Stock Code: 6698

FineMat Applied Materials Co., Ltd.

2025 Annual Report

The Annual Report may be accessed at:

MOPS: https://mops.twse.com.tw

Company website: https://www.fine-mat.com

Publication date: May 13, 2026

I. Names, job titles, Tel. Nos. and email of spokesperson and deputy spokesperson

Spokesperson

Name: Huang Hsin-Mao

Job Title: President, Finance Department

Tel. No.: (06) 601-6388

Email: ir@ fine-mat.com

Deputy Spokesperson

Name: Niu Jie-Ru

Job Title: Director, Auditing Office

Tel. No.: (06) 601-6388

Email: ir@ fine-mat.com

II. Addresses and Tel. Nos. of Head Office, Branch Companies and Factories

Company, Factory No. 1 and Factory No. 2

Address: No. 36, Gongye 1st Rd., Annan Dist., Tainan City 709

Tel. No.: (06) 601-6388

Factory No. 3

Address: No. 123, Keji 5th Rd., Annan Dist., Tainan City 709

Telephone: (06) 384-2112

Factory North

Address: No. 196, Changrong Rd., Changxing Village, Luzhu Dist., Taoyuan City 338

Telephone: (03) 311-9288

III. Name, Address, Website and Tel. No. of Shareholders Service Agency

Name: Mega Securities, Shareholders Service Dept.

Address: 1F, No. 95, Sec. 2, Zhongxiao E. Rd., Zhongzheng Dist., Taipei City

Website: https://www.emega.com.tw

Tel. No.: (02)3393-0898

IV. Name of the external auditor, and the name, address, and contact number of the CPA firm for the latest financial report

External auditors: Yeh Fang-Ting, CPA & Hsu Huei-Yu, CPA

Firm name: PwC Taiwan

Address: 12F, No. 395, Sec. 1, Linsen Rd., East Dist., Tainan City

Website: https://www.pwc.tw

Tel. No.: (06)234-3111

V. Name of the exchange where the overseas securities are listed for trading and the method to inquire about the overseas securities information: None.

VI. Company website: https://www.fine-mat.com

FineMat Applied Materials Co., Ltd.

Table of Contents for 2025 Annual Report

One. A Message to Shareholders

Dear shareholders,
Thank you for attending the 2026 Shareholders' Annual General Meeting of FineMat Applied Materials Co., Ltd., and thank you for your support and care to the Company.

The Company's core technology foundation is precision metal etching. For many years, we have been deeply engaged in the production of precision metal masks required for the OLED panel vapor deposition process. In particular, we have established profound and distinctive expertise in pattern positioning accuracy on metal masks, dimensional tolerance control, and precision welding technology between Metal Masks and metal frames (Frames). This technological foundation enables the Company to play a critical role as a key technology supplier in the optoelectronics industry chain.

In response to changes in the industrial environment and increasing market competition, 2025 marks a pivotal year for the Company in implementing diversified operations and fundamentally improving its operational structure. The Company will continue to build on its etching technology foundation. In addition to deepening its presence in existing precision metal mask and thermal module businesses, it will actively expand into non-panel mask markets through horizontal product diversification and vertical enhancement of technical barriers, while striving to improve production efficiency and reduce costs. At the same time, the Company is proactively and prudently seeking external investment and cooperation opportunities, extending its business reach into non-etching industries. Through business expansion and deeper technological development in 2025, the Company aims to lay the foundation for the mass production planning of new products in 2026, enhance operational resilience, diversify industry risks, and ensure long-term stable growth.

We would like to present you the Company's 2025 business results and outline of 2026 business plan as follows:

I. 2025 business results

(I) Business plan implementation results

The Company's 2025 business results are shown as following:

Unit: NT$ Thousand

Item	2025 Actual	Actual amount in 2024	Increase (decrease) %
Operating revenue	1,156,656	890,710	29.86%
Gross profit	275,849	242,655	13.68%
Operating income (loss)	3,480	(16,971)	120.51%
Net income (loss) before tax	(5,212)	1,633	(419.17%)
Net loss after tax	(42,543)	(20,116)	(111.49%)
Loss per share (EPS)	(1.65)	(0.96)	(71.88%)

(II) Budget execution

The Company did not disclose financial forecasts for 2025.

(III) Income, expenses, and profitability analysis

Item			2025	2024
Financial structure	Ratio of Liabilities to Assets (%)		34.54	32.07
	Long-term capital to fixed assets (%)		174.87	183.63
Solvency	Current ratio (%)		146.82	169.63
	Quick ratio (%)		110.99	128.70
Return on total assets (%)			(1.05)	(0.2)
Return on equity (%)			(2.21)	(1.01)
Ratio to paid-in capital (%)		Operating income	0.52	(2.56)
		Net income before tax	(0.79)	0.25
Profit margin (%)			(3.68)	(2.26)

(IV) Research and development (R&D)

R&D expenditure in the most recent two years

Unit: NT$ Thousand

Item	2025	2024
R&D expenses	98,424	77,437
To net operating revenue (%)	8.51%	8.69%

The Company continues the R&D of unique precision etching special processing technology to provide customers with services. Innovation and R&D will be the cornerstone of the competitiveness of companies. In the most recent two years, the Company has invested capital in R&D proactively. The R&D expenditure-to-revenue ratio continues to rise. In 2026, FineMat will focus on developing AI drone auxiliary power systems, AI thermal management components, as well as metal etching components and materials for the semiconductor sector.

II. Outline of 2026 business plan

(I) Business policy

In 2026, FineMat will continue to use etching technology as the foundation to further deepen its business in the existing fields of precision metal masks and thermal module materials. FineMat will expand its precision metal etching technology, broadening the product scope horizontally and delving deeper into technical advancements vertically. The overall business guidelines for 2026 are as follows:

1. Upgrade technology and refine production.
2. Expand the scope of etching business and explore new customer sources.
3. Expand the Group's Business Reach and Develop New Business Ventures

.

(II) Sales volume forecast and the basis thereof

The Company considers the production capacity planning in reference to the market analysis by primary research institutions and subject to customers' forecast demand, and sets forth its annual sales target based on the past operating performance. Notwithstanding, the Company doesn't publish its financial forecast to the public in 2026.

(III) Important production & marketing policies

Looking to the future, innovation and R&D will be the cornerstone of the competitiveness of companies. We will continue to conduct R&D for innovative applications and refinement of production technology in the future in order to guide the Company through innovative R&D, and to create profits through advanced technology. In 2026, the Company will focus on the following production and sales policies.

1. Dynamically adjust the market structure to increase the proportion of non-OLED panel-related business.
2. Accelerate the transformation of production models to realize economies of scale.
3. Upgrade equipment and strengthen process technology and quality management to enhance production efficiency and cost control.

III. Future development strategies

Looking back at the AMOLED mask market, as China's market share of OLED panels for smartphones continues to rise, the competition in China's AMOLED mask market has become increasingly fierce. FineMat which is not a local enterprise in China has also faced bottleneck in the AMOLED MASK market development. In the future, FineMat will expand the product range of metal etching on the basis of metal precision etching, and progress toward the goal of drone sub-propulsion systems, AI thermal management components, and precision semiconductor materials. Expanding operations beyond metal etching to diversify industry risks. It is believed that with the continuous innovation and R&D, FineMat will be able to pioneering new frontiers in production capabilities. With the joint efforts of all employees, we are determined to create better profits for all shareholders and create a better workplace for all employees.

IV. Effect of external competition, legal environment, and overall business environment

The Company's overall performance operations vary depending on the external market competition, new laws and regulations issued by the competent authority, and the global business environment.

In response to said environmental changes, the Company complies with the new laws and regulations promulgated by various competent authorities, and the applicable laws and regulations. Meanwhile, the Company also commits to developing new products and new customers, improve the product technology and provide the consulting service for technology, and maintains fair partnership with customers and provides the omnibearing services to improve the Company's entire competitiveness.

Thank for the long-term support and encourage from you to the Company. I hereby extend the most heartwarming appreciation to all of you on behalf of FINEMAT APPLIED MATERIALS CO., LTD. accordingly.

Wish all of you

good health and all the best

Chairman: Chao Ching-Hsiao

Two. Company Governance Report

I. Information about directors (including independent directors), President, vice presidents, assistant vice presidents, and heads of departments/divisions

(I) Information about directors (including independent directors)

1. Date of election of directors (including independent directors), shares held, and academic background (work experience)

April 20, 2026; unit: shares and %

Title	Nationality	Name	Gender Age	Date of Election	Term of Office	Date of initial election	Shares held at the time of appointment		Number of shares currently held		Shares held by spouse and underage children		Shares held in the names of others		Academic background (working experience)	Concurrent positions in the Company and other companies	Spouse or relatives within the second degree of kinship acting as other managers, directors or supervisors			Remarks
							Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Title	Name	Relations	
Chairman	Taiwan R.O.C	Chao Chin-Hsiao	Male 61~70 years old	2024/06/19	3 years	2007/12/25	6,396,814	9.64	6,396,814	9.64	323,496	0.49	0	0	PhD in Materials, National Sun Yat-Sen University President, Solar Applied Materials Technology Corp., Chairman, FINEMAT APPLIED MATERIALS CO., LTD.	Finemat Applied Materials Co., Ltd., Sheng Tai Co., Ltd., Finemat (Shanghai) Applied Materials Co., Ltd.,Vn Etch Home Technology Co., Ltd., eDronePower Technology Co., Ltd..: Chairman Galloptech International Co., Ltd.., Sense pad Tech Co.,Ltd., Htc & Solartech Service (Samoa) Corporation.,Wave Power Technology Inc.: Director Qun Bo Investment Co., Ltd.: Supervisor	None			
Director	Taiwan R.O.C	Elan Investment Co., Ltd.	-	2024/06/19	3 years	2007/12/25	8,900,373	13.41	8,900,373	13.41	0	0	0	0						
		Representative: Liu Dai-Min (Note 1)	Male 61~70 years old	2024/06/19		2020/01/21	20,000	0.03	0	0	0	0	0	0	Master of Economic Law, China University of Political Science and Law (CUPL) Director and spokesperson, ELAN Microelectronics Corp.		None			
Director	Taiwan R.O.C	Elan Investment Co., Ltd.	-	2024/06/19	3 years	2007/12/25	8,900,373	13.41	8,900,373	13.41	0	0	0	0						
		Representative: Tsai Shu-Hsin (Note 1)	Female 51~60 years old	2025/3/25		2025/3/25	0	0	0	0	0		0	0	Master of Laws in Financial and Economic Law, Chung Yuan Christian University Spokesperson and	ELAN Microelectronics Corp.: Spokesperson and Vice Director Taiwan Intelligent Connect Co.,Ltd, Avisonic technology Corporation and FineMat Applied Materials	None			

															Vice Director , ELAN Microelectronics Corp.:	Co., Ltd.: Director Pixord Corporation.: Supervisor		
Direct or	Taiwan R.O.C	Sheng Tai Co., Ltd.	-	2024/06/19	3 years	2007/12/25	556,573	0.84	556,573	0.84	0	0	0	0				
		Representative: Lee Jhong-Ren	male 61~70 years old	2024/06/1		2024/06/19	1,292,153	1.95	1,292,153	1.95	164,923	0.25	0	0	Ph.D. in Materials Science, Massachusetts Institute of Technology Director, Solar Applied Materials Technology Corp. R&D Department Executive vice president, FineMat Applied Materials Co., Ltd	FineMat Applied Materials Co., Ltd.: Director	None	
Direct or	Taiwan R.O.C	Sheng Tai Co., Ltd.		2024/06/19	3 years	2007/12/25	556,573	0.84	556,573	0.84	0	0	0	0				
		Representative: Wang I-Fan (Note 2)	Male 50~60 years old	2025/06/17		2025/06/17	10,000	0.02	10,000	0.02	0	0	0	0	Master of Science in Chemistry, National Tsing Hua University Former Vice General Manager, Anqing Kaibo Optoelectronics Co., Ltd.	FineMat Applied Materials Co., Ltd.: Director and General Manager		
Direct or	Taiwan R.O.C	Ni Hui-Min	Female 61~70 years old	2024/06/19	3 years	2018/10/03	811,545	1.22	811,545	1.22	46,862	0.07	0	0	National Changhua Senior High School of Commerce Vice President, Solar Applied Materials Technology Corp. Chairman, HTC & Solar Tech Service Limited	Qun Bo Investment Co., Ltd.; Solar Applied Materials Technology (Shanghai) Co., Ltd.; FineMat (HuangShi) Applied Materials Co., Ltd ; HTC & Solar Tech Service Limited: Chairman Director, FineMat Applied Materials Co., Ltd., Htc & Solartech Service (Samoa) Corporation; Wave Power Technology Inc.	None	
Direct or	Taiwan R.O.C	Li Wei-Cheng (Note 2)	Male 61~70 years old	2024/06/19	3 years	2010/06/24	1,052,336	1.59	1,052,336	1.59	71,938	0.11	0	0	PhD in Materials, National Cheng Kung University; Planning Manager, ITRI; Director, Chemical Metallurgy	,FineXact Co.,Ltd: Director Wave Power Technology Inc.: Chairman Solar Applied Materials Technology (Shanghai) Co., Ltd., FineMat (HuangShi) Applied Materials Co., Ltd.:	None	

															Division, Solar Applied Materials Technology Corp.	Supervisor		
Independent director	Taiwan R.O.C	Chen Cheng-Li	Male 71~79 years old	2024/06/19	3 years	2018/10/03	0	0	0	0	0	0	0	0	Aviation Engineering Department, Air Force Institute of Technology, 2-year program President, TYCOONS GROUP Enterprise CO., Ltd.	Hebei Huanghua Jujin Hardware Products Co., Ltd.: Chairman FineMat Applied Materials Co., Ltd.: Independent Director, Audit Committee Member, and Remuneration Committee Member	None	
Independent director	Taiwan R.O.C	Chou Hui-Yu	Female 51~59 years old	2024/06/19	3 years	2018/10/03	0	0	0	0	0	0	0	0	LLM, Soochow University, Department of Accounting, National Cheng Kung University Vice President, Radium Life Tech. Co., Ltd.	TeraSolar Energy Materials Corp.: Director King'S Metal Fiber Technologies Co., Ltd., Khgears Limited.,FineMat Applied Materials Co., Ltd.,.: Independent Director and Audit Committee Member, Remuneration Committee Member	None	
Independent director	Taiwan R.O.C	Anita Chu	Female, aged 51-59	2024/06/19	3 years	2021/08/18	0	0	0	0	0	0	0	0	Institute of Business Administration, National Chia Yi University Audit Assistant Manager, Wencheng CPA Firm Taiwan	Huikwang Corporation: Vice President, General Management Department Jiyuan Packaging Holdings Limited., FineMat Applied Materials Co., Ltd.: Independent Director, Audit Committee Member, and Remuneration Committee Member	None	

Note 1: Liu Dai-Min, Director and legal representative of Elan Investments Co., Ltd., resigned on 2025/3/25, was replaced by newly appointed legal representative Director Tsai Shu-hsin.

