship with the issuer
1	Customer A	917,336	24.8	None	Customer A	1,239,330	27.5	None
2	Customer B	847,382	22.9	None	Customer B	1,089,277	24.2	None
3	Customer C	553,503	15.0	None	Customer C	741,978	16.5	None
	Net sales	3,702,071	100.0		Net sales	4,504,004	100.0	
Explanation of the reason for increases or decreases: The increase in the demand from customers' end customer resulted in the growth of shipment.								

Note 1: Names of customers accounted for over 10% of the net sales in the past two years, provided that those not allowed to be disclosed per the contract or the trading counterparts are individuals who are not related parties may be represented by a code.

III. Number of employees, average years of service, average age, and academic background distribution ratio of employees in the most recent two years and up to the date of publication of the annual report

Year		2023	2024	Until March 28, 2025
Number of employees	Manager	73	73	74
	Officer	264	275	287
	Total	337	348	361
Average age		40.6	40.1	40.2
Average year of service		9.5	9.5	9.3
Academic background distribution ratio (%)	PhD degree	0%	0%	0%
	Master degree	9%	7%	7%
	College	79%	82%	82%
	Senior high school	11%	10%	10%
	Below senior high	1%	1%	1%

IV. Information about environment protection expenditure

- (I) Describing any losses suffered by the Company in 2024 and up to March 28, 2025 due to environmental pollution (including any damages and violations of the environmental protection laws found in the environmental protection inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the contents 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: None.
- (II) Estimated environmental protection expenses in the future: None.
- (III) RoHS information: All of the products managed by the Company comply with the RoHS requirements.

V. Labor-management relations

- (I) List the Company's employee welfare measures, continuing education, training, retirement system, and their implementation status, and labor agreements as well as the various employee rights protection measures
1. Employee welfare measures
- (1) After the new employees report on for their duty, the Company will enroll them into the labor insurance and national health insurance programs. The claims for benefits of childbirth, injury and sickness, disability, old-age pension or death, et al., if any, will be submitted by the Company to the Bureau of Labor Insurance for payment in accordance with the Labor Insurance Act and Enforcement Rules of Labor Insurance Act promulgated by the government.
- (2) The life insurance for the Company's employees is maintained based on the employees' job ranks or functions. The insurance program consists of term life insurance, accidental injury insurance, accidental medical insurance and occupational disaster insurance, et al.
- (3) The overseas travel insurance for the employees sent by the Company to take internship or visit clients overseas is maintained based on the job ranks. The insurance program consists of death and disability benefits in addition to medical treatment

expenses, hospitalization for sickness in the overseas travel, and relief expenses in the overseas travel.

- (4) The Company establishes the Employee Welfare Committee in accordance with the Employee Welfare Fund Act, in order to contribute the employee welfare fund to cover the employee welfare payment. The Company's Employee Welfare Committee shall be responsible for keeping and disbursing the employee welfare fund with authorization. The employee welfare fund is contributed in the following manners:

- ① 1%~5% of the capital increase at the time of foundation or capital increase.
- ② 0.05%~0.15% of monthly operating revenue.
- ③ 0.5% of each employee's salary withheld on a monthly basis.
- ④ 20% of the proceeds from sale of scraps.

- (5) Subsidies for wedding, funeral, celebration and other customs:

- ① Applicable to the employees officially hired by the Company and under an official project of the Company only, while the subsidies shall be cut by 50% in the case of temporary workers or training students.
- ② Where more than two employees involved in the same wedding or funeral and held satisfying the requirements, gifts or white envelope with money is alternative.
- ③ A pair of flower baskets or wreaths.
- ④ The Company enacts the enforcement rules governing the subsidies for weddings, childbirth and funerals separately. Please claim them in accordance with the rules, if necessary.

- (6) The Company offers the gift money for birthday, Dragon Boat Festival and Moon Festival, year-end bonus, and subsidies for the year-end party (spring party).

- (7) The Employee Welfare Committee organizes the company trips, year-end party (spring party), fellowship campaign and birthday party.

- (8) Bonus point exchange, social welfare allowance (allowance for wedding and childcare), employment promotion allowance, and job plan incentives. Since 2013, we have been promoting the "Three Highs OUT! Healthy GO!" health management reward program, and the reward content has been upgraded since 2015! The activity has been ongoing to this day, and employees set goals and make improvements every year for abnormal physical examination values. So far, employees' abnormal health examination indicators (including three high items, body fat related, etc.) have all decreased, with significant results.

- (9) The Company has been awarded the exercise enterprise certification by Sports Administration consecutively from 2018 to 2022, and received the subsidies granted by Sports Administration, Ministry of Education from 2018 to 2021, which support the Company's organization of various sports and recreational activities to improve the employees' physical fitness and care the employees' mental and physical health.

2. Continuing education and training system

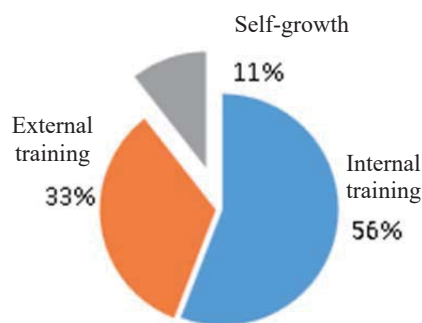
In response to the rapid transformation of industrial technology and in order to ensure employees' talent development to achieve the Company's common goals, education and training is identified as one of the Company's HR management priorities. The Company's training policy claims "adoption of both external and internal training, and internal training as the first priority." The Company also establishes various talent training regulations and related enforcement rules to be followed by all employees, hoping to improve the employees' competency and provide them with the functions that may help them do what they are good at internally, and also improve the enterprise's competitiveness and create the overall profit externally.

- (1) [Industry Classroom (internal training)] In order to signify the Company's professional services and technological level, assist customers to realize the products and cut after-sale service costs. In 2024, the Industry Classroom has been organized for a total of 282 sessions, attended by 12,402 trainees.
- (2) [Self-Growth] In order to encourage the employees to practice self-inspiration and self-actualization, the voluntary continuing education program is planned. In 2024, a total of 39 employees have applied for the program.
- (3) [External training] In order to improve the employees' skills and the Company's competitiveness, the Company encourages all colleagues to attend the training programs, seminars and exhibits organized by any professional institution to learn any new knowledge and improve their competency. In 2024, a total of 293 employees have attended the same.
- (4) [Sanlien E-Learning Platform] The teaching program combining multimedia serves as a carrier for the organizational learning to record and transfer various annual activities and training programs, so as to make the management model more flexible and resilient. The Platform has been implemented since 2014. In 2024, the trainees learning via the Platform have accumulated to be 347,662 persons. In post-epidemic era, the Company still encourages colleagues to learn and grow, and creates a learning atmosphere to help various departments upgrade their human resources to improve their competitiveness.
- (5) The Company's expenditure in employees' continuing education and training programs totaled NT\$1,867,000 in 2024. In order to deal with the changeable environment, Sanlien management team integrates the Industry Classroom and e-learning materials, in order to enable colleagues to control their self-learning and cross-industry innovative thoughts and skills from different points of view. Meanwhile, the team upholds the spirit pursuing "project-based management team, streamlining procedures and job enrichment" and combines it with the future learning development trends, namely micro-learning, mobile learning, adaptive learning and diverse learning, also linking the point redemption scheme, in order to feed the training results back to the workplace.
- (6) Each training program proportion in 2024 is stated as following:

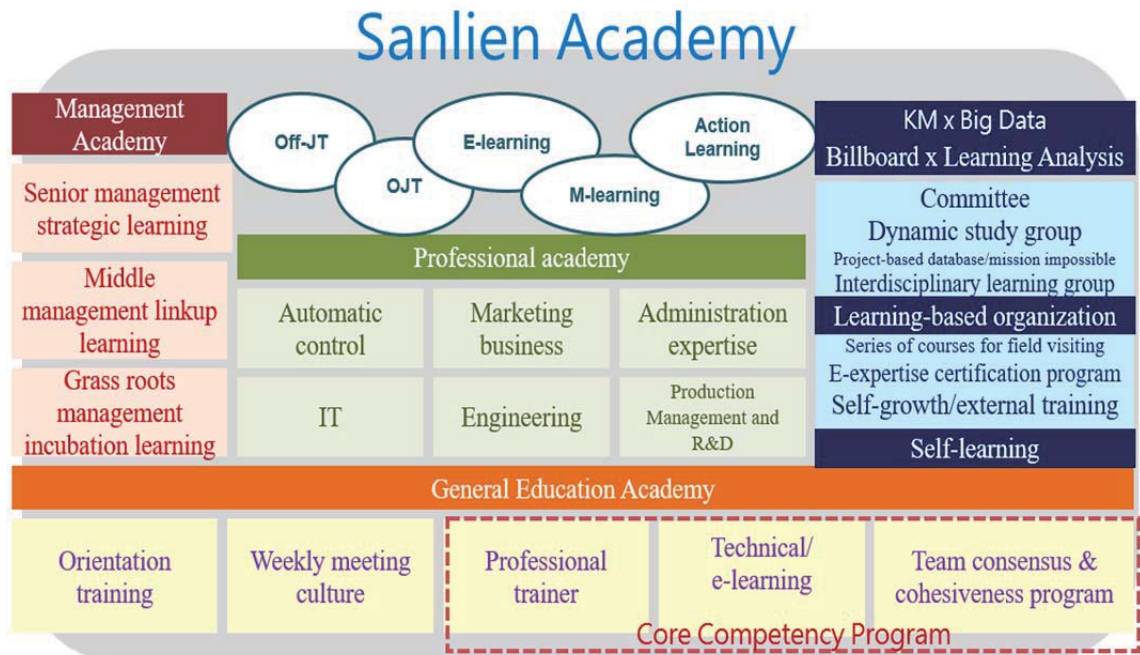
Proportion of trainees in 2024



Proportion of training expenses in 2024



(7) Framework Chart of Sanlien Academy 2024:



(8) Board of Directors and key senior management succession planning: Under the Company's succession planning, the successors must hold excellent competency and personality of supervisor, and also uphold the values and concepts consistent with the Company's. The senior management successors shall elect directors. The supervisor's successor training model consists of the management meeting (management associate conference), management function program, work rotation, EMBA credit program, personal career development plan, language learning, and overseas assignment. The planning is expected to extend for 3~5 years. Trainees are expected to integrate their abilities through the diversified channels and professional competency training programs and then exercise the abilities, so as to training their leadership and ability to make decision. Board of Directors and key senior management succession planning: For example, attending NCCU Department of Business Administration, in order to train the ability to make policies and key successors' management ability. The management have attended the continuing education programs, including Executive MBA Program of National Taiwan University of Science and Technology, in the recent years, in order to continue strengthening their expertise. Meanwhile, the management are also asked to take work rotation or serve as key managers' functionary substitutes.

3. Retirement system

The company complies with the Labor Pension Act.

(1) For employees subject to the Labor Pension Act, pensions are paid monthly and deposited in the individual labor pension account established by the Bureau of Labor Insurance.

(2) An employee may be forced by the Company to retire under any of the following circumstances:

① Where the employee attains the age of sixty-five.

② Where the employee is unable to perform his/ her duties due to physical or mental disability.

The Company may report to the central competent authority to adjust the age prescribed in Subparagraph 1 of the preceding paragraph if the specific job entails risk, requires substantial physical strength or otherwise of a special nature; provided, however, that the age shall not be reduced below fifty-five.

(3) Employee pension payment standards:

① The years of service for those subject to the Labor Pension Act:

For the years of service after July 2005, the employees may apply for the pension fund with Bureau of Labor Insurance on a monthly basis or in a lump sum.

- ②The application for retirement, if any, shall be filed one month ago. The retirement may not sustain until the primary handler approves the application.
- (4) Employees who comply with the pension payment standards and regulations of the Labor Standards Act (old system) have completed their retirement procedures in 2022. The current full-time employees are all under the Labor Pension Act (new system), and 6% of the total salary is withheld monthly for employee pension.
- (5) Contributed pension: There is no the old system from 2023, and the amount contributed under the new system NT\$ 3,659 thousand in 2024.
4. Measures for preserving employees' rights and interests
- In addition to upgrading the employees' competency development, the Company also ensures the workplace quality for employees, hoping to achieve mutual respect, work safety, and physical and mental health. In addition to following the Labor Standards Act, the Company also establishes its own employees reward and punishment regulations, labor safety and health principle, Amendments to the Regulations for Establishing Measures on Prevention of Sexual Harassment in the Workplace, and deepen the basic value about work ethics.
- (1) Employees reward & punishment regulations
- ①Subject to the level of contribution, the reward is divided into commendation, minor merit and major merit.
 - ②Subject to the severity of the misconduct, the punishment is divided into reprimand, minor demerit, major demerit, and termination of employment if the case is considered material.
- (2) Working environment and employees' personal safety protection policy
- ①In order to take care of the whole labors' work safety, prevent any occupational disaster and protect current employees' health, the Company establishes the labor safety and health principle consisting of 14 chapters and 42 clauses, which is approved by Taipei City Labor Inspection Office, Department of Labor, Taipei City Government via the approval letter under Bei-Shih-Lao-Jian-1-Zi No. 09230521200.
 - ②In order to prevent any disaster, or in order that, upon occurrence of any disaster, the Company may immediately mobilize personnel to relieve the disaster to mitigate the hazard caused by the disaster and restore the normal operation throughout the Company promptly, the Company establishes the emergency preparedness and response policy management procedure.
 - ③According to the "Labor Safety and Health Principle", the Company performs the health checkup for new employees, and periodic health checkups (general health inspection and the health checkup for managers), and advise the checkup results and consultation to colleagues via physicians.
 - ④According to the Occupational Safety and Health Education and Training Rules, an employer shall have any new employee, or current employees before they change their jobs, undergo the safety and health education and training needed by the relevant jobs, and take refresher training periodically. For the in-service labor safety and health education and training for the general workers, Sustainable Development Committee will arrange the promotional campaign at the weekly meeting for once per six months to promote the occupational safety and health related laws and practices to the whole workers. Meanwhile, it would produce the digital promotional film to provide the workers with continuing education channels.
 - ⑤The Company establishes the Company's "Workplace" Sexual Harassment Prevention Measures, and Grievance and Disciplinary Regulations in accordance with Paragraph 1 of Article 13 of the Act of Gender Equality in Employment, and "Amendments to the Regulations for Establishing Measures on Prevention of Sexual Harassment in the Workplace" promulgated by Ministry of Labor.
 - ⑥The Company cooperated with the office building conducts the fire protection inspection once a year, and has the Sustainable Development Committee perform the audit on environmental safety and health in each office area (four times a year), in order to keep the workplace safe. Meanwhile, in order to

maintain the air quality and environmental sanitation in the office, the Company would also clean the air-conditioning equipment, disinfect environmental and landscape office periodically, and install additional sensor faucets, soap dispensers and hand dryers successively. Meanwhile, the optimized environmental facilities, such as disinfecting alcohol, are always available to take care of all colleagues' safety and health.