Note 2: Director Li Wei-Cheng resigned on June 16, 2025, and Mr. Wang I-Fan was elected as a new director at the shareholders' meeting held on June 17, 2025.

2. Major Shareholders of Juristic Person Shareholders

March 30, 2026

Name of institutional shareholder	Major Shareholders of Juristic Person Shareholders
Elan Investment Co., Ltd.	ELAN MICROELECTRONICS CORP. (100.00%),
Sheng Tai Co., Ltd.	Chao Chin-Hsiao (58.65%); Ni Hui-Min (7.15%); Li Fan-Chun (7.15%); Chen Chin-Do (6.01%); Li Wei-Cheng (6.02%); Lee Jhong-Ren (6.02%); Yeh Chien-Hung (4.90%); Liao Si-Ren (4.10%)

3. Major Shareholders of Major Shareholders Who are Juristic Persons

March 30, 2026

Name of institution	Major shareholders of corporate shareholders
ELAN Microelectronics Corp.	Capital TIP Customized Taiwan Select High Dividend Exchange Traded Fund (5.16%); Elan Investment Co., Ltd. (4.09%); Bank of Taiwan entrusted with the custody of the Yuanta Taiwan High Dividend Low Volatility ETF Securities Investment Trust Fund (3.28%); Yuanta Taiwan Value High Dividend ETF under custody of Hua Nan Commercial Bank (2.80%); New System Labor Retirement Fund (2.45%); Yu Long Investment Co., Ltd. (2.33%); Yeh Yi-Hu (2.12%); Nan Shan Life Insurance Company, Ltd. (2.12%); Fuh Hwa Taiwan Technology Dividend Highlight ETF under custody of Taipei Fubon Commercial Bank Co., Ltd. (2.07%); Taiwan Cooperative Bank Ltd. (1.59%)

4. Disclosure of information about directors' professional qualification and independent directors' independence:

May 13, 2026

Conditions / Name	Professional qualifications and experience	Independence	Number of other public companies in which the independent director concurrently serve as an independent director
Chairman Chao Chin-Hsiao	PhD in Materials, National Sun Yat-Sen University, with the working experience needed by the Company's business for more than 5 years. Former President of Solar Applied Materials Technology Corp., and currently the Chairman of FINEMAT APPLIED MATERIALS CO., LTD. and EDronePower Technology Co., Ltd. . With the ability and experience in business administration, and free from the circumstances referred to in Article 30 of the Company Act	None of his spouse or relatives within the second degree of kinship acts as a director, and he is free from the circumstances referred to in Paragraph 3, Article 26-3 of the Securities and Exchange Act.	None.
Director Tsai Shu-Hsin	Master of Laws in Financial and Economic Law, Chung Yuan Christian University, with the working experience needed by the Company's business for more than 5 years. Hold the position in ELAN Microelectronics Corp., and serve as a representative of juristic person director of multiple companies. With the experience in legal affairs for many years, and free from the circumstances referred to in Article 30 of the Company Act		None
Director Lee Jhong-Ren	Ph.D. in Materials Science, Massachusetts Institute of Technology, with the working experience needed by the Company's business for more than 5 years. Former Director of Solar Applied Materials Technology Corp. R&D Department. With the experience and capability in material technologyand corporate operations, and free from the circumstances referred to in Article 30 of the Company Act		None
Director Ni Hui-Min	Graduated from National Chang-Hua Senior High School of Commerce, with the working experience needed by the Company's business for more than 5 years. Former Vice President of Solar Applied Materials Technology Corp. and currently the Chairman of HTC & Solar Service Limited. With the experience in business administration and commerce for many years, and free from the circumstances referred to in Article 30 of the Company Act		None

<table>
<tr><td>Director
Wang I-Fan</td><td>Master of Science in Chemistry, National Tsing Hua University, with the working experience needed by the Company’s business for more than 5 years. Formerly Vice General Manager of Anqing Kaibo Optoelectronics Co., Ltd., and currently the Director and General Manager of FineMat Applied Materials Co., Ltd. With the ability and experience in materials technology and business administration for many years, and free from the circumstances referred to in Article 30 of the Company Act</td><td></td><td>None</td></tr>
<tr><td>Independent Director
Chen Cheng-Li</td><td>Graduated from Aviation Engineering Department, Air Force Institute of Technology, 2-year program, with the working experience needed by the Company’s business for more than 5 years. Former President of TYCOONS GROUP Enterprise CO., Ltd., and currently the Chairman of Huanghua Jujin Hardware Products Co., Ltd. With the industrial experience and also experience in business administration for many years, and free from the circumstances referred to in Article 30 of the Company Act</td><td rowspan="3">(1) Not an employee of the Company or its affiliated companies.
(2) Not a director or supervisor of the Company or any of its affiliated companies
(3) Not a director, spouse, minor child thereof, or other natural person shareholders who hold more than 1% of the total issued shares of the Company by nominee arrangement or with top ten ownership.
(4) Not the manager listed in (1) or the spouse, relatives within the second degree of kinship or direct blood relative within the third degree of kinship of the person listed in (2) and (3).
(5) Not a director, supervisor, or employee of any juristic-person shareholder that has 5% or higher of the total shares issued by the Company, or of top-5 juristic-person shareholders of the Company, or of the juristic-person shareholders who appoint their representatives to serve as the director or supervisor the Company in accordance with Paragraph 1 or Paragraph 2, Article 27 of the Company Act.
(6) Not a director, supervisor or employee of any company controlled by the same person that holds a majority of the directors or voting shares of the Company.
(7) Not a director, supervisor or employee of any company who is the same person as, or the spouse of, Chairman and President or equivalent of the Company.
(8) Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any companies or institutions that have financial or business relationship with the Company.
(9) Not a professional individual</td><td>None</td></tr>
<tr><td>Independent Director
Chou Hui-Yu</td><td>Master of Laws, Soochow University; graduated from Department of Accounting, National Cheng Kung University, and also passed the Civil Service National Examination for CPA successfully, with the working experience needed by the Company’s business for more than 5 years. Former Vice President of ACTION ELECTRONICS CO., LTD, with the experience in financial accounting and industry for many years, and free from the circumstances referred to in Article 30 of the Company Act</td><td>2</td></tr>
<tr><td>Independent Director
Anita Chu</td><td>Graduated from the Institute of Business Administration, National Chiayi University, with the working experience needed by the Company’s business for more than 5 years. Currently the Vice President of Huikwang Corporation, with the experience in financial accounting and industry for many years, and free from the circumstances referred to in Article 30 of the Company Act</td><td>1</td></tr>
</table>

		who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliated company of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliated company of the Company for which the provider in the past 2 years has received cumulative compensation. (10) Not a spouse or relative within the second degree of kinship with any other director. (11) Not elected as a government, juristic person or its representative according to Article 27 of the Company Act.	

5. Diversity and Independence of Board of Directors:

(1) Diversity of Board of Directors

According to Article 20 of the Company's "Corporate Governance Best Practice Principles", the composition of the board of directors shall take diversity into account, and appropriate policies shall be adopted for diversity in terms of its own operation, business model and development needs. It should include but not be limited to the following two major standards:

A. Basic requirements and values: Gender, age, nationality, and culture.

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

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:

A. Operational judgment

B. Accounting and financial analysis

C. Business administration

D. Crisis management

E. Industrial knowledge

F. An international market perspective

G. Leadership

H. Decision-making

Practicing of the board member diversity policy in the most recent year:

Director's name	Gender	Age			Term of office held as an independent director		Operational judgment	Business administration	Financial accounting	Business economics	Crisis management	Industrial knowledge	An international market perspective	Leadership & decision making
		51~60	61~70	71~80	Less than 3 years	3~9 years								
Chao Chin-Hsiao	Male		✓				✓	✓			✓	✓	✓	✓
Tsai Shu-Hsin	Female	✓					✓	✓			✓	✓	✓	✓
Lee Jhong-Ren	Male		✓				✓	✓			✓	✓	✓	✓
Ni Hui-Min	Female		✓				✓	✓		✓	✓	✓	✓	✓
Wang I-Fan	Male	✓					✓	✓			✓	✓	✓	✓
Chen Cheng-Li	Male			✓		✓	✓	✓			✓	✓	✓	✓
Chou Hui-Yu	Female	✓				✓	✓	✓	✓	✓	✓	✓	✓	✓
Anita Chu	Female	✓				✓	✓	✓	✓	✓	✓	✓	✓	✓

(2) Specific management goals of the board composition diversity policy, and achievement thereof:

A total of three diversity goals have been achieved for the current Board of Directors, namely "independent directors accounting for more than one-third of the total directors (inclusive)," "female directors accounting for more than one-third of the total directors (inclusive)" and the number of directors with the identity of employees of the Company, its parent company, subsidiaries or fellow subsidiaries less than one-third of the total directors (inclusive).

(3) Independence of the Board of Directors

The Company's current Board of Directors consists of 8 members, including 3 independent directors, and 2 directors with the identity of the Company's employees (i.e. 37.50% and 25.0% of the whole Board members respectively). All independent directors satisfy the requirements about independent directors imposed by Securities and Futures Bureau, Financial Supervisory Commission. All of the directors and independent directors are free from the circumstances referred to in Paragraph 3 and Paragraph 4, Article 26-3 of the Securities and Exchange Act. The Company's Board of Directors acts independently (please refer to Page 9-11 of the annual report - Disclosure of information about directors' professional qualification and independent directors' independence). For the directors' educational background, gender and working experience, please refer to Pages 5-7 of the annual report - Information about directors.

(II). Information about President, vice presidents, assistant vice presidents, and heads of departments/divisions

April 20, 2026

Title	Nationality	Name	Gender	Date of appointment	Number of shares currently held	Shares held by spouse and underage children		Shares held in the names of others	
					Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding
President (Note 1)	R.O.C.	Wang I-Fan	Male	2025/04/01	10,000	0.02	0	0.00	0	0
President (Note 1)	R.O.C.	Li Wei-Cheng	Male	2022/04/01	1,052,336	1.59	71,938	0.11	0	0
CSO	R.O.C.	Chao Chin-Hsiao	Male	2022/04/01	6,396,814	9.64	323,496	0.49	0	0
Vice President	R.O.C.	Hsiao Yu-chan	Male	2024/06/01	405,000	0.61	0	0.00	0	0
Vice President	R.O.C.	Lai Yuan-chang	Male	2024/12/31	16,599	0.03	10,000	0.02		

Job Title	Name	Academic background (working experience)	Concurrent positions in the Company and other companies	Spouse or relatives within the second degree of kinship acting as other managers, directors or supervisors			Remark
				Job Title	Name	Relations	
President (Note 1)	Wang I-Fan	Institute of Chemistry, National Tsing Hua University Vice President of Anqing Kaibo Optoelectronics	FineMat Applied Materials Co., Ltd., Solar Applied Materials Technology (Shanghai) Co., Ltd., FineMat (HuangShi) Applied Materials Co., Ltd., FineMat (Shanghai)Applied Materials Co., Ltd.: President	None			
President (Note 1)	Li Wei-Cheng	PhD in Materials, National Cheng Kung University Planning Manager, ITRI Director, Chemical Metallurgy Division, Solar Applied Materials Technology Corp.	Wave Power Technology Inc: Chairman FineXact Co., Ltd.: Director FineMat(Shanghai) Applied Materials Co., Ltd., Solar Applied Materials Technology (Shanghai) Co., Ltd., FineMat (HuangShi) Applied Materials Co., Ltd.: Supervisor	None			-
CSO	Chao Chin-Hsiao	PhD in Materials, National Sun Yat-Sen University President, Solar Applied Materials Technology Corp.	Finemat Applied Materials Co., Ltd., Sheng Tai Co., Ltd., Finemat (Shanghai) Applied Materials Co., Ltd., Vn Etch Home Technology Co., Ltd, eDronePower Technology Co., Ltd.: Chairman Galloptech International Co Ltd., Sense pad Tech Co., Ltd., Htc & Solartech Service (Samoa) Corporation, Wave Power Technology Inc.: Director	None			-

			Qun Bo Investment Co., Ltd.: Supervisor		
Vice President	Hsiao Yu-chan	National Cheng Kung University PhD in Materials	-	None	-
Vice President	Lai Yuan-Chang	Institute of Mechanical Engineering, National Taiwan University of Science and Technology	Vn Etch Home Technology Co., Ltd: Preident	None	

Note: Those still holding the position until the date of publication of the annual report.