- ⑦The Company retains professional trainers to teach colleagues the knowledge about first aid and prevention of disaster, and also installs AED devices to protect all colleagues' safety and health.

5. Labor agreements

The Company prepares the “Non-Disclosure Agreement for Employees,” “Work Instructions,” “Ethical Management Best-Practice Principles,” “Procedures for Ethical Management and Guidelines for Conduct” and “Code of Ethics” as the criteria to be followed by the Company's managers and employees:

- (1) The employees shall execute the “Non-Disclosure Agreement for Employees” primarily stating that:
 - ①Any confidential information of the Company or its affiliates, or a third party known or accessed by an employee shall not be disclosed to any person outside the Company or used for any business other than the Company's without the Company's prior written consent. The non-disclosure obligation shall survive expiration or termination of the employment period.
 - ②The employee shall not disclose another person's confidential information to the Company, or use, or urge another person to use, the confidential information in the Company's business affairs.
 - ③The employee shall comply with any laws and regulations promulgated by governments, or the clauses related to protection of intellectual property rights or data referred to in the contracts between the Company or its affiliates.
 - ④The employee agrees to transfer any rights in the ideas, inventions and design conceived by him/her personally (hereinafter referred to as the “creation”) to the Company or its designee.
 - (2) The “Work Instructions” defined by the Company refers to:
 - Value Customers and Respect Co-Workers
 - Active Reform and Pursuit of Efficiency
 - Training of Talents and Deep-Rooted
 - Work Planning and Feeling of Competence
 - (3) The Company establishes the “Ethical Management Best-Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct”. In order to practice the enterprise culture of ethical management and robust development, and build the fair business operations, the Company establishes the “Ethical Management Best-Practice Principles.” In order to uphold the engagement in business activities based on the principles of fairness, honest, integrity and transparency, practice the ethical management policy and prevent unethical conduct proactively, the Company establishes the related procedures and guidelines of conduct to specify the instructions to the Company when performing their duties.
 - (4) The Company establishes the “Code of Ethics” to guide the Company's managers to act in line with the ethical standards. The managers shall perform their obligations honestly and in line with the professional standards, including resolution of the factual or apparent conflict of interest between them and their job duties in a fair manner.
 - (5) The Company has not established a labor union and has not signed a collective agreement.
- (II) Any loss sustained as a result of labor disputes in 2024 and up to March 28, 2025 (including the violations of Labor Standards Act found in the labor inspection result)
- 1. Labor dispute

The Company's labor-management relations are considered fair. Since the Company was founded, the Company has never suffered any labor dispute which affects the Company's operation. Meanwhile, for the time being, there is no potential factor likely to cause any labor dispute. Therefore, the Company is expected to have few chances to suffer any losses caused by labor dispute in the future.

2. Incurred losses: None.

3. Losses expected to be incurred

The Company upholds the philosophy claiming that employees are the lifeline of an enterprise's management, and the enterprise shall be responsible for taking care of employees, and creating the rational management model allowing to share profit with employees. The Company is used to caring employee benefits and workloads, and applying the two-way communication channel when assigning job duties to the employees. Therefore, the management-labor relations are considered amicable throughout the Company. The Company has never suffered any labor dispute or losses derived from such dispute in the past years.

4. Responsive measures

- (1) Strengthen the employee benefit policy superior than those provided under the labor laws and regulations.
- (2) Add the channels for communication and negotiation between the management and labors.
- (3) Strengthen the ethical concept between the management and labors.

VI. Information Security Management

(I) Information security risk management framework

In order to strengthen the information security risk management, the Company establishes the Information Security Committee. Upon occurrence of any information security problem, such as the cyber attack, the problem shall be reported to the chief information officer immediately. The loss or theft of loss, if any, shall be reported to General manager. Upon occurrence of any information security incident, the information security personnel need to resolve it promptly and report the resolution. The information security incident shall be recorded in the weekly work report once it is resolved, as the proof or for future reference.

(II) Information security policy

In order to prevent computer viruses or hackers from intruding into the Company's website and database to ruin the normal data transmission, the Company establishes the computer internal control cycle - information security inspection operating procedures. All of the Company's intranet and Internet information systems require that the various server systems shall be equipped with anti-virus software and updated periodically, in order to prevent intrusion of computer virus and install the firewall system to stop hackers from ruining the computer systems' operations, thereby ensuring the confidentiality, completeness and availability of data. The Company also promotes various information security duties periodically, builds the colleagues' "concept about practicing of information security," and improves the enterprise's overall information security protection. The Company's employees are not allowed to send the confidential information related to the Company to outsiders via email without the responsible supervisor's authorization. Any important software and files shall be encrypted in transmission to prevent them from being plagiarized. Meanwhile, the Company appoints competent information personnel to check periodically whether the software used by the employees is duly authorized, and includes the information security check into the annual audit plan. The audit execution result shall be reported to the Board of Directors to provide a full picture of the compliance with rules and completeness of the report as prepared. Meanwhile, the personnel shall verify, follow up and review the correction of any findings and defects proposed in the check. The Company also evaluates its information equipment and assets periodically, and establishes the information equipment

availability and disaster recovery plan to ensure the Company's business continuity.

(III) Specific management programs, and resources invested in the information security management

The General Manager, who serves the convener of the Cyber Security Committee, and the Information Manager is in charge of the information and communication problems, divided into the cyber security policy enactment team, cyber security promotion training team, cyber security internal audit team, and cyber security incident management team. The Committee consists of 7 members with the expertise in information, HR and internal audit. At the management decision-making meeting in 2024, the Company has discussed the overall cyber security policy implementation status for five times. As a result, it was found that no cyber security incident harmful to the Committee has taken place in the current year. The Company has promoted and trained the whole employees' "email security" and "social engineering prevention" 4 times and conducted the random check on backup files in the recovery drill for 18 times, in order to ensure the availability of recovered backup data. Meanwhile, the Company has also performed 2 social engineering drills to strengthen the employees' immediate response to and vigilance toward the information security risk.

The Company adopts the backup system with respect to the operating assets, such as servers and network equipment, in order to prevent the damage to equipment from causing any interruption in the business information. Meanwhile, with respect to the information security, such as APT, DDos, ransomware, social engineering attack and theft of data, et al., the Company has adopted the following strategies: the information personnel need to keep concerning the information security issues and participating the information security conference to verify the environmental changes. The Company improves the colleagues' awareness toward information security risk and self-protection through periodic information security promotional activities and social engineering drills, hoping to help the colleagues prevent and stop the basic information security attacks.

The cyber security management is an important issue which cannot be ignored within an enterprise. For the information asset risk analysis, the Company selects a total of 15 representative information assets within seven categories from the information asset inventory for the risk analysis to analyze the individual risk level, proposes the scope of risks over the information assets, and quantifies the importance, vulnerability and potential attacks of the information assets, and impact posed by the attacks, and eventually determines the information asset risk levels. The estimated value at risk (VaR) in the risk analysis consists of five parts, namely A~G, and the elements stated as following:

- (1) Importance of information assets: Confidentiality (A), Completeness(B), Availability (C) and Dependence (D).
- (2) Threat to information assets: Explain the source and possibility of the threat (E).
- (3) Investigation on vulnerability of the information assets: Explain the weakness and level (F).
- (4) Impact: Severity of the impact posed by the threat (G).
- (5) Estimated VaR and risk level: The VaR is determined based on the product of said four items, and then the risk level is defined based on the product value subject to the risk level criteria (represented by H). The formula is $\text{Value} = \text{MAX}\{A \cdot B \cdot C\} \times D \times E \times F \times G$. Estimated VaR and the risk level criteria.

Estimated VaR	0~99	100~199	200~299	300~399	400~499	500~599	600~699	700~799	More than 800
Risk level	1	2	3	4	5	6	7	8	9

The risk analysis is conducted against a total of 15 information assets, including MRP server, ERP server, network router, firewall, UPS, NAS host, program design information personnel, control room personnel, system administrator, personal computer, printer, copy machine, air conditioner in the control room, Windows software, database

and anti-virus software. As a result, there is one information assets with the risk level 4, three with the risk level 3, and three with the risk level 2, and the others with the risk level 1. The estimated VaR and risk levels are quantified based on the risk level quantification criteria to range from 1 to 9, averagely divided into the low risk (1~3), middle risk (4~6) and high risk (7~9). Based on the principles for continued improvement, the following correction policies are proposed with respect to the information assets with VaR 4 or more. Please see the following table.

Suggestions and correction policies for the assets with the risk level 4 or more

Name of Asset	Category of Asset	Threat	Vulnerability	Value of Asst	Level of Threat	Level of Vulnerability	Risk level	Suggestions and correction polices
Antivirus system	System Asset	Hacker Attack	Unpatched security vulnerabilities	2	1	2	4	Updated to the latest revision

(IV) Describing any losses suffered by the Company in the most recent fiscal year and up to the date of publication of the annual report due to any material cyber security incident, an estimate of possible losses that could be suffered 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.

VII. Important contracts: Any supply/distribution contracts, technical cooperation contracts, engineering/construction contracts, long-term loan contracts, and other contracts that would affect shareholders' equity, which are still effective by March 28, 2025.

Nature of Contract	Contracting Parties	Term	Main Contents	Restrictive Clauses
Engineering Contract (N15A0006)	Continental Engineering Corp.	From March 16, 2015, and scheduled to be completed in December 2025.	Taipei Metropolitan Area MRT Wanda Line CQ842 Contract	Overdue fine
Engineering Contract (N17A0009)	Radium Life Tech Co., Ltd.	From June 13, 2017, and scheduled to be completed in June 2028.	Long-term real-time monitoring at the operation and maintenance stage of Fuzhou Affordable Housing Project	Overdue fine
Long-term/mid-term loan contract	Bank of Taiwan	October 2024 ~ October 2026	To enrich the working capital	None
Long-term/mid-term loan contract	First Commercial Bank	November 2024 ~ November 2026	To enrich the working capital	None
Long-term/mid-term loan contract	Far Eastern International Bank	February 2024 ~ February 2026	To enrich the working capital	None

Five. Review and Analysis of Financial Position and Financial Performance, and Risk Management

I. Financial Position

(I) Comparison and Analysis of Financial Position

Unit: NT\$ thousand

Year Item	2024	2023	Increase (decrease) in amount	Variance %
Current assets	3,039,044	2,911,187	127,857	4.4
Property, plant and equipment	974,763	1,017,290	(42,527)	-4.2
Intangible assets	24,734	27,392	(2,658)	-9.7
Other assets	1,575,150	1,162,186	412,964	35.5
Total assets	5,613,691	5,118,055	495,636	9.7
Current liabilities	2,192,252	2,260,654	(68,402)	-3.0
Non-current liabilities	271,510	112,962	158,548	140.4
Total liabilities	2,463,762	2,373,616	90,146	3.8
Capital stock	436,892	416,088	20,804	5.0
Capital surplus	44,193	44,189	4	-
Retained earnings	989,582	933,892	55,690	6.0
Other equity	520,353	257,911	262,442	101.8
Total equity attributable to owners of the parent	1,991,020	1,652,080	338,940	20.5
Non-controlling equity	1,158,909	1,092,359	66,550	6.1
Total equity	3,149,929	2,744,439	405,490	14.8

The reasons for significant changes in assets, liabilities and shareholders' equity during the most recent two years (Change between the previous and current periods by more than 20% and the amount of change amounting to more than NT\$10 million):

1. Other assets: Mainly due to increases in the amount of financial asset investment and fair value assessment.
2. Non-current liabilities: Mainly due to increases in long-term loans.
3. Other equities: Due to the market value of financial assets at fair value through other comprehensive income being increased during the period, the unrealized valuation gain was accounted for other equities, resulting in an increase in the valuation of other equities.

(II) Impact posed by changes in financial position: No material impact posed.

(III) Measures to be taken in response: N/A.

II. Financial Performance.

(I) Comparison and Analysis of Financial Performance

Unit: NT\$ thousand

Item \ Year	2024	2023	Increase (decrease) in amount	Variance %
Total operating revenue	4,507,017	3,706,353	800,664	21.6
Less: Sales return or allowance	(3,013)	(4,282)	(1,269)	-29.6
Net operating revenue	4,504,004	3,702,071	801,933	21.7
Operating cost	3,885,588	3,150,780	734,808	23.3
Operating profit	618,416	551,291	67,125	12.2
Operating expenses	326,804	306,306	20,498	6.7
Operating income	291,612	244,985	46,627	19.0
Non-operating income and expense	146,887	241,280	(94,393)	-39.1
Income before tax	438,499	486,265	(47,766)	-9.8
Income tax expenses	(88,543)	(63,753)	24,790	38.9
Current net income	349,956	422,512	(72,556)	-17.2
Current other comprehensive income (net after tax)	264,221	120,935	143,286	118.5
Current total comprehensive income	614,177	543,447	70,730	13.0

The reasons for significant changes in operating revenue, operating profit and income before tax during the most recent two years (Change between the previous and current periods by more than 20% and the amount of change amounting to more than NT\$10 million):

1. Operating revenue and operating cost: Due to the broad market and sales performance, the operating revenue and operating revenue increased compared with the same period of last year.
2. Net non-operating revenue and expenses: Due to the increase in the market price of financial assets measured at fair value through profit and loss, which was recognized as valuation gain, the non-operating income increased.
3. Income tax expenses: Due to the increase in operating profit compared with the same period last year, the income tax expense increased. In addition, due to the high net profit after tax last year which was not fully distributed, the surcharge on retained earnings increased.
4. Other comprehensive income for the period: Due to the increase in the market price of financial assets measured at fair value through other comprehensive income, valuation gains were recognized, resulting in a significant increase in other comprehensive income.

- (II) For the sales volume forecast and supporting basis, and possible impacts on the Company's future financial business and its response plan, please refer to One. A Message to Shareholders.

III. Cash Flow

(I) Analysis on changes in 2024 cash flow

Unit: NT\$ thousand

Balance of cash, beginning	Net cash flow from operating activities for the year	Net cash flows from investing activities and financing activities for the year	Foreign exchange effects	Cash balance	Corrective measures against insufficient cash position	
					Investment plan	Wealth management plan
714,333	585,241	(519,943)	5,225	784,856	-	-

1. Operating activities: Stable profit resulted in cash inflow from operating activities was not much different from the same period last year.
2. Investing activities: The decrease in the outflow from last year primarily resulted in the increase in capital expenditure in the same period last year.
3. Financing activities: The increase in outflow from the previous year is due to the repayment of short-term loans in the current period.