Note 1: President Wang I-Fan took office on 2025/4/1, and President Li Wei-Cheng retired on 2025/4/1.

II. Compensation paid to directors (including independent directors), President and vice presidents in the most recent year

(I) Compensation to directors (including independent directors)

December 31, 2025; Unit: NT$ Thousand

Title	Name	Compensation to directors								The sum of A, B, C, and D as a percentage of net income after tax		Employee compensation received by directors								The sum of A, B, C, D, E, F and G and the percentage in net income after tax		Remuneration from investees other than subsidiaries or from the parent company
		Remuneration (A)		Severance pay and pension (B)		Remuneration to directors (C)		Business execution expenses (D)				Salaries, bonuses, and special allowances (E)		Severance pay and pension (F)		Remuneration to employees (G)						
		The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company		All companies included in the financial report		The Company	All companies included in the financial report	
																Cash amount	Stock amount	Cash amount	Stock amount			
Chairman	Chao Chin-Hsiao	0	20	0	0	0	1,230	18	39	18 (0.02%)	1,289 (1.18%)	3,453	5,307	0	0	0	0	600	0	3,471 (3.19%)	7,196 (6.61%)	481
Corporate director	Representative of Elan Investment Co., Ltd.: Liu Dai-Min (Note 1)	0	0	0	0	0	0	6	6	6 (0.01%)	6 (0.01%)	0	0	0	0	0	0	0	0	6 (0.01%)	6 (0.01%)	0
Corporate director	Representative of Elan Investment Co., Ltd.: Tsai Shu-Hsin (Note 1)	0	0	0	0	0	0	16	16	16 (0.01%)	16 (0.01%)	0	0	0	0	0	0	0	0	16 (0.01%)	16 (0.01%)	0
Corporate director	Representative of Sheng Tai Co., Ltd.: Lee Jhong -Ren	0	0	0	0	0	0	18	18	18 (0.02%)	18 (0.02%)	668	668	32	32	0	0	0	0	718 (0.66%)	718 (0.66%)	0
Corporate director	Representative of Sheng Tai Co., Ltd.: Wang I-Fan (Note 2)	0	0	0	0	0	0	9	9	9 (0.01%)	9 (0.01%)	2380	2380	108	108	0	0	0	0	2497 (2.30%)	2497 (2.30%)	0

Corporate director	Ni Hui-Min	0	0	0	0	0	850	15	33	15 (0.01%)	883 (0.81%)	0	0	0	0	0	0	0	0	15 (0.01%)	883 (0.81%)	
Director	Li Wei-Cheng (Note 2)	0	0	0	0	0	470	9	21	9 (0.01%)	491 (0.45%)	1390	2633	67	67	0	0	0	0	1,466 (1.35%)	3,191 (2.93%)	0
Independent director	Chen Cheng-Li	360	360	0	0	0	0	18	18	378 (0.35%)	378 (0.35%)	0	0	0	0	0	0	0	0	378 (0.35%)	378 (0.35%)	0
Independent director	Chou Hui-Yu	360	360	0	0	0	0	22	22	382 (0.35%)	382 (0.35%)	0	0	0	0	0	0	0	0	382 (0.35%)	382 (0.35%)	0
Independent director	Anita Chu	360	360	0	0	0	0	18	18	378 (0.35%)	378 (0.35%)	0	0	0	0	0	0	0	0	378 (0.35%)	378 (0.35%)	0

Note 1: Mr. Liu Dai-Min, director and corporate representative of Elan Investment Co., Ltd., resigned on March 25, 2025, and Ms. Tsai Shu-Hsin was appointed as the new corporate representative and director.

Note 2: Director Li Wei-Cheng resigned on June 16, 2025, and Mr. Wang I-Fan was elected as a new director at the shareholders' meeting held on June 17, 2025.

Description:

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 remuneration paid to independent directors is paid at fixed amount, so are the attendance fees subject to the frequency of attendance.
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 most recent year except those disclosed in the above table: None.

Compensation Scale Table for directors (including independent directors)

Breakdown of remuneration to directors of the Company	Name of director			
	Sum of the first four remunerations (A+B+C+D)		Sum of the first seven remunerations (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial report	The Company	All companies included in the financial report
Below NT$1,000,000	Representative of Elan Investment Co., Ltd: Liu Dai-Min (Note 1) Representative of Elan Investment Co., Ltd: Tsai Shu-Hsin (Note 1) Representative of Sheng Tai Co., Ltd.: Lee Jhong-Ren Representative of Sheng Tai Co., Ltd.: Wang I-Fan (Note 2), Chao Chin-Hsiao, Ni Hui-Min, Li Wei-Cheng (Note 2), Chen Cheng-Li Chou Hui-Yu, Anita Chu	Representative of Elan Investment Co., Ltd: Liu Dai-Min (Note 1) Representative of Elan Investment Co., Ltd: Tsai Shu-Hsin (Note 1) Representative of Sheng Tai Co., Ltd.: Lee Jhong-Ren Representative of Sheng Tai Co., Ltd.: Wang I-Fan (Note 2), Ni Hui-Min ,Li Wei-Cheng (Note 2), Chen Cheng-Li, Chou Hui-Yu, Anita Chu	Representative of Elan Investment Co., Ltd: Liu Dai-Min (Note 1) Representative of Elan Investment Co., Ltd: Tsai Shu-Hsin (Note 1) Representative of Sheng Tai Co., Ltd.: Lee Jhong-Ren Ni Hui-Min, Chen Cheng-Li, Chou Hui-Yu, Anita Chu	Representative of Elan Investment Co., Ltd: Liu Dai-Min (Note 1) Representative of Elan Investment Co., Ltd: Tsai Shu-Hsin (Note 1) Representative of Sheng Tai Co., Ltd.: Lee Jhong-Ren Ni Hui-Min, Chen Cheng-Li, Chou Hui-Yu, Anita Chu
NT$1,000,000 (inclusive)~NT$2,000,000 (exclusive)	-	Chao Chin-Hsiao	Li Wei-Cheng (Note 2)	
NT$2,000,000 (inclusive)~NT$3,500,000 (exclusive)	-	-	Chao Chin-Hsiao, Representative of Sheng Tai Co., Ltd.: Wang I-Fan (Note 2)	Representative of Sheng Tai Co., Ltd.: Wang I-Fan (Note 2), Li Wei-Cheng (Note 2)
NT$3,500,000 (inclusive)~NT$5,000,000 (exclusive)	-	-	-	-
NT$5,000,000 (inclusive)~NT$10,000,000 (exclusive)	-	-	-	Chao Chin-Hsiao
More than NT$10,000,000	-	-	-	-
Total	10	10	10	10

Note 1: Mr. Liu Dai-Min, the representative of Elan Investment Co., Ltd. serving as a director, resigned on March 25, 2025. Ms. Tsai Shu-Hsin was appointed as the new representative and director.

Note 2: Mr. Li Wei-Cheng resigned as a director on June 16, 2025. Mr. Wang Yi-Fan was elected as a new director at the shareholders' meeting held on June 17, 2025.

(II) Compensation to supervisors: N/A.

(III) Compensation to President and vice presidents

December 31, 2025 Unit: NTD thousands

Title	Name	Salary (A)		Severance and pension (B)		Bonus and allowance, et al. (C)		Employee remuneration (D)				The sum of A, B, C, and D as a percentage of net income after tax (%)		Remuneration from investees other than subsidiaries or from the parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
President (Note 1)	Wang I-Fan	2,200	2,200	108	108	180	180	0	0	0	0	2,488 (2.29%)	2,488 (2.29%)	0
President (Note 1)	Li Wei-Cheng	1,190	2,387	67	67	200	246	0	0	0	0	1,457 (1.34%)	2,700 (2.48%)	0
CSO	Chao Chin-Hsiao	3,193	4,607	0	0	260	701	0	0	600	0	3,453 (3.17%)	5,908 (5.43%)	481
Vice President	Hsiao Yu-Chan	1,680	1,680	99	99	210	210	0	0	0	0	1,989 (1.83%)	1,989 (1.83%)	0
Vice President	Lai Yuan-Chang	1,322	2,282	48	48	150	150	0	0	0	0	1,520 (1.40%)	2,480 (2.28%)	0

Note 1: President Wang I-Fan took office on April 01, 2025. President Li Wei-Cheng retired on April 01, 2025.

Breakdown of remuneration to the President and Vice Presidents of the Company	Names of President and vice presidents	
	The Company	All companies in the financial statements
Below NT$1,000,000	-	-
NT$1,000,000 (inclusive)~NT$2,000,000 (exclusive)	Li Wei-Cheng, Hsiao Yu-Chan, Lai Yuan-Chang	Hsiao Yu-Chan
NT$2,000,000 (inclusive)~NT$3,500,000 (exclusive)	Wang I-Fan, Chao Chin-Hsiao	Wang I-Fan, Li Wei-Cheng, Lai Yuan-Chang
NT$3,500,000 (inclusive)~NT$5,000,000 (exclusive)	-	-
NT$5,000,000 (inclusive)~NT$10,000,000 (exclusive)	-	Chao Chin-Hsiao
More than NT$10,000,000	-	-
Total	5	5

(IV) Compensation to Top 5 senior managers:

As of December 31, 2025 Unit: NTD thousands

Title	Name	Salary (A)		Severance and pension (B)		Bonus and allowance, et al. (C)		Employee remuneration (D)				The sum of A, B, C, and D and as a percentage of net income after tax (%)		Remuneration from investees other than subsidiaries or from the parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
President (Note 1)	Wang I-Fan	2,200	2,200	108	108	180	180	0	0	0	0	2,488 (2.29%)	2,488 (2.29%)	0
President (Note 1)	Li Wei-Cheng	1,190	2,387	67	67	200	246	0	0	0	0	1,457 (1.34%)	2,700 (2.48%)	0
CSO	Chao Chin-Hsiao	3,193	4,607	0	0	260	701	0	0	600	0	3,453 (3.17%)	5,908 (5.43%)	481
Vice President	Lai Yuan-Chang	1,322	2,282	48	48	150	150	0	0	0	0	1,520 (1.40%)	2,480 (2.28%)	0

Vice President	Hsiao Yu-Chan	1,680	1,680	99	99	210	210	0	0	0	0	1,989 (1.83%)	1,989 (1.83%)	0

Note 1: President Wang I-Fan took office on April 01, 2025. President Li Wei-Cheng retired on April 01, 2025.

(V) Names of managers receiving employee remuneration, and state of distribution

Managerial Officers	Title	Name	Stock amount	Cash amount	Total	The total amount as a percentage of net income
	President (Note 1)	Wang I-Fan	0	0	0	0
	President (Note 1)	Li Wei-Cheng	0	0	0	0
	CSO	Chao Chin-Hsiao	0	0	0	0
	Vice President	Hsiao Yu-Chan	0	0	0	0
	Vice President	Lai Yuan-Chang	0	0	0	0
	Chief Financial Officer and Corporate Governance Officer	Huang Hsin-Mao	0	0	0	0
	Accounting officer	Tsai Hsiu-Chen	0	0	0	0

Note 1: President Wang I-Fan took office on April 01, 2025. President Li Wei-Cheng retired on April 01, 2025.

(VI) Total of the compensation paid in the most recent two years by the Company and all companies included in the financial statements to the Company's directors, supervisors, President, and vice presidents in the most recent two years, and their respective proportions to the net income, as well as the policies, standards and packages by which the compensation was paid, the procedures through which compensation was determined, and their association with business performance and future risk:

1. Compensation paid in the most recent two years by the Company and all companies included in the financial statements to the Company’s directors, supervisors, President, and vice presidents as a percentage of net income (%) in the most recent two years:

Unit: %

Title	2024		2025	
	The Company	All companies in the financial statements	The Company	All companies in the financial statements
Directors (including independent directors)	(11.45)	(22.63)	(8.58)	(14.38)
President and vice presidents	(19.42)	(28.44)	(10.03)	(14.31)

2. Policies, standards and packages by which the compensation was paid, the procedures through which compensation was determined, and their association with business performance and future risk:

(1) Directors and independent directors

The Board of Directors resolves the remuneration and transportation allowance of all independent directors at the rate generally adopted by the peers in the same industry. The remuneration must be paid, irrelevant with profit or loss retained by the Company. Notwithstanding, independent directors shall not participate in the annual distribution of remuneration.