(II) Corrective measures to be taken in response to illiquidity: None.

(III) Cash flow analysis for next year

Unit: NT\$ thousand

Balance of cash, beginning	Projected net cash flow from operating activities for the year (Note 1)	Projected net cash flows from investing activities and financing activities for the year (Notes 2 and 3)	Projected cash balance (deficit)	Projected corrective measures against insufficient cash position	
				Investment plan	Wealth management plan
(1)	(2)	(3)	(1)+(2)+(3)		
784,856	243,912	(432,460)	596,308	-	-

- Note 1. Operating activities: The consolidated company is expected to generate stable profits in 2025, and net cash inflow from operating activities is NTD 243,912 thousand.
- Note 2. Investing activities: Due to equipment expenses and re-investment, the net cash outflow was about NT\$297,390 thousand.
- Note 3. Financing activities: Due to stable operations, cash inflow is expected to be allocated to earnings distribution, which will result in a cash outflow of approximately NT\$135,070 thousand.

IV. Impact posed by material capital expenditures to business and finance in the most recent year: None

V. The investment policy for the most recent year, major causes for profit or loss thereof, corrective action plans, and investment plans for next year

(I) Investment policy

The Company adopts the investment policy upholding “focus on its core profession, forward-looking investment, rolling planning-based management and continuous transformation” in order to continue rooting its core technology. Through diversified strategies such as innovation, M&A of new start-ups, and promotion of the integration of other industries, the Company expands its business domain and improves its overall value.

In addition to considering the financial stability and growth potential of the investees, the Company also emphasizes their relevance to the business and their strategic compatibility. The Company pays special attention to companies that can adopt the Company's self-developed products or technologies, in order to achieve the effect of industrial collaboration and strengthen the Company's influence in the industry chain.

The Company's management on invested enterprises is based on relevant regulations such as internal control system and “Procedure for Acquisition or Disposal of Assets”. In addition to regularly obtaining the financial information of important invested enterprises, it shall assign personnel to conduct on-site audits when needed, in order to keep track of the management of important invested enterprises.

(II) Main reason for the investment gains or losses, and the improvement plan

Unit: NT\$ thousand

Name of Investee	Investment gain (loss) recognized in 2024 (Note 1)	Main reason for gains or losses	Improvement plan
Siap+Micros Holding S.r.l.	35,897	Normal operation	—
Agnos Chemicals Pte. Ltd.	28,447	Normal operation	—
Billion Corporation Samoa	(1,641)	Normal operation	—
Trisco Technology Corporation	8,333	Normal operation	—

Note 1: The amount listed in the 2024 financial report has been audited and certified by CPAs.

(III) Investment plans for next year

The Consolidated Company will continue to optimize the long-term investment portfolio so that it is more balanced. The main investment direction will center on "enhancing the core, creating synergies, and expanding overseas". In the coming year, we will take a proactive approach in seeking opportunities for strategic M&As, focusing on strengthening the core technology of the Company, expanding the product applications, and seek companies that can adopt the Company's self-developed products or technologies. Through the integration of technology and resources, the Company will improve the overall operating performance and create investment synergy.

In addition, strategic investment and M&As of international potential enterprises help strengthen the visibility and recognition of the Company's brand in the overseas market, further improving its global competitive edge and market deployment.

If other subsidiaries have a need for working capital, the Consolidated company will assess their future growth potential and then decide whether to increase investment in them.

VI. Analysis and assessment of risk matters in the most recent year and up to the publication date of the annual report

Risk management policy

Since the Company was founded, it has been more than a half of decade. The Company is committed to “stable operations.” Even though the Company has gone through various economic recessions and economic cycles, it keeps insisting on the basic policy upholding “focus on its core profession, forward-looking investment, rolling planning-based management and continuous transformation.” The Company deals with various risks based on the principles for professional division of labor. The dedicated department is responsible for evaluating and executing the responsive strategies. Meanwhile, a team is designated to promote the corporate social responsibility, corporate governance and ethical management practices.

The market risk, strategies and business risk are assessed in a professional manner. Meanwhile, the Company will convene the “Business Decision-Making Meeting” periodically, in order to consider the overall impact and decide the overall responsive strategies through discussion at meetings.

For financial risk, liquidity risk and credit risk assessment and responsive measures thereof, the financial personnel shall feedback the most real-time financial income and expenditure, and assess the current and short-term/long-term conditions and set forth the responsive measures.

Risk management organizational framework

General Manager: Overall planning about the responsive measures against the Company’s entire risks.

Business Dept.: Assess and respond to market risk.

Financial Accounting Office: Financial risk and liquidity risk.

General Manager Office: Legal risk, strategies and business risk.

(I) Impacts of interest rate/foreign exchange rate fluctuation and inflation to the Company's income, and future responsive measures:

1. Impacts of interest rate fluctuation to the Company's income, and future responsive measures

The consolidated company has strengthened the receivable accounts and inventory turnover in the recent years and its interest expenses accounted for 0.4% of the operating revenue in 2024, showing that interest rate fluctuation have no material impact on the Company.

The consolidated company’s interest expenses were primarily generated from the short-term working capital loaned from the bank. The Company will continue to maintain fair relationship with the bank and keep noticing the interest rate fluctuation, in order to seek more preferential interest rate and cut the interest expenses.

2. Impacts of foreign exchange rate fluctuation to the Company's income, and future responsive measures

The foreign exchange rate risks arising from purchase and sale valued in currency offset against each other to a certain extent. In addition to the natural hedges through offset of revenue against expenditure mutually, the Company will maintain the close relationship with financial institutions, continue to monitor the foreign exchange rate fluctuation and assess the hedges periodically, in order to respond to the impact posed by significant foreign exchange rate fluctuation. The Company tries to mitigate the impact based on the following responsive measures. Therefore, the interest rate fluctuation have no material impact on the Company.

(1) The sales unit shall assess the foreign exchange rate trend carefully before providing the quotation to customers, and adopt the reasonable and stable foreign exchange rate as the basis of calculation to evade the risk over foreign exchange rate fluctuation.

(2) Maintain the close relationship with the correspondent financial institutions to verify the international foreign exchange rate trend thoroughly, periodically review the foreign exchange rate fluctuation internally, assess the foreign fund position and set the specific need for hedges, and adopt the business strategies, such as pre-orders or forward exchange rates, in order to mitigate the impact posed by foreign exchange rate fluctuation to the Company’s income.

3. Impacts of inflation to the Company's income, and future responsive measures:
As of the publication date of the annual report, there is no significant impact on the Consolidated Company. The Company keeps abreast of the fluctuation of the market price of raw materials, and determines the trend of the raw material market in advance, to reduce the impact of price increase.
In accordance with the changes in the cost of raw materials, the Company dynamically adjusts the selling price to the customer when exceeding the tolerance limit to avoid significant impact on the Company due to inflation.

(II) Policies on high-risk and highly leveraged investments, loans to third parties, endorsements/guarantees, and derivatives trading, main causes of gains or losses incurred and future responsive measures:

1. The consolidated company controls the high-risk and high-leveraged financial investments in accordance with the relevant laws and regulations of the Securities & Futures Institute, and aims at attending to the robust finance and operations concurrently.
2. The consolidated company's short-term/long-term investments are handled in accordance with the "Procedure for Acquisition or Disposal of Assets" adopted by it, and executed upon careful evaluation.
3. The consolidated company's loaning of fund to another person follows the "Procedure for Loaning of Fund to Others."
4. The consolidated company's making of endorsement/guarantee for others follows the "Regulations Governing Endorsements/Guarantees" adopted by it.
5. The consolidated company engages in any derivative trading primarily in order to cut the operating costs and mitigate the financial risk, in accordance with the "Procedure for Derivatives Trading" adopted by it.

(III) Future R&D plans and expected R&D expenditure:

The Company will continue the R&D of technology and innovation and development of new technological applications to expand its business domain and generate stable operating profit. Meanwhile, the Company provides all colleagues with a wider career stage via the other investees, in order to cultivate the Company's talent pool, grow the Company's business team and expand the source of profit.

R&D targets in 2025: Develop the products providing safety and comfort for cities, and assist civil engineering construction or environmental safety monitoring, in order to make more contribution.

Future R&D plans and expected R&D expenditure:

Item No.	Item	Year of R&D	Expected R&D expenditure
1.	Advanced seismometer	2025	NT\$500,000
2.	NB-IoT Humidity and Temperature Logger	2025	NT\$300,000
3.	NB-IoT GNSS Logger	2025	NT\$300,000
4.	NB-IoT IPI datalogger	2025	NT\$300,000
5.	Ultrasound monitor	2025	NT\$1 million

(IV) Impact on the Company's business and finance due to changes in domestic or foreign policies and laws, and responsive measures:

In response to the government's development of the international competitiveness and promotion of connection with the world, and the competent authority's amendments to corporate governance, Company Act, accounting standards and cross-strait economic and trading policies, the consolidated company will keep noticing the relevant messages and amend its internal control systems therefor, in order to ensure compliance with laws.

(V) Impact on the Company's business and finance due to technological or industrial changes, and responsive measures:

1. Cyber security risk and responsive measures

The Company has implemented the relevant information security protection measures with respect to network, servers and PCs. Notwithstanding, due to the ever-changing cyberattack methods, it is still impossible to guarantee that the Company may be protected from business loss and impairment on goodwill caused by network paralysis resulting from the external attack to the Company's internal important servers, or from any stepping attacks, data theft or destruction. Notwithstanding, the Company still continues to assess and review the cyber security standards to improve the Company's internal data security.

In order to prevent and mitigate malware and external attacks, the Company adopts the following responsive measures:

- (1) The Company will procure and use copyrighted software precisely in order to reduce and mitigate the opportunities for invasion of malware.
- (2) PCs and servers are installed with anti-virus software to mitigate the spreading of virus.
- (3) For the network, the Company will review and strengthen its firewall policy to ensure effective separation of LAN, WAN and DMZ, and reduce the external attacks from any third party.
- (4) The Company will join the "TWCERT/CSIRT" to strengthen the security information sharing and improve its ability to report and respond to information security incidents.
- (5) The Company performs the social engineering exercises and information security courses from time to time, in order to improve the internal staff's knowledge about information security and mitigate the hazard caused by phishing emails.
- (6) Strengthen backup and backup mechanisms to prevent data from being damaged and affecting company operations and losses.

2. Through the inter-department cooperation, the consolidated company keeps noticing the market development, laws & regulations and customers' needs, integrates the Consolidated company's resources and strengthen competitiveness to respond to the changes in the industry.

- (VI) Impact on crisis management in the event of a change in corporate identity, and responsive measures:

Since the consolidated company was founded, it has upheld the entrepreneurship for "finding the truth by verification" and the management philosophy about "stable growth," to cope with the government's development of the industry and fulfill its corporate social responsibility, and also work with its employees to create a win-win situation and protect investors' interest and right. In the future, the consolidated company will still keep insisting on the development strategy upholding "focus on its core profession, forward-looking investment, rolling planning-based management and continuous transformation."

- (VII) Expected benefits and possible risks of merger and acquisition, and responsive measures: No such circumstance has occurred to the consolidated company in the most recent year and until the date of publication of the annual report.

- (VIII) Expected benefits and possible risks of facilities expansion, and responsive measures: The world has entered the AI era, pursuing extreme performance, Taiwan is not only an indispensable important supply chain hub, but also plays a significant role with its technological advantages and economies of scale. Benefiting from end customers' continuous refinement of high-end manufacturing processes in wafer, coupled with the demand for advanced packaging technology and other two major niches, wafer or CoWoS plants are expanding. Due to this, the demand for all types of electronic materials has increased significantly. As a means to meet the urgent needs of customers as soon as possible, Hsinchu Plant has evaluated and prioritized to use the effective space in the existing plant to build new production lines, replacing the idea of constructing building a new plant which would require longer time to complete.

As a member of the key supply chain, Kemitek Industrial is one of the important suppliers of

specialized chemicals for advanced wafer processes or packaging technology. Looking to the future, we will benefit from the deployment of end-customers. The demand for electronic materials will also increase alongside the gradual opening of our new plants, and the sales volume is expected to grow steadily year by year.

In the short term, apart from assessing and expanding production lines, the Company must also address the problem of storage space and logistics. However, the existing storage space is insufficient for the production lines, and it is necessary to rent external warehouses to supplement the storage space. Additional cost of leasing warehouses and human resources will increase, and thus increasing the cost of manufacturing electronic materials, which will indirectly affect the profitability.

For the long-term business development, Taiwan is a global leader in wafer process technology and advanced back-end packaging technology. The AI market is promising. We will prioritize our equipment investment budget to meet end-customer demand for capacity, and the overall market is expected to be stable and profitable.

- (IX) Risks and responsive measures associated with concentrated sales or purchases, and responsive measures:

The consolidated company adopts the profit center system and manages multiple products as an agent. Since it was founded, it has built fair goodwill with each of its suppliers. Its supply was normal and no shortage or interruption of supply occurred in the most recent year and until the date of publication of the annual report.

No such situation as overly concentrated customers occurred to the consolidated company. Various business groups are using its best effort to expand their customer bases and also overseas sale & technology service locations.

- (X) Impact and risk on the Company due to major transfer or conversion of equity by directors, supervisors, or shareholders with more than 10% ownership interest, and responsive measures: No such circumstances occurred to the Company in the most recent year and until the date of publication of the annual report.
- (XI) Impact and risks on the Company due to a change of the right of management, and responsive measures: No such circumstance occurred to the Company in the most recent year and until the date of publication of the annual report.
- (XII) For litigious and non-litigious matters, please list major litigious, non-litigious or administrative disputes that have been resolved or are still proceeding involving the Company and/or any director, supervisor, general manager, actual responsible person, and any major shareholder holding a more than 10% of the shares, and the affiliated companies. Moreover, where such a dispute could materially affect shareholders' equity or the prices of the 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 as of the date of publication of the annual report: No such circumstances occurred to the Company in the most recent year and until the date of publication of the annual report.
- (XIII) Other important risks and responsive measures: None.