No more than 5% of the earnings for the current year shall be allocated as the compensation to directors, in accordance with the Articles of Incorporation.

The same shall be resolved subject to the liability to be borne by directors and level of their contribution to the Company, and upon review by Remuneration Committee and Board of Directors.

Meanwhile, the Company may maintain the liability insurance for all directors.

(2) President and vice presidents

The compensation to the Company's President and vice presidents consists of salary, bonus and employee remuneration which are decided subject to the position as held, obligation to be borne and level of contribution to the Company , with reference to industry standards, and are subject to review by the Remuneration Committee and approval by the Board of Directors.

(3) As the Company did not generate profits in 2025, no provision was made for employee remuneration or director remuneration.

(4) To strengthen corporate governance and promote sustainable development, the Company plans to incorporate sustainability strategies and objectives into the annual performance targets of the President and senior executives, and to link such targets to compensation and incentive mechanisms. This is intended to motivate senior executives to actively advance the Company's sustainability initiatives while leading their teams and fulfilling responsibilities for stable corporate growth.

Accordingly, sustainability indicators have been incorporated into the annual performance evaluation of the President and other senior executives, with a weighting of 30%, including climate-related indicators (15%), social responsibility indicators (9%), and corporate governance indicators (6%). The evaluation items and weightings are as follows:

Performance Evaluation Items	
Operating Objectives (30%)	Revenue achievement rate
	Pre-tax profit achievement rate
	Cost control
Business Growth (35%)	New customer and product development
	Customer satisfaction
	Team performance

	Decision-making and communication
Sustainability (30%)	Climate-related indicators
	Social responsibility indicators
	Corporate governance indicators
Personal Development (5%)	Self-improvement and development
	Feedback and improvement

The principles and calculation of compensation for senior executives incorporate the above ESG-related performance indicators. The Company aims to incentivize the achievement of ESG objectives while continuing to create value for shareholders.

III. Corporate governance operations

(I) Operation of the Board of Directors

1. The annual general meeting on June 19, 2024 completed the re-election of whole directors. Each director shall held the term of office from June 19, 2024 to June 18, 2027.
2. A total of 6(A) Board meetings were held in 2025. Below are the directors' attendance records:

Title	Name	Actual attendance (times) (B)	Attendance by proxy (times)	Actual attendance rate (B/A)	Remark
Chairman	Chao Chin-Hsiao	6	0	100%	
Director	Representative of Elan Investment Co., Ltd: Liu Dai-Min	2	0	100%	Note 1
Director	Representative of Elan Investment Co., Ltd: Tsai Shu-Hsin	4	0	100%	Note 1
Director	Representative of Sheng Tai Co., Ltd.: Lee Jhong-Ren	6	0	100%	
Director	Representative of Sheng Tai Co., Ltd.: Wang I-Fan	3	0	100%	Note 2
Director	Ni Hui-Min	5	1	83%	
Director	Li Wei-Cheng	3	0	100%	Note 2
Independent director	Chen Cheng-Li	6	0	100%	
Independent director	Chou Hui-Yu	6	0	100%	
Independent director	Anita Chu	6	0	100%	

Note 1: Mr. Liu Dai-Min, the representative of Elan Investment Co., Ltd. serving as a director, resigned on March 25, 2025. Ms. Tsai Shu-Hsin was appointed as the new representative and director.

Note 2: Mr. Li Wei-Cheng resigned as a director on June 16, 2025. Mr. Wang I-Fan was elected as a new director at the shareholders' meeting held on June 17, 2025.

3. Other matters to be noted:

(1) 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:

A. Conditions described in Article 14-3 of the Securities and Exchange Act:

The Company has convened a total of 6 Board meetings in 2025. For details of the resolutions, please refer to Page 72 to Page 75 of the annual report. All Independent Directors passed unanimously with respect to the matters listed in Article 14-3 of the Securities and Exchange Act.

B. Any other resolution(s) by the Board of Directors meetings passed but with independent directors voicing opposing or qualified opinions in writing: None.

(2) 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:

In the Board meeting of the Company on January 15, 2025, Discussion No. 7: Proposal for the Company's 2024 annual year-end bonus distribution to managerial officers. When the discussion is about Chairman, Chao Chin-Hsiao for resolution, Chairman, Chao Chin-Hsiao recused himself, and Independent Director Chou Hui-Yu served as the chairman of the meeting temporarily. When the discussion is about Li Wei-Cheng for resolution, director Li Wei-Cheng recused himself from the discussion. Upon inquiry by the chair, all the directors passed unanimously by a vote of all directors present.

(3) Assessment on the Board of Directors

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Contents of evaluation
Once per year	2025/01/01~2025/12/31	Board of Directors Board members Audit Committee Audit Committee Members Remuneration Committee Remuneration Committee Members	Board of Directors' self-evaluation Board members' self-evaluation Audit Committee's self-evaluation Audit Committee members self-evaluation Remuneration Committee's self-evaluation Remuneration Committee members self-evaluation	Note

Note:

A. Board of Directors' self-evaluation: Engagement in the Company's operation, upgrading of the Board's decision-making quality, composition and structure of the Board, election and continuing education of directors, and internal controls, etc.

B. Board members' self-evaluation: Alignment with the goals and mission of the Company, knowledge of directors' duties, engagement in the Company's operations, management of internal relationship and communication, professionalism and continuing education of directors, and internal controls, etc.

C. Contents of the audit committee's and the remuneration committee's self-assessment: Level of participation in the company operations, functional committee awareness, improvement of decision-making quality of functional committees, composition of functional committees and election of members, and internal control.

D. Contents of the audit committee and the remuneration committee members self-evaluation: Level of participation in the company operations, functional committee awareness, improvement of decision-making quality of functional committees, composition of functional committees and election of members, and internal control.

E. Evaluation results in 2025

a. Board of Directors' self-evaluation

Appraisal standards	A. Engagement in the Company's operation	B. Upgrading of the Board's decision-making quality	C. Composition and structure of the Board	D. Election and continuing education of directors	E. Internal control
Performance	Excellent	Good	Good	Excellent	Excellent

b. Board members' self-evaluation

Appraisal standards	A. Alignment with the goals and mission of the Company	B. Knowledge of directors' duties	C. Engagement in the Company's operation	D. Internal relationship and communication	E. Professionalism and continuing education of directors	F. Internal control
Performance	Good	Good	Good	Good	Good	Good

c. Audit Committee's self-evaluation

Appraisal standards	A. Engagement in the Company's operation	B. Knowledge of Audit Committee's duties	C. Upgrading of the Audit Committee's decision-making quality	D. Composition and structure of the Audit Committee	E. Internal control
Performance	Excellent	Excellent	Excellent	Excellent	Excellent

d. Audit Committee's self-evaluation

Appraisal standards	A. Engagement in the Company's operation	B. Knowledge of Audit Committee's duties	C. Upgrading of the Audit Committee's decision-making quality	D. Composition and structure of the Audit Committee	E. Internal control
Performance	Good	Good	Good	Good	Good

e. Remuneration Committee's self-evaluation

Appraisal standards	A. Engagement in the Company's operation	B. Knowledge of Remuneration Committee's duties	C. Upgrading of the Remuneration Committee's decision-making quality	D. Composition and structure of the Remuneration Committee
Performance	Excellent	Excellent	Excellent	Excellent

f. Remuneration Committee members' self-evaluation

Appraisal standards	A. Engagement in the Company's operation	B. Knowledge of Remuneration Committee's duties	C. Upgrading of the Remuneration Committee's	D. Composition and structure of the

			decision-making quality	Remuneration Committee
Performance	Good	Good	Good	Good

(4) Evaluation on enhancement of the functionality of the Board of Directors in the current and the most recent year and the respective progress reports

A. The Company has established the Remuneration Committee and Audit Committee.After the reelection on June 19, 2024, the membership changed from four independent directors to three independent directors. By establishment of the functional committees, the Board of Directors' functions and powers are divided perfectly. The functional committees act independently to help the Board of Decision with decision making and enhancement of the corporate governance.

B. Directors would choose to attend the corporate governance-themed courses covering finance, risk management, business, commerce, laws, accounting and corporate social responsibility, or other courses related to internal control system and responsibility for reporting finance, in order to enhance the knowledge and fulfillment of corporate governance.

C. The Company has maintained the liability insurance for all directors.

D. In order to have the corporate governance in place and upgrade the Board's functions, the Company adopted the Regulations Governing Board's Self-Evaluation or Peer Evaluation, and completed the Board's 2025 performance valuation pursuant to the Regulations at the beginning of 2026. For the self-evaluation result, please refer to (3) Board of Directors' evaluation, and the result was reported to the Board of Directors on March 10, 2026.

E. In order to establish the Company's fair corporate governance, help directors perform their duties and upgrade the Board's performance, the Company adopted the standard operating procedure required by directors.

(II) Operation of the Audit Committee

1. The directors were re-elected on June 19, 2024. The Audit Committee members increased as 3 members, consisting of the whole independent directors. 2 out of the members are experts in accounting and finance. The Audit Committee members convene the meeting to review the execution of the Company's internal control system and internal audit and also significant business and financial activities, and to communicate and exchange with the external auditors, in order to supervise the Company's operations and risk controls precisely, prior to the Board of Directors meeting on a quarterly basis.

(1) For the professional knowledge to be held by the Audit Committee members: For details, please refer to Pages 9-11, Professional Knowledge of Directors (including Independent Directors)

(2) Audit Committee's annual main line of action (MLA)

- ◆ Adoption or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
- ◆ Assessment on the effectiveness of the internal control system.
- ◆ Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.
- ◆ A matter bearing on the personal interest of a director or supervisor.
- ◆ A transaction involving material asset or derivatives trading.

- A material monetary loan, endorsement, or provision of guarantee.
- The offering, issuance, or private placement of any equity-type securities.
- The hiring, dismissal or remuneration of an attesting certified public accountant.
- The appointment or dismissal of a financial, accounting, or internal auditing officer.
- Annual financial statements and semi-annual financial statements
- Audit Committee’s performance self-evaluation

2. The Audit Committee held 6 (A) meetings in 2025. The attendance of independent directors is summarized as follows:

Title	Name	Actual attendance (times) (B)	Attendance by proxy (times)	Actual attendance rate (B/A)	Remark
Independent Director	Chen Cheng-Li	6	0	100%	
Independent director	Chou Hui-Yu	6	0	100%	
Independent director	Anita Chu	6	0	100%	

3. Other matters to be noted:

(1) For the Audit Committee's operation that meets any of the following descriptions, state the date, session and contents of the motions of the Audit Committee's meeting, and Audit Committee's resolution, and how the Company has responded to the Audit Committee's opinions:

A. Any conditions described in Article 14-5 of the Securities and Exchange Act unapproved by the Audit Committee but passed by more than two-thirds of directors: None.

B. Other than those described above, any resolutions unapproved by the Audit Committee but passed by more than two-thirds of directors: None.

(2) 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.