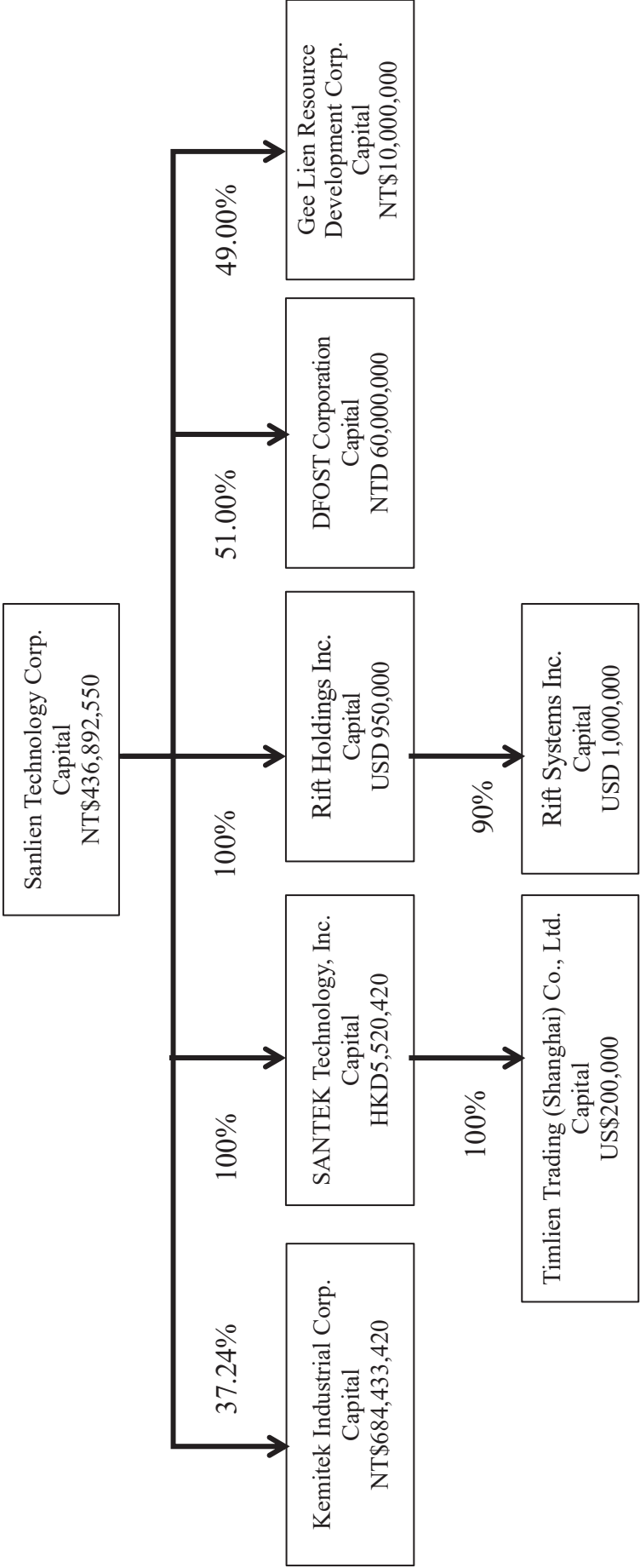
VII. Other important matters: None.

Six. Special Note

I. Information on affiliates

(I) The consolidated business report of the affiliates
1. Organizational charts of affiliates

Date: December 31, 2024



2. Relationship between the controlling company and associated companies:

Name of Company	Controlling company (associated company)	Controlling and associated company relationships
Kemitek Industrial Corp.	Associated company	The Company controls the personnel, finance and business operations directly or indirectly.
SANTEK Technology, Inc.	Associated company	Wholly-owned subsidiary
Timlien Trading (Shanghai) Co., Ltd.	Associated company	Wholly-owned indirect subsidiary
Gee Lien Resource Development Corp.	Associated company	The Company controls the personnel, finance and business operations directly or indirectly.
DFOST Corporation	Associated company	A subsidiary whereby 51% of shares are held by the company.
Rift Holdings Inc.	Associated company	Wholly-owned subsidiary
Rift Systems Inc.	Associated company	Indirect subsidiary of which 90% shares held by the Company

3. Affiliated company profile:

December 31, 2024

Unit: NT\$ thousand/\$ for foreign currency

Company name	Date of Establishment	Address	Paid-in capital	Primary business
Kemitek Industrial Corp.	December 1996	Rm. A6-1, 13F, No. 168, Sec. 3, Nanjing E. Rd., Zhongshan Dist., Taipei City	684,433	Semiconductor-related chemicals manufacturing and sale
SANTEK Technology, Inc.	June 2000	Unit 1403, 14/F Fo Tan, Industrial Centre, 26-28 Au Pui Wan Street Fo Tan, New Territories, Hong Kong	23,307 (HKD 5,520,420)	Sale of electronics and electrical products
Timlien Trading (Shanghai) Co., Ltd.	March 2004	Room 3114, No. 24, Guo Ding Zhi Rd., Yangpu Dist., Shanghai City, China	6,557 (USD200,000)	Hardware & electrical appliances, electronic products, electronic components, sensors, instruments, electric tools, electromechanical equipment, mechanical equipment and accessories, wholesale, import/export and commission agency of geotechnical construction safety equipment and materials (excluding auction) for provision of related alternate services
DFOST Corporation	July 2022(Note)	5-3F, No. 390, Fuxing S. Rd., Sec. 1, Daan Dist., Taipei City	60,000	R&D, sales and service of fiber optic sensor monitors
Gee Lien Resource Development Corp.	January 1980	5F, No. 87, Shuiyuan Rd., Zhongzheng Dist., Taipei City	10,000	Geotechnical engineering contract
Rift Holdings Inc.	November 2022 (Capital injection in Feb. 2023)	3524 Silver Road Suite 35B, Wilmington Delaware USA	31,146 (USD950,000)	Overseas holding company
Rift Systems Inc.	November 2022 (Capital injection in Feb. 2023)	16 Technology Drive Ste 144 Irvine, CA 92618	32,785 (USD1,000,000)	Sales of vibration, environment monitoring equipment; sales of geotechnical monitoring equipment.

Note: The dissolution was approved in November 2024, but the liquidation has not yet been completed.

4. Information about the same shareholder presumed to have controlling and associate relationship: N/A.

5. The industries covered by the business operated by the affiliates overall. Where connections exist among the businesses operated by individual affiliates, a description of the mutual dealings and division of work among such affiliates:

- (1) Kemitek Industrial Corp. is mainly engaged in the manufacturing and sale of chemical products related to semiconductors, and has its independent organization. There is no division of labor with the Company.
- (2) SANTEK Technology, Inc. and its subsidiary, Timlien Trading (Shanghai) Co., Ltd., are mainly engaged in the sale of overseas technical services, electronic materials, and environmental monitoring instruments. They have their independent financial, business, and production and sales organizations, and there is no division of labor between them and the Company.
- (3) DFOST Corporation is mainly engaged in the development, sales and service of fiber-optic sensor, and has its independent organization. There is no division of labor with the Company.
- (4) Gee Lien Resource Development Corp. is mainly engaged in the contracting of the Company's construction projects, and is the Company's sales customer and a contractor of the Company's monitoring business. The company has its independent financial, business and production and sales organization, and there is no division of labor with the Company.
- (5) Rift Holdings Inc. is a subsidiary of the Company, responsible for investing Rift Systems Inc. in the U.S.
- (6) Rift Systems Inc. is a sub-subsidiary of the Company invested in California, mainly responsible for the promotion and sales of the Company's products, expanding the market in western areas of the U.S., and selling seismometers.