(3) Communication between independent directors and chief internal auditor/CPAs (including significant matters discussed regarding the Company's financial and operational conditions, as well as the methods and outcomes of such communications):

Summary of Communications between Independent Directors and the Chief Internal Auditor:

Meeting Date	Key Discussion Topics	Results
2025.03.12 Audit Committee	1. Report on the execution of internal audit activities for Jan.–Feb. 2025 and related discussions. 2. Proposal of the 2024 Internal Control System Statement. 3. Proposed amendments to the Internal Control System.	No material disagreements
2025.05.12 Audit Committee	1. Report on the execution of internal audit activities for March 2025 and related discussions.	No material disagreements
2025.07.02 Audit Committee	1. Report on the execution of internal audit activities for April-May 2025 and related discussions.	No material disagreements
2025.08.07 Audit Committee	1. Report on the execution of internal audit activities for June 2025 and related discussions. 2. Proposed amendments to the Procedures for Endorsements and Guarantees.	No material disagreements
Meeting Date	Key Discussion Topics	Results
2025.11.07 Audit Committee	1. Report on the execution of internal audit activities for July-September 2025 and related discussions. 2. Proposal of the 2026 Internal Audit Plan. 3. Proposed amendments to the Internal Control System.	No material disagreements

2026.01.15 Audit Committee	1. Report on the execution of internal audit activities for October-December 2025 and related discussions. 2. Proposed amendments to the Internal Control System. 3. Proposed amendments to the Rules of Procedure for Shareholders' Meetings.	No material disagreements
2026.01.15 Audit Committee Pre-meeting, without general directors and management	1. Summary report on internal audit execution for 2025. 2. Explanation of key revisions to the Internal Control System. 3. Explanation of key amendments to the Rules of Procedure for Shareholders' Meetings. 4. Discussion of the 2026 internal control enhancement plan.	No material disagreements

Summary of Communications between Independent Directors and the External Auditors (CPAs):

Meeting Date	Key Discussion Topics	Results
2025.01.15 Audit Committee	1. CPAs presented the Audit Quality Indicators (AQIs) and reported the details to the Independent Directors.	No material disagreements
2025.03.12 Audit Committee	1. CPAs explained the audit results of the 2024 parent company only and consolidated financial statements.	No material disagreements
2025.05.12 Audit Committee	1. CPAs explained the review results of the Q1 2025 financial statements.	No material disagreements
2025.08.07 Audit Committee	1. CPAs explained the review results of the Q2 2025 financial statements.	No material disagreements
2025.11.07 Audit Committee	1. CPAs explained the review results of the Q3 2025 financial statements.	No material disagreements
2026.01.15 Audit Committee	1. CPAs presented the Audit Quality Indicators (AQIs) and reported the details to the Independent Directors to assist in evaluating auditor independence and competence.	No material disagreements
2026.01.15 Audit Committee Pre-meeting, without general directors and management	1. CPAs reported the Audit Quality Indicators (AQIs) directly to the Independent Directors.	No material disagreements

(4) Resolutions made by Audit Committee in 2025

Date of Meeting	Contents of Motion	Conditions described in Article 14-5 of the Securities and Exchange Act	Audit Committee's resolutions	How the Board of Directors has responded to Audit Committee's opinions
2025.01.15	The Company's 2025 business plan		Approved by all present members.	Approved by all present directors.
	Evaluation report on independence and competence of the Company's external auditors, and appointment of external auditors	V		
	Amendments to the Company's Articles of Incorporation	V		
	Proposal for providing loans to investee companies	V		
2025.03.12	The Company's 2024 financial statements and business report	V	Approved by all present members.	Approved by all present directors.
	The 2024 earnings distribution plan	V		
	2024 Internal Control System Statement	V		
	Amendments to the Company's Articles of Incorporation	V		
	Organizational restructuring proposal			
	Amendments to the Internal Control System	V		
2025.03.12	By-election of directors	V	Approved by all present members.	Approved by all present members.
	The nomination period, number of seats to be elected, and location for acceptance and handling the nomination of candidates for directors (including independent directors).			
	Discussion on the nomination of candidates for directors (including independent directors)			
	Termination of the non-competition restrictions imposed on the directors of the Company and their representatives.	V		
2025.05.12	The Company's 2025 Q1 financial statements		Approved by all present members.	Approved by all present directors.
	Termination of the non-competition restrictions imposed on the directors of the Company and their representatives.	V		
	Criteria for material overdue accounts receivable	V		
	Authorization of personnel for derivatives trading	V		
	Amendment to the Division of Duties and Powers Table			
2025.07.02	Amendments to procedures for loans to others by subsidiary (Sense Pad Tech Co., Ltd.)	V	Approved by all present members.	Approved by all present members.
	Loans to others by subsidiary (Sense Pad Tech Co., Ltd.)	V		
2025.08.07	The Company's 2025 Q2 financial statements	V	Approved by all present members.	Approved by all present members.
	Amendment to the endorsement/guarantees procedures	V		
	Capital increase of Vietnam subsidiary Etch Home Technology Co., Ltd.	V		
	Proposal for selling shares of subsidiaries	V		
2025.11.07	The Company's 2025 Q3 financial statements		Approved by all present members.	Approved by all present members.

Date of Meeting	Contents of Motion	Conditions described in Article 14-5 of the Securities and Exchange Act	Audit Committee’s resolutions	How the Board of Directors has responded to Audit Committee’s opinions
2025.11.07	Proposal for approving 2026 audit plan	V	Approved by all present members.	Approved by all present members.
	Provision of endorsements and guarantees for subsidiaries	V		
	Amendments to the Internal Control System	V		

(III) Continuing education of directors (independent directors) and managers in the most recent year

Title	Name	Organizer	Date	Course name	Hours
Chairman	Chao Chin-Hsiao	Foundation of the ROC Securities & Futures Institute	2025.08.04	The Importance and Practical Applications of Artificial Intelligence in Enterprises	3
			2025.11.07	Sustainability Strategy from Core Competencies: Building Long-term Resilience and Competitive Advantage through ESG	3
Director	Tsai Shu-Hsin	Foundation of the ROC Securities & Futures Institute	2025.08.04	The Importance and Practical Applications of Artificial Intelligence in Enterprises	3
			2025.11.07	Sustainability Strategy from Core Competencies: Building Long-term Resilience and Competitive Advantage through ESG	3
Director	Wang I-Fan	Foundation of the ROC Securities & Futures Institute	2025.08.04	The Importance and Practical Applications of Artificial Intelligence in Enterprises	3
			2025.09.26	The 2025 Seminar on Preventing Insider Trading	3
			2025.11.07	Sustainability Strategy from Core Competencies: Building Long-term Resilience and Competitive Advantage through ESG	3
			2025.11.14	IFRS S1 and S2 Sustainability Disclosure Standards: Release, Impact, and Response	3
Director	Ni Hui-Min	Foundation of the ROC Securities & Futures Institute	2025.08.04	The Importance and Practical Applications of Artificial Intelligence in Enterprises	3
			2025.11.07	Sustainability Strategy from Core Competencies: Building Long-term Resilience and Competitive Advantage through ESG	3
Independent director	Lee Jhong-Ren	Foundation of the ROC Securities & Futures Institute	2025.08.04	The Importance and Practical Applications of Artificial Intelligence in Enterprises	3
			2025.11.07	Sustainability Strategy from Core Competencies: Building Long-term Resilience and Competitive Advantage through ESG	3
Independent director	Chen Cheng-Li	Foundation of the ROC Securities & Futures Institute	2025.08.04	The Importance and Practical Applications of Artificial Intelligence in Enterprises	3
			2025.11.07	Sustainability Strategy from Core Competencies: Building Long-term Resilience and Competitive Advantage through ESG	3
Independent director	Anita Chu	Foundation of the ROC Securities & Futures Institute	2025.03.27 - 2025.03.28	Practical Workshop on Sustainability Disclosur for TWSE/TPEx Listed Companies	9
Independent director	Chou Hui-Yu	Taipei Foundation of Finance	2025.11.13	Enhancing Operational Efficiency and Service Quality through AI and Transformation Case Studies	3
				Corporate and Director Responsibilities under the Securities and Exchange Act	3
Chief Financial Officer Corporate Governance	Huang Hsin-Mao	Foundation of the ROC Securities & Futures Institute	2025.08.04	The Importance and Practical Applications of Artificial Intelligence in Enterprises	3
			2025.09.26	The 2025 Seminar on Preventing Insider Trading	3
			2025.11.07	Sustainability Strategy from Core	3

Officer				Competencies: Building Long-term Resilience and Competitive Advantage through ESG	
		The Institute of Internal Auditors-Chinese Taiwan	2025.04.11	Key Considerations and Impacts of IFRS S1/S2 on Internal Control and Internal Audit	6
			2025.08.11	Key Considerations and Practical Issues for Shareholders' Meetings and the Company Act	6
		National Cheng Kung University	2025.11.20 – 2025.11.21	Continuing Education for Accounting Officers - Accounting, Finance, and Legal Responsibility Seminar	12
Vice President	Hsiao Yu-Chan	Foundation of the ROC Securities & Futures Institute	2025.08.04	The Importance and Practical Applications of Artificial Intelligence in Enterprises	3
			2025.11.07	Sustainability Strategy from Core Competencies: Building Long-term Resilience and Competitive Advantage through ESG	3
Accounting Officer	Tsai Hsiu-Chen	National Cheng Kung University	2025.07.17 – 2025.07.18	Continuing Education for Accounting Officers – Accounting, Finance, and Legal Responsibility Seminar	12
		Foundation of the ROC Securities & Futures Institute	2025.08.04	The Importance and Practical Applications of Artificial Intelligence in Enterprises	3

(IV) Implementation of corporate governance and the deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEx-Listed Companies, and the reasons therefor

Item	Status			Deviation from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Brief description	
I. Has the Company formulated and disclosed the Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	✓		The Company has formulated its "Corporate Governance Best Practice Principles" in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies." The Company has also defined the regulations governing protection of shareholders' equity, enhancement of the Board of Directors' functions, respect toward stakeholders' interest and right, and improvement of information transparency.	No material difference found.
II. The Company's shareholding structure and shareholders' equity				No material difference found.
(I) Has the Company formulated internal operating procedures for handling shareholders' suggestions, questions or disputes and litigation with them and complied with the procedures?	✓		(I) The Company has delegated the spokesperson, deputy spokesperson and dedicated staff to ensure that the information critical to shareholders' decision making may be disclosed in a timely manner, and also set up the mailbox exclusive for investors to accept shareholders' suggestions & questions, dispute and legal actions. The legal advisors appointed by the Company will help settle any legal issues.	
(II) Does the Company have a list of the major shareholders with ultimate control over the Company and a list of the ultimate controllers of the major shareholders?	✓		(II) The Company controls the list of the major shareholders with ultimate control over the Company and a list of the ultimate controllers of the major shareholders, relying on the roster of shareholders provided by the shareholders service agent on the date of book closure set by the Company, and discloses the same pursuant to laws.	
(III) Has the Company established and implemented a risk control and a firewall mechanism between itself and affiliates?	✓		(III) The Company has adopted the internal control over the "Supervision and Management of Subsidiaries" and "Operating Procedure for Transactions with Group Companies, Specific Companies and Related Parties," and practice the firewall and risk control mechanism between the Company and its subsidiaries.	
(IV) Has the Company formulated internal regulations to prohibit insiders from using information undisclosed in the market to buy and sell securities?	✓		(IV) The Company has formulated the "Procedures for Handling Material Inside Information" and the "Code of Ethical Conduct" to prohibit insiders from using information undisclosed in the market to buy and sell securities.	
III. Composition and responsibilities of the Board of Directors				No material difference found.
(I) Has the Board of Directors formulated a diversity policy and specific management objective and implemented them	✓		(I) According to Chapter 3 of the Company's "Corporate Governance Best Practice Principles," the composition of the Board of Directors shall be determined by taking diversity into consideration. It is advisable that an appropriate policy on	

<table>
<tr><td>accordingly?</td><td></td><td></td><td>diversity based on the Company's business operations, operating dynamics, and development needs be formulated. For the implementation of the Board member diversity policy, please refer to Pages 11-12 the “Diversity and Independence of the Board of Directors” herein or the Company’s website for details.</td><td></td></tr>
<tr><td>(II) Has the Company voluntarily established other functional committees in addition to the remuneration and the audit committees established in accordance with the law?</td><td>✓</td><td></td><td>(II) In addition to establishing the Audit Committee and the Remuneration Committee in accordance with applicable laws and regulations, the Company established the “Risk Management Committee” in 2023 to oversee the implementation of risk management policies. To further strengthen the functions of the Board of Directors, the Board approved the establishment of the “Nomination Committee” and the “Sustainability Committee” on January 15, 2026.</td><td></td></tr>
<tr><td>(III) Has the Company formulated board performance evaluation regulations and evaluation methods, conducted performance evaluations annually and regularly, reported the results of performance evaluations to the Board of Directors, and use them as reference in determining remuneration for individual directors, and their nomination for additional office term?</td><td>✓</td><td></td><td>(III) The Company has established the “Regulations Governing Board’s Self-Evaluation or Peer Evaluation.” The Company conducts the evaluation on the Board and its members each year, and reports the evaluation results for the previous year to the Board of Directors in Q1 of each year. For the Board’s evaluation in 2025, please refer to Page 25-27 herein for details. The evaluation result has been reported to the Board of Directors on March 10, 2026.</td><td></td></tr>
<tr><td>(IV) Does the Company regularly assess the independence of the CPAs?</td><td>✓</td><td></td><td>(IV) The Company evaluates the independence and competence of its external auditors prior to their appointment each year. Such evaluation is conducted in accordance with the Company’s independence assessment criteria (Note 1) and based on the five Audit Quality Indicators (AQIs) provided by the accounting firm.
The Company has confirmed that the CPAs of PricewaterhouseCoopers, Ms. Fang-Ting Yeh and Ms. Huei-Yu Hsu, have recused themselves from any matters in which they may have a conflict of interest, and that they have no financial interests or business relationships with the Company. They have maintained the principles of objectivity, rigor, and independence in performing their duties.
The most recent evaluation results were submitted to and approved by the Audit Committee and the Board of Directors on January 15, 2026.
Note 1: Independence Assessment Checklist for External Auditors
<table>
<tr><th>Assessment Criteria</th><th>Yes</th><th>No</th></tr>
<tr><td>1. The CPAs have no direct or material indirect financial interest in the Company.</td><td>V</td><td></td></tr>
<tr><td>2. The CPAs have no financing or guarantee arrangements with the Company or its directors and supervisors.</td><td>V</td><td></td></tr>
<tr><td>3. The CPAs are not influenced in their audit work by concerns over potential loss of clients.</td><td>V</td><td></td></tr>
<tr><td>4. The CPAs have no close business relationships or potential employment relationships with the Company.</td><td>V</td><td></td></tr>
</table></td><td></td></tr>
</table>