6. Information about directors, supervisors and general manager of affiliate companies:

December 31, 2024

Unit: Share

Name of Enterprise	Job Title (Note 1)	Name or Representative	Shares held (Notes 2 & 3)	
			Number of shares	Shareholding (%)
Kemitek Industrial Corp.	Chairman	TAMA Chemicals CO. Representative: Toshitsura Cho	33,044,452	48.28%
	Director	TAMA Chemicals CO. Representative: Akira Iwashiro	33,044,452	48.28%
	Director	Sanlien Technology Corp. Representative: Lin Ting-Fung	25,490,748	37.24 %
	Director	Sanlien Technology Corp. Representative: Lin Chia-Ching	25,490,748	37.24 %
	Director	TAMA Chemicals CO. Representative: Yoshikatsu Saito	33,044,452	48.28%
	Supervisor	Trisco Technology Corporation Representative: Lin Ting-Hsiang	7,570,758	11.06%
	Supervisor	Kazuo Kubokawa	-	-
	General manager	Lin Ting-Fung	-	-
SANTEK Technology, Inc.	Director	Sanlien Technology Corp. Representative: Lin Ting-Fung	5,520,419	100.00%
	Director	Sanlien Technology Corp. Representative: Lin Chia-Ching	5,520,419	100.00%
	General manager	Lin Ting-Fung(Note 4)	1	0.00%
DFOST Corporation	(Note 5)			
Timlien Trading (Shanghai) Co., Ltd.	Director	SANTEK Technology, Inc. Representative: Lin Chia-Ching	200,000	100.00%
Gee Lien Resource Development Corp.	Chairman	Sanlien Technology Corp. Representative: Lin Ta-Chun	490,000	49.00%
	Director	Sanlien Technology Corp. Representative: Hsieh Chi-Lung	490,000	49.00%
	Director, General manager	Wu Chi-Wei	181,100	18.11%
	Supervisor	Shih Wen-Ling	-	-
Rift Holdings Inc.	Chairman	Lin Ta-Chun	-	-
Rift Systems Inc.	Chairman	Lin Ta-Hsun	-	-
	Director	Yen Peng	50,000	5.00%
	Director	Ayse Koksai	50,000	5.00%
	CEO	Cagatay Koksai	-	-

Note 1: If the affiliated company is a foreign company, list the equivalent title.

Note 2: If the investee is a company limited by shares, please fill in the number of shares and shareholding.

For others, please indicate so, and fill in the invested capital and percentage thereof.

Note 3: When the director or supervisor is a juristic person, please disclose the information about its representative.

Note 4: The 1 share held is of a proxy nature, and its rights and obligations belong to Sanlian Technology Corp.

Note 5: The dissolution was approved in November 2024, but the liquidation has not yet been completed.

7. Overview of business of affiliated companies:

December 31, 2024
Unit: NT\$ thousand

Name of Enterprise (Note 1)	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating gain (loss)	Income for the current period (after tax)	EPS (NT\$) (after tax)
Kemitek Industrial Corp.	684,433	3,484,938	1,666,067	1,818,871	3,893,715	282,480	277,072	4.05
SANTEK Technology, Inc.	23,307	100,103	13,287	86,816	43,145	(3,535)	(201)	(0.04)
Timlien Trading (Shanghai) Co., Ltd.	6,557	4,761	181	4,580	3,175	31	110	0.55
Gee Lien Resource Development Corp.	60,000	2,996	1,259	1,737	0	(12,768)	(23,264)	(4.43)
DFOST Corporation	10,000	71,050	41,306	29,744	57,315	13,983	11,526	11.53
Rift Holdings Inc.	31,146	16,440	436	16,004	0	(613)	(8,353)	(8.79)
Rift Systems Inc.	32,785	21,571	4,844	16,727	14,542	(9,490)	(8,618)	(8.62)

Note 1: The exchange rates for the balance sheet are as follows: 1 Hong Kong Dollar (HKD) = NT\$4.222, 1 RMB(CNY) = NT\$4.478, 1 U.S. Dollar (USD) = NT\$32.785.

The exchange rates for the income statement are as follows: 1 Hong Kong Dollar (HKD) = NT\$4.1079, 1 RMB (CNY) = NT\$4.4539, 1 U.S. Dollar (USD) = NT\$32.0531.

Note 2: The dissolution was approved in November 2024, but the liquidation has not yet been completed.

- II. Private placement of securities in the most recent year up to the date of publication of the annual report: Disclose the date on which the placement was approved by a board of directors or by a shareholders meeting, the amount thus approved, the basis for and reasonableness of the pricing, the manner in which the specified persons were selected, the reasons why the private placement method was necessary, the targets of the private placement, their qualifications, subscription amounts, subscription price, relationship with the company, participation in the operations of the company, actual subscription (or conversion) price, the difference between the actual subscription (or conversion) price and the reference price, the effect of the private placement on shareholders' equity, and, for the period from receipt of payment in full to the completion of the related capital allocation plan, the status of use of the capital raised through the private placement of securities, the implementation progress of the plan, and the realization of the benefits of the plan: None.
- III. Other supplementary notes
- (1) Impairment of assets
- The consolidated company's impairment of assets was treated in accordance with IFRS 9 "Financial Instruments" and IAS 36 "Impairment of Assets."
1. The consolidated company had impairment of equipment and intangible assets on December 31, 2024, recognizing impairment loss of NT\$10,530 thousand.
 2. An impairment test has been conducted against the difference between the investment cost and net worth of equity of the long-term equity investment, with respect to goodwill. Upon the consolidated company's evaluation of the invested affiliated company, it recognized that there is no goodwill impairment loss.
- (2) Basis and ground for evaluation on the provision of allowance for bad debt
1. Basis for evaluation on impairment of accounts receivable and contract assets
 - (1) The consolidated company adopted IFRS 9 "Financial Instruments".
 - (2) The allowance losses on accounts receivable and contract assets were all recognized based on the lifetime expected credit loss. The expected credit loss refers to the weighted average credit loss based on the default risk.
 2. According to said policy, the allowance for bad debt to be provided by the consolidated company on December 31, 2024 should be NT\$3,483 thousand.
- (3) Basis and ground for provision of allowance for price decline in inventories
1. Subsequent measurement on inventories
 - (1) The basis for evaluating the ending inventories that are not updated within one year refers to the "lower of the cost and net realizable value". The net realizable value means the balance after the latest selling price less the sales expenses under the normal condition. If no information about the selling price is available, the replacement cost shall apply and the evaluation shall be subject to item-by-item comparison. If the net realizable value is less than the book value, the allowance for price decline shall be provided item by item. If the net realizable value recovers subsequently based on re-measurement, the increase in net realizable value of the inventories should be reversed, insofar as it shall be no more than the original amount of write-down.
 - (2) Provide 100% allowance for loss with respect to the inventory idle for more than one year.
 - (3) The allowance for consignment inventories should be evaluated in the following manners:
 - a. If no inspection and acceptance is conducted to close the case or no renewal of agreement is reached with the owner within one quarter (three months) upon expiration of any individual contract, the potential loss on price decline should be evaluated.
 - b. If any unearned sales revenue is lower than the invested cost, the loss on price decline should be provided case by case. In any special case, a report may be submitted after the sales representative states the reason why the case is not closed, solutions, or allowance for loss thereof.
 2. Given this, the consolidated company should provide the allowance for loss on a price decline, NT\$12,317 thousand, on December 31, 2024.
- (4) Pending commitments for listing on TPEx: None.
- Seven. Situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

Sanlien Technology Corp.

Chairman:

General Manager:



Be the frontier of environmental monitoring