5. The CPAs do not receive contingent fees related to audit engagements.	V	
6. The CPAs and audit team members have not served as directors, supervisors, managerial officers, or in positions significantly affecting the audit within the past two years.	V	
7. Non-audit services provided by the CPAs do not directly affect significant audit matters.	V	
8. The CPAs do not promote or act as intermediaries for the Company's securities.	V	
9. The CPAs do not act as advocates for the Company or represent the Company in resolving disputes with third parties.	V	
10. The CPAs have no familial relationships with the Company's directors, supervisors, managerial officers, or personnel with significant influence over the audit.	V	
11. No former partner of the accounting firm who left within the past year has assumed a position as a director, supervisor, managerial officer, or a position with significant influence over the audit.	V	
12. The CPAs do not serve in any routine operational role of the Company or receive fixed remuneration from the Company.	V	
13. The CPAs are not involved in management functions or decision-making of the Company.	V	
14. As of the most recent audit engagement, there has been no failure to rotate the lead CPA after seven years.	V	

IV. Does the TWSE/TPEx-listed company assign the adequate number of competent corporate governance personnel, and appoint the chief corporate governance officer responsible for the corporate governance affairs?	✓		The Company's Board of Directors approved on August 8, 2024 to appoint Chief Financial Officer Huang Hsin-Mao as the Company's Chief Corporate Governance Officer, in order to protect shareholders' equity and improve the Board of Directors' functions. Financial Officer Huang Hsin-Mao has the experience in serving as the internal audit of a public company for more than three years and, therefore, is held satisfying the qualification requirements for chief corporate officer. The Company delegates related personnel to help the chief corporate governance officer handle the corporate governance operations, including provision to directors of the information needed by them to perform their duties, organization of the Board of Directors' meetings and shareholders' meetings in accordance with laws, completion of the company registration and registration of any changes, preparation of the Board of Directors' meetings and shareholders' meeting minutes, arrangement for continuing education programs attended by directors each year, and maintenance of the liability insurance for directors. For the continuing education programs attended by the chief corporate governance officer, please refer to the continuing education of directors (including independent directors) and managers in the most recent year on Page 34-35 herein for details.	No material difference found.

V. Does the Company establish communication channels with stakeholders and set up a section dedicated to stakeholders on the Company's website to properly respond to stakeholders' major CSR issues of concern?	✓		The Company adopts the spokesperson system and set up the section dedicated to stakeholders to provide the stakeholders with a public channel via which they may seek counseling service.	No material difference found.
VI. Does the Company appoint a professional shareholders service agent to handle the affairs related to shareholders' meetings?	✓		The Company appoints Mega Securities, Shareholders Service Agency Dept. to handle the shareholders services on behalf of it.	No material difference found.
VII. Information disclosures (I) Has the Company set up a website to disclose information on financial business and corporate governance? (II) Has the Company adopted other means for disclosure? (III) Does the Company announce and submit an annual financial report to the competent authority within two months after the end of each fiscal year and announce and submit the financial reports for the first, second, and third quarters and the operations of each month to the competent authority before a specified deadline?	✓ ✓	✓	(I) The Company updates the information about business, finance and corporate governance via its website from time to time, for investors' inquiry. The same may be accessed via MOPS. (II) The Company appoints the personnel dedicated to gathering and disclosing Company's relevant information, and adopts the spokesperson system, makes presentation at the investors conference, and also disclose the same on the Company's website, for the outsiders' inquiry. (III) The Company has not planned to disclose and file the Company's annual financial report within two months after the end of each fiscal year as required.	No material difference is found, except that the Company has not planned to disclose and file the Company's annual report.
VIII. Does the Company have other information that enables a better understanding of the Company's corporate governance practices?	✓		(I) Employee rights and employee care The Company establishes the Workers' Welfare Committee to process various welfare practices, and provides and contributes the pension fund in accordance with the Labor Standards Act and labor Pension Act. All of the Company's requirements and measures related to the labor-management relationship follow related laws and regulations, and are implemented well. Any additions or amendments to the measures related to the labor-management relationship are determined only upon sufficient negotiation and agreement of the labors and management, in order to achieve the win-win situation between the labors and management. The Company establishes its work rules in accordance with laws and regulations, and expressly defines the human rights and employee rights therein. (II) Investors relations The Company has established a spokesperson, an acting spokesperson, and an investor relations contact, and has set up a public email address to facilitate communication with investors. The Company's official website (http://www.fine-mat.com) also serves as a platform for information disclosure. Upholding the	No material differenc found.

			principle of fairness and openness when dealing with shareholders, the Company convenes shareholders' meetings pursuant to laws each year, and provides shareholders with the opportunity to raise questions and submit proposals. (III) Suppliers relations Upon consultation, comparison and negotiation for price with multiple suppliers, the Company's procurement personnel decide the unit price, specifications, payment terms, delivery date, product and service quality or other data. The Company aims to establish long-term close relationship with suppliers, and trust and benefit each other mutually and expect to pursue sustainable growth together and achieve a win-win situation. (IV) Stakeholder rights The Company explains its overview of operation via the official website to protect investors' basic rights and fulfill the Company's responsibility toward shareholders.\ (V) Continuing education of directors and managers The Company encourages directors and managers to attend the continuing education proactively. The directors and managers have attended the continuing education pursuant to laws and regulations. Please refer to the information about the continuing education of directors (including independent directors) and managers in the most recent annual report. (VI) Implementation status of risk management policy and risk measurement criteria The Company has appointed the Risk Management Committee, and has also established the Risk Management Best Practice Principles, Risk Management Policies and Procedures, Procedure for Acquisition or Disposal of Assets, Procedure for Making Guarantees/Endorsements, and Procedure for Loaning of Funds to Others, as the risk control basis and risk measurement criteria to be followed by the Company's execution unit and audit unit to execute said business. (VII) Implementation status of customers policy For customers' and clients' omni bearing services and protection, the Company communicates with customers immediately in order to respond to the customers' complaints, verify the customers' needs and promote the effect of interaction between the Company and customers. Meanwhile, the Company regularly participates in business meetings, production and sales meetings and quality control meetings for review and improvement. (VIII) Maintenance of liability insurance for the Company's directors The Company has procured liability insurance for its directors and managerial officers, with a coverage amount of USD 5 million. Information regarding the coverage period and insurance premiums has been reported to the Board of Directors on November 7, 2025.	
IX. Please specify any improvements made as per the results of the corporate governance evaluation announced by the Corporate Governance Center, Taiwan Stock Exchange				

Corporation, in the most recent year and put forth prioritized measures to improve those that have not yet improved. In order to improve the corporate governance, the Company will continue to make improvement subject to the corporate governance evaluation results in 2025 and corporate governance evaluation indicators in 2026. First of all, the Company will improvement its measures on corporate sustainability, carbon conservation and carbon reduction, GHG reduction, water consumption reduction, or management of other wastes.

(V) Operation of Remuneration Committee

1. Professional knowledge and independence of Remuneration Committee members

Identity Category	Name / Condition	Professional qualifications and experience	Independence	Number of other public companies in which the Remuneration Committee member concurrently serve as a remuneration committee member
Independent Director	Chen Cheng-Li	Please refer to "Three. Corporate Governance Report/II. Directors (including independent directors), President, Vice President, AVP, and heads of departments/divisions/(I) Information about directors (including independent directors)/4. Disclosure of information about directors' professional qualification and independent directors' independence" of this annual report for related contents.		None
Independent director	Chou Hui-Yu			2
Independent director	Anita Chu			1

A. Duties of the remuneration committee

- Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for directors and executive officers.
- Periodically evaluate and prescribe the remuneration of directors and executive officers.

2. Information about operation of Remuneration Committee

(1) The Company's Remuneration Committee decrease one member upon the re-election on June 19, 2024. For the time being, the Committee consists of 3 members.

(2) The current members' term of office commences form June 19, 2024 until June 18, 2027. The Remuneration Committee held 3 meetings in 2025.

The attendance of the Committee members is summarized as follows:

Job Title	Name	Actual attendance (times) (B)	Attendance by proxy (times)	Actual attendance rate (B/A)	Remark
Convener	Chen Cheng-Li	3	0	100%	
Committee member	Chou Hui-Yu	3	0	100%	
Committee member	Anita Chu	3	0	100%	

(3) Other matters to be noted:

A. If the Board of Directors does not adopt or amend the suggestions of the Remuneration Committee, it is necessary to state the date, term, motion contents, directors resolution outcomes and the Company's handling of the Remuneration Committee's opinions (e.g. if the board approved the remuneration which is higher than the Committee's recommendations, the differences and the reasons thereof shall be stated): None.

B. If a member has an objection or reservation on a resolution on a matter that is recorded or stated in a written statement, the following shall be stated: the Remuneration Committee meeting date, session, proposal, opinions of all members, and handling of the opinions of the Remuneration Committee: None.

(4) Resolutions made by Remuneration Committee in 2025

Date of Meeting	Contents of Motion	Resolution by the Remuneration Committee	The Company's response to the Remuneration Committee's opinions
2025.01.15	2025 managerial compensation policy	Approved by all present members.	Approved by all present directors.
2025.01.15	Compensation for newly appointed managerial officers	Approved by all present members.	Approved by all present directors.
2025.01.15	2024 year-end bonus distribution for managerial officers	Approved by all present members.	Approved by all present directors.
2025.03.12	2024 employee remuneration and directors' remuneration distribution proposal	Approved by all present members.	Approved by all present directors.
2025.03.12	Promotion of the Chief Operating Officer to President and related compensation adjustment	Approved by all present members.	Approved by all present directors.
2025.05.12	Contribution amount for managerial officers under the Employee Stock Ownership Plan	Approved by all present members.	Approved by all present directors.
2025.05.12	Amendments to the Company's "Executive Vehicle Policy"	Approved by all present members.	Approved by all present directors.

(VI) Operation of the Risk Management Committee

1. Composition of the Risk Management Committee

The Company appointed the Risk Management Committee in November 2023, and reelected comprehensively on August 8, 2024. The Committee is composed of 6 directors (including 3 independent directors). The Committee is chaired by Independent Director Anita Chu who possesses many years of finance and accounting expertise and management experiences meeting the professional abilities required for the Company's Risk Management Committee. The members of the Company's Risk Management Committee are as follows:

Name	**Duties of Committee Members**	**Independent director**	**Expertise**
Anita Chu	Chairperson and Committee Members	Yes	Finance and accounting expertise, business economics, business management
Chao Chin-Hsiao	Committee member	No	Leadership, management, and technical expertise
Li Wei-Cheng	Committee member	No	Operational judgment, management, and technical expertise
Wang I-Fan	Committee member	No	Operational judgment, management, and technical expertise
Chen Cheng-Li	Committee member	Yes	Operational judgment, management, and industry knowledge
Chou Hui-Yu	Committee member	Yes	Finance and accounting expertise, legal expertise, business economics

2. The operation of the Risk Management Committee:

(1) The current term of office of the Risk Management Committee is from August 8, 2024 to June 18, 2027. In 2025, the Risk Management Committee convened one meeting. The attendance of committee members is as follows:

Title	Name	Actual Attendance (B)	Attendance by Proxy	Attendance Rate (B/A)	Remarks
Chairperson	Anita Chu	1	0	100%	
Member	Chou Hui-Yu	1	0	100%	
Member	Chen Cheng-Li	1	0	100%	
Member	Chao Chin-Hsiao	1	0	100%	
Member	Li Wei-Cheng	1	0	100%	
Member	Wang I-Fan	0	0	-	Newly appointed on 2025/11/07

(2) Resolutions of the Risk Management Committee in 2025

Meeting Date	Contents of Motion	Supervisory Status
2025.11.07	Discussion on the implementation of risk management in 2025	Reported to the Risk Management Committee and approved by all present members
2026.01.15	Discussion on the implementation of risk management in 2025	Reported to the Risk Management Committee and approved by all present members

※Other Matters to be Disclosed

(1) For resolutions of the Risk Management Committee, if any member has expressed dissenting or qualified opinions that are recorded or provided in written statements, the date of the meeting, session, agenda items, opinions of all members, and the handling of such opinions shall be disclosed: None.

(VII) Operation of the NominationCommittee

Composition of the Nomination Committee

To align with corporate governance development trends and strengthen the functions of the Board of Directors, the Company established the “Organizational Regulations of the Nomination Committee” and approved the formation of the Nomination Committee in January 2026. The Committee consists of three Independent Directors and is responsible for formulating the qualifications required for directors and independent directors, identifying and nominating suitable candidates, establishing and developing the organizational structure of the Board and its committees, conducting performance evaluations of the Board and individual directors, and assessing the independence of independent directors. It also plans and implements director training programs and performs other duties as resolved by the Board of Directors.

The members of the Committee are as follows:

Name	Position	Expertise
Anita Chu	Chairperson and Member	Finance and Accounting, Business and Economics, Business Management
Chen Cheng-Li	Member	Operational Judgment, Business Management, Industry Knowledge
Chou Hui-Yu	Member	Finance and Accounting, Legal Expertise, Business and Economics

The term of the current committee members runs from January 15, 2026, to June 18, 2027.

(VIII) Operation of the Sustainability Committee

Composition of the Sustainability Committee

To actively promote and strengthen corporate governance functions related to sustainable development and corporate social responsibility, the Company resolved in January 2026 to establish a Sustainability Committee under the Board of Directors. The Committee shall consist of no fewer than three members appointed by the Board. Members are required to possess professional knowledge and capabilities in corporate sustainability, and at least one director shall participate in oversight. The Committee oversees key areas including environmental protection, social responsibility, supply chain management, ethical management, risk management, and information security. In accordance with the Company’s “Organizational Regulations of the Sustainability Committee,” the Committee convenes at least once per year. The members of the Committee are as follows:

Name	Position	Expertise
Anita Chu	Chairperson and Member	Finance and Accounting, Business and Economics, Business Management

Chen Cheng-Li	Member	Operational Judgment, Business Management, Industry Knowledge
Chou Hui-Yu	Member	Finance and Accounting, Legal Expertise, Business and Economics
Wang I-Fan	Member	Operational Judgment, Business Management, Technical Expertise
Huang Hsin-Mao	Member and Chief Sustainability Officer	Finance and Accounting, Business and Economics, Business Management

The term of the current committee members runs from January 15, 2026, to June 18, 2027.

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

Innitiative criteria	Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Brief description	
I. Has the Company established a governance structure to promote sustainable development and set up a dedicated (concurrent) unit to promote sustainable development, governed by the senior management as authorized by the Board of Directors, which supervises the implementation? (Listed companies are required to disclose the implementation status. This item is not subject to the "Comply or Explain" principle.)	✓		(1) The Company designates the Board of Directors as the highest decision-making and supervisory body for sustainable development. The Board is responsible for approving sustainability strategies, objectives, and management policies, as well as overseeing resource allocation and implementation performance. To promote sustainability information management, the Company established a "Sustainability Information Management Task Force" in November 2024. The President serves concurrently as the convener, and the Finance Division acts as the responsible unit for consolidating and integrating sustainability disclosure information. The head of the Finance Division reports on sustainability development to the Board of Directors at least once annually. In addition, six functional working groups have been established, including corporate governance, employee care, social engagement, environmental sustainability, supply chain management, and brand management. Each group is responsible for collecting sustainability-related information based on its respective functions, covering areas such as ethical management, talent development, social responsibility, environmental protection, supply chain risk management, and customer communication. To further strengthen governance, the Board approved the establishment of a Sustainability Development Committee directly under the Board on January 15, 2026, and appointed Mr. Huang Hsin-Mao as Chief Sustainability Officer (CSO). This structure establishes a comprehensive hierarchical governance system. The Committee is composed of three Independent Directors, the President, and the Corporate Governance Officer, and is convened by an Independent Director. Its responsibilities include reviewing sustainability strategies and material issues, monitoring information control progress, and providing recommendations on sustainability reports, third-party assurance, and major risk management. The CSO assumes the reporting functions previously undertaken by the President and	No material difference found.

			the head of the Finance Division, and is responsible for overseeing the six working groups. The implementation results of each group are consolidated by the Finance Division, reviewed by the CSO, and submitted to the Sustainability Development Committee for deliberation. The CSO reports to the Board at least once annually on the status of sustainability management and future plans to ensure effective implementation and continuous improvement of sustainability strategies. (2) 2025 Work Plan and Implementation 1. Sustainability Disclosure: The Company completed and published both Chinese and English versions of the Sustainability Report on August 12, 2025 and November 26, 2025, respectively. 2. Professional Training and Regulatory Programs: In 2025, personnel from the Finance Division were assigned by the CSO to participate in training programs, including IFRS S1 and S2 internal control and audit considerations, sustainability disclosure standards briefings, greenhouse gas inventory training, and ESG evaluation seminars, to enhance internal professional capabilities. 3. Enhancement of Management Policies: The Company actively promoted the establishment of ESG-related policies, including the introduction of a Privacy Policy and a Human Rights Policy, both of which have been disclosed on the Company's website to strengthen the corporate governance framework. 4. Planning for the Next Sustainability Report: The Company completed stakeholder and material topic surveys for 2025, which serve as a key basis for formulating sustainability strategies and preparing future sustainability reports. (3) Reporting to the Board of Directors 1. The 2024 Sustainability Report was approved by the Board on August 7, 2025 and published on the Market Observation Post System and the Company's website. 2. On January 15, 2026, the Company reported to the Board on the implementation of sustainability development in 2025, stakeholder communication outcomes, and the identified stakeholders and material issues. (4) Board Oversight The Board of Directors regularly reviews the progress of sustainability strategies and provides guidance based on operational conditions. It also continuously monitors the implementation results of annual plans to ensure that sustainability principles are effectively integrated into the Company's operations and aligned with its business objectives.	

II. Does the Company conduct risk assessments on environmental, social, and corporate governance issues related to company operations as per the principle of materiality and formulate relevant risk management policies or strategies? (Listed companies are required to disclose the implementation status. This item is not subject to the "Comply or Explain" principle.)	✓		(1) The scope of risk assessment for 2025 is defined at the Company-only level, covering all operating sites, including Factory 1, Factory 2, Factory 3, and the Northern Plant. This scope is consistent with the disclosure boundaries for subsequent environmental and social topics. (2) On November 7, 2024, the Board of Directors approved the adoption of the "Sustainable Development Best Practice Principles," incorporating ESG considerations into the Company's operational management. In addition, the Company has established the "Risk Management Policy and Procedures" as the highest guiding framework for risk management. (3) Risk Management Identification and Assessment: The Risk Management Task Force consolidates annual risk factors. Department-level supervisors complete assessment questionnaires, and risks are ranked based on scoring results. The top five risk issues for the year are then determined by a meeting of vice president level executives and above. Response and Monitoring: Each responsible unit formulates improvement plans based on the assessment results. Relevant control measures are submitted to the Risk Management Committee and regularly reported to the Board of Directors for ongoing monitoring and implementation. (4) Sustainable Development Management With reference to the GRI Standards, industry benchmarks, and domestic and international sustainability trends, the Company identified 19 candidate topics. Members of the Sustainability Task Force evaluate each topic based on the degree of positive and negative impacts and the likelihood of occurrence, and determine the Company's material ESG topics accordingly. (5) Key Risk Issues and ESG Linkage The Company has identified five major risk issues as key management priorities. These were reported to the Risk Management Committee on November 7, 2025, and subsequently reported to the Board of Directors on January 15, 2026 regarding the implementation of risk management for 2025. The linkage between the five major risk issues and ESG material topics is summarized as follows: <table><tr><td>5 Major Risk Issue</td><td>ESG Dimension</td><td>Corresponding ESG</td></tr></table>	No material difference found.

<table>
<tr>
<td></td>
<td></td>
<td></td>
<td>
<table>
<tr><td></td><td></td><td>Material Topic</td></tr>
<tr><td>Talent retention risk</td><td>Social (S)</td><td>Talent attraction and retention</td></tr>
<tr><td>High customer concentration</td><td>Governance (G)</td><td>Corporate governance</td></tr>
<tr><td>R&D technology risk</td><td>Governance (G)</td><td>Product quality management</td></tr>
<tr><td>Extreme climate risk</td><td>Environmental (E)</td><td>Greenhouse gas emissions</td></tr>
<tr><td>Cybersecurity, identity and access management risk</td><td>Governance (G)</td><td>Legal compliance</td></tr>
</table>
</td>
<td></td>
</tr>
<tr>
<td>III. Environmental issues
(I) Has the Company set up an appropriate environmental management system as per its industrial characteristics?

(II) Is the Company committed to improving energy efficiency and adopting recycled materials with low environmental impact?

(III) Has the Company assessed its current and future potential risks and opportunities of climate change and taken countermeasures against climate-related issues?

(IV) Has the Company counted the greenhouse gas emissions, water consumption, and gross weight of waste over the past two years and formulated policies on greenhouse gas reduction,</td>
<td>✓

✓

✓

✓</td>
<td></td>
<td>(I) In consideration of the corporate social responsibility toward the environmental management, the Company has adopted the EHS (environment, safety and health) policy. Meanwhile, the Company received the ISO 14001 international certification successfully again in 2023, with the certification remaining valid as of the publication date of this annual report and covering the Company’s standalone operations. The Company practices the environmental protection, waste reduction, volume reduction, prevention of pollution, and zero occupational accidents.

(II) With respect to the use of primary raw materials, the Company complies with RoHS requirements and prohibits the use of hazardous substances specified under the relevant directives in its production processes.

In terms of electricity usage, the Company has gradually replaced office lighting with LED and other energy-efficient products, and maintains air conditioning temperature settings at no lower than 26°C.

Regarding paper usage, the Company promotes the use of environmentally friendly paper, paper reuse, and paperless documentation.

For water resource management, the Company has introduced dry cleaning equipment to reduce water consumption and implemented recycling and reuse of RO concentrate and EDI electrode wastewater from its pure water system.

The Company strives to optimize the efficiency of resource utilization in order to reduce its environmental impact.</td>
<td>No material difference found.</td>
</tr>
</table>

water consumption reduction, or other waste management?			(III) The Company closely monitors the potential impact of climate change on its operations. The Board of Directors is responsible for the oversight and decision-making of climate-related issues. A “Sustainability Information Management Task Force” has been established to evaluate and manage climate-related risks and opportunities, conduct regular reviews, and formulate response measures to mitigate the impact of climate change on operations. Further details are disclosed on pages 56 to 63 of this annual report. (IV) The Company gathers the statistics about GHG emission, water consumption and gross weight of waste each year, and posts them on the Company’s website. **T**he Company’s water consumption was 46,001 tons, GHG emission from water consumption 10.718 tons, GHG emission from power consumption 4,175.214 tons, and gross weight of waste 9.06 tons, in 2024. The Company’s water consumption was 49,184 tons, GHG emission from water consumption 11.460 tons, GHG emission from power consumption 4,166.496 tons, and gross weight of waste 15.12 tons, in 2025. The Company also set the future quantitative management target for energy conservation, carbon reduction and water consumption reduction, and also the measures to achieve the target. The target and measures are posted on the Company’s website https://www.fine-mat.com together.	
IV. Social issues (I) Does the Company formulate relevant management policies and procedures in accordance with applicable laws and the International Bill of Human Rights?	✓		(I) Human Rights Policy To fulfill our corporate social responsibility and safeguard the fundamental human rights of employees and all stakeholders, the Company supports and adheres to internationally recognized human rights standards, including the Universal Declaration of Human Rights, the International Labour Organization Conventions, and the Ten Principles of the United Nations Global Compact. We respect universally recognized fundamental human rights and are committed to eliminating any acts that violate or infringe upon human rights. At the same time, the Company strictly complies with applicable labor laws and regulations in the jurisdictions where it operates to protect employees’ legal rights and interests, ensuring that no actions are taken that would endanger workers’ fundamental rights. In addition to providing a reasonably safe working environment, the Company is committed to treating all current employees with fairness and dignity. This policy applies to the Company and its subsidiaries. We are dedicated to	No material difference found.

protecting human rights and ensuring compliance in daily operations and all business activities. We also require our suppliers, business partners, customers, and other entities with which the Company maintains operational or developmental relationships to adhere to the same standards.

Human Rights Risk Mitigation Measures

The Company is committed to ensuring workplace safety, respect, dignity, environmental responsibility, and compliance with legal and ethical standards. Dedicated personnel are assigned to implement occupational safety and health practices in accordance with regulations. Human rights policies are integrated into daily operations through ongoing education and training.

The Company has also established the "Prevention of Workplace Sexual Harassment, Complaint and Disciplinary Measures" to protect employees' rights and maintain a harassment free workplace.

Human Rights Training

New employees receive training covering corporate structure, internal policies, confidentiality, ethical conduct, personal data protection, information security, and occupational safety.

To prevent workplace violence and harassment, the Company adopts a zero-tolerance policy and clearly communicates reporting channels and handling procedures.

Training programs also include occupational safety education, fire safety training, and emergency response training.

Human rights related training conducted in 2025 is summarized as follows:

Year/Month	Training Program	Participants	Total Hours
2025/06	The Three Gender Equality Laws Training	22	44
2025/12	Human Rights Policy, Privacy Policy, Occupational Safety, Information Security Training	36	36

Item	Status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies and causes thereof
	Yes	No	Brief description	
(II) Does the Company formulate and implement reasonable employee benefit measures (including remuneration, leave, and other benefits) and reflect business performance or achievements in employee remuneration appropriately? (III) Does the Company provide employees with a safe and healthy work environment and offer safety and health education to employees regularly? (IV) Does the Company establish an effective career development training program for employees? (V) Does the Company comply with	✓ ✓ ✓		(II) Compensation and Benefits: The Company provides a competitive compensation system based on performance and fairness. In accordance with Article 16-1 of the Articles of Incorporation, 8 percent to 15 percent of annual profits are allocated as employee remuneration. Employee benefits include labor and health insurance, group insurance, bonuses for three major festivals, free lunch at factory cafeterias, employee travel programs, year-end banquets, appreciation events, and regular health checkups. To enhance employee retention, the Company has implemented an Employee Stock Ownership Trust for full-time employees with more than one year of service. In 2025, a total of 31 employees participated, with contributions amounting to NT$120,273. Retirement System: The Company has established a defined contribution pension plan in accordance with the Labor Pension Act, applicable to all local employees. Contributions are made monthly at a rate of 6 percent of employees' salaries to individual pension accounts maintained by the Bureau of Labor Insurance. In 2025, pension expenses recognized under the new system amounted to NT$4,913 thousand. Employees meeting statutory retirement conditions may apply three months in advance. (III) The Company is committed to providing a safe and healthy workplace. Workplace environment monitoring is conducted twice annually to assess exposure risks and implement appropriate protective measures. Occupational safety training is provided to both new and existing employees to strengthen safety awareness and reduce unsafe behavior. Safety management is reinforced through regular inspections and preventive measures. Fire drills and emergency response exercises are conducted twice annually. In accordance with occupational safety regulations, the Company implements self inspection mechanisms to identify and eliminate potential hazards. In 2025, no major occupational accidents involving disability, fatalities, or fire incidents occurred.	No material difference found.

<table>
<tr>
<td>applicable laws and international standards regarding issues, such as customer health and safety, customer privacy, as well as marketing and labelling of products and services etc.? Has it formulated relevant policies and complaint procedures to protect consumers’ or customers’ rights and interest?
(VI) Does the Company formulate a supplier management policy, require suppliers to follow applicable regulations on issues, such as environmental protection, occupational safety and health, or labor rights, and how the policy is implemented?</td>
<td>✓

✓</td>
<td></td>
<td>To safeguard employee health, regular health examinations are arranged, and on-site health consultation services are provided twice monthly by contracted medical personnel. The Company has also established policies for the prevention of workplace harassment and unlawful infringement to ensure psychological safety and foster a friendly working environment. Employee satisfaction surveys are conducted, with results and improvement plans disclosed on the Company’s website.
Safety and Health Training in 2025
<table>
<tr><th>Category</th><th>Participants</th><th>Total Hours</th></tr>
<tr><td>Occupational Safety Supervisors</td><td>1</td><td>12</td></tr>
<tr><td>Safety Personnel Training</td><td>1</td><td>6</td></tr>
<tr><td>First Aid Training</td><td>2</td><td>32</td></tr>
<tr><td>First Aid Refresher Training</td><td>1</td><td>3</td></tr>
<tr><td>Operational Supervisors Training</td><td>1</td><td>18</td></tr>
<tr><td>Operational Supervisors Refresher</td><td>5</td><td>30</td></tr>
<tr><td>Forklift Training</td><td>1</td><td>18</td></tr>
<tr><td>Forklift Refresher</td><td>2</td><td>6</td></tr>
<tr><td>General Safety Training</td><td>36</td><td>36</td></tr>
<tr><td>New Employee Safety Training</td><td>32</td><td>192</td></tr>
<tr><td>The Three Gender Equality Laws Training</td><td>22</td><td>44</td></tr>
<tr><td>Human Rights Policy, Privacy Policy, Occupational Safety, Information Security Training</td><td>36</td><td>36</td></tr>
</table>
(IV) The Company’s Human Resources Department develops training programs tailored to different job levels, in alignment with business operations, strategic direction, and future development needs. Comprehensive competency-based training programs are provided for employees at all levels, including onboarding training, environmental safety training, professional training, and management training. Through diversified learning approaches, the Company promotes corporate ethics and cultivates key competencies. In 2025, a total of 298 employees completed training programs, with total training hours reaching 1,118.5 hours. The breakdown is as follows: onboarding training for 25 participants totaling 100 hours, environmental safety training for 175 participants totaling 550 hours, professional training for 30 participants totaling 268 hours, management training for 32 participants totaling 128.5 hours, and general training for 36 participants totaling</td>
<td></td>
</tr>
</table>

72 hours. Environmental safety training accounted for the largest proportion, demonstrating the Company’s strong emphasis on talent development and workplace safety knowledge.

(V) Although the Company’s products are not end products or their components, all product marketing and labeling strictly comply with the international standards of the ISO 9001 Quality Management System and ISO 14001 Environmental Management System. In addition, all green product manufacturing processes comply with environmental regulations such as RoHS. To safeguard customer rights and interests, the Company has established a “Customer Complaint Handling Procedure,” under which customer feedback is incorporated into a “Customer Feedback Log” for tracking and continuous improvement. The Company maintains effective two-way communication with customers to ensure the protection of product and service quality, customer privacy, and fair trade practices. Furthermore, to enhance communication with external stakeholders, the Company has established dedicated telephone lines and an official email account to facilitate customer feedback, inquiries, and business communication. Customers may submit suggestions or complaints regarding products and services through the contact channels available on the Company’s official website. Upon receipt, the responsible unit will assign personnel to respond and provide appropriate assistance, ensuring timely resolution of issues and continuous improvement of service quality.
Customer service and complaint contact: sales@fine-mat.com

(VI) The Company has established Supplier Quality Management Procedures and conducts periodic audits and on-site inspections to ensure that suppliers comply with relevant regulations and requirements. In addition, the Company collaborates with suppliers on environmental, safety and health (EHS) and corporate social responsibility (CSR) initiatives. The Company also actively participates in social welfare activities and encourages upstream and downstream partners within the supply chain to jointly enhance corporate social responsibility.
Implementation Status:

Communication Channels, Response Methods, and Frequency	2025 Implementation Results
1. Irregular quality review meetings and on-site audits with suppliers. 2. Annual supplier self-assessment	1. Irregular online quality meetings were conducted. 2. A total of 7 major suppliers completed

			questionnaires submitted by major suppliers, accompanied by supporting documentation, or presentations at the Company's site to explain evaluation results. 3. For qualified suppliers, based on the importance of supplied materials, suppliers are required to establish quality systems in compliance with the ISO 9001 framework and sign the "Declaration of Compliance with the Code of Ethics and Supplier Code of Conduct." The Company conducts annual external QMS surveillance audits in accordance with ISO 9001:2015. self-assessments in 2025. 3. In 2025, the Company introduced the "Declaration of Compliance with the Code of Ethics and Supplier Code of Conduct," with 22 major suppliers completing the acknowledgment, including two newly added suppliers during the year. 4. The Company successfully passed the external QMS surveillance audit on June 11, 2025.	
V. Has the Company referred to the internationally accepted reporting standards or guidelines to prepare reports, such as ESG reports that discloses the Company's non-financial information? Has a third-party verification entity provided assurance or assurance opinion for said report?	✓		1. The Company prepares its Sustainability Report in accordance with the latest Global Reporting Initiative (GRI) Standards (2021 edition). The Report is also compiled in compliance with the "Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE-Listed Companies," including the industry-specific sustainability indicators prescribed under Article 4 and the required climate-related disclosures. The Report discloses the Company's sustainability initiatives and performance across environmental, social, and governance (ESG) aspects. 2. While this report has not been verified by external third-party, the Company ensures the accuracy of all financial, environmental, and social data through rigorous internal controls and audit mechanisms.	No difference found.
VI. If the Company has established its own sustainable development best practice principles 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: The Company has complied with the relevant regulations and is in conformity with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies."				
VII. Other important information that facilitates the understanding of the promotion of sustainable development: (I) The Company has uploaded both Chinese and English versions of its Sustainability Report on its official website and the Market Observation Post System (MOPS) to facilitate stakeholders' understanding of its sustainable development practices. The 2025 Sustainability Report is expected to be published by the end of August 2026. (II) The Company's implementation results in 2025 are as follows: The Company's headquarters is located in the Tainan Technology Industrial Park. It continues to focus on environmental sustainability issues and has expanded its scope of environmental stewardship from its facilities to the broader ecosystem. Key initiatives undertaken in 2025 are as follows: （1） Initiatives: In alignment with the concept that "ecosystems have no boundaries," the Company supports the Society of Wilderness in establishing environmental education platforms, cultivating conservation talent, and publishing environmental publications. Through collaboration with professional				

organizations, the Company aims to enhance environmental awareness among employees and the general public.

（2） Implementation Results: In 2025, the Company donated NT$300,000 to support environmental education initiatives, promoting environmental awareness among the public and students and fostering a stronger commitment to nature conservation. Through supporting professional organizations, the Company contributes to preserving Taiwan’s natural environment and advancing the goal of coexistence with sustainable ecosystems.

(III) For further details on the Company’s sustainable development practices, please refer to the ESG section on the Company’s official website.

(X)

The Company’s implementation of climate-related information

<table>
<tr><th>Item</th><th>Implementation</th></tr>
<tr>
<td>1. Describe the oversight and governance of climate-related risks and opportunities by the Board of Directors and management.

2. Explain how the identified climate-related risks and opportunities impact the Company’s operations, strategy, and financials in short-, medium-, and long-term.

3. Disclose the financial impacts of extreme climate events and transition actions.

4. Outline how the processes for identifying, assessing, and managing climate risks are integrated into the overall risk management framework.

5. If scenario analysis is used to assess resilience to climate change risks, disclose the scenarios, parameters, assumptions, analytical factors, and key financial impacts applied.
6. If a transition plan is adopted to manage climate-related risks, describe its content, as well as the metrics and targets used to identify and manage physical and transition risks.</td>
<td>1. The Board of Directors serves as the highest governance body for climate-related matters. It is responsible for formulating and approving the Company’s climate-related strategies and directions, while also overseeing the overall implementation of climate actions. The Board plays a key role in setting climate commitments and targets and periodically reviews climate-related risks and opportunities. It also develops comprehensive response strategies for key climate risks to ensure the Company’s sustainable operations.
2. The Sustainability Information Management Team annually reviews peer sustainability reports and international trends and conducts internal interviews to assess the impact of extreme climate events on various business units. Based on the analysis, the Company has identified key climate-related risks and opportunities for the year, including one transition risk, one physical risk, and one climate-related opportunity, as summarized below:
<table>
<tr><th>Category</th><th>Issue</th><th>Impact Period</th><th>Current Status</th><th>Response Strategies and Management Measures</th><th>Financial Impact</th></tr>
<tr><td>Transition Risk</td><td>Increasing carbon pricing mechanisms</td><td>Short-term (within 1–3 years)</td><td>Taiwan’s Climate Change Response Act imposes carbon fees on major emitters exceeding 25,000 tons annually. Although the Company is not currently regulated, potential future expansion of the scope requires proactive assessment.</td><td>1. Evaluate and replace aging equipment to improve energy efficiency.
2. Assess installation of solar panels to reduce indirect emissions from purchased electricity.</td><td>The replacement of equipment will require capital budgeting, resulting in increased investment costs. The acquisition of new equipment will also increase the carrying amount of assets, necessitating a</td></tr>
</table>
</td>
</tr>
</table>

<table>
<tr>
<td>

7. If internal carbon pricing is used as a planning tool, explain the basis for price determination.
8. If climate-related targets are set, disclose the covered activities, GHG emission scopes, planned timelines, and annual progress. If carbon offsets or Renewable Energy Certificates (RECs) are used to meet these targets, specify the source and carbon credits volumn or the quantity of RECs utilized

9. Provide details on GHG inventory and assurance status, along with reduction targets, strategies, and concrete action plans (to be filled separately in Forms 1-1 and 1-2).

</td>
<td>
<table>
<tr><td></td><td></td><td></td><td></td><td></td><td>reassessment of depreciation periods and accounting amortization methods. However, higher-efficiency equipment can reduce electricity and energy consumption, thereby lowering annual energy expenses. Reduced carbon emissions will also help mitigate future carbon fee exposure and decrease indirect carbon costs.
In addition, newer equipment typically has lower failure rates, which can reduce maintenance expenses and downtime losses, while improving operational efficiency and capacity utilization.</td></tr>
<tr><td>Physical Risk</td><td>Increased frequency and severity of extreme weather</td><td>Medium-term (within 3–5 years)</td><td>The Company operates in Taiwan, China, and Vietnam, all exposed to varying climate</td><td>1. Establish contingency plans for raw material supply to prevent supply chain</td><td>Establishing backup inventories of raw materials may lead to increased</td></tr>
</table>
</td>
</tr>
</table>

	events		risks.	disruptions, including gradual diversification of suppliers to reduce reliance on a single supplier and mitigate costs arising from climate-related impacts. 2. Install a drainage pump at the plant to mitigate flooding risks caused by extreme weather events. 3. Procure a diesel generator set and maintain a reserve of 50 liters of diesel fuel to ensure power supply continuity in the event of electricity shortages or power rationing.	procurement and warehousing costs. If excessive resources are allocated to contingency planning, the Company will need to closely monitor its working capital position. The installation of drainage pumps will increase capital expenditures; however, effective risk mitigation can reduce potential losses from disasters and may contribute to more favorable insurance premium rates. The procurement of generator equipment will result in additional capital and installation costs, as well as ongoing maintenance expenses and diesel fuel reserves. Nevertheless, such equipment can ensure basic operations during

						power shortages, thereby avoiding production disruptions, order delays, and potential contractual penalties.
	Opportunity	Adoption of low-carbon energy and energy-saving measures	Short-term (within 1–3 years)	As global carbon regulations, including emissions caps and carbon border adjustment mechanisms, continue to tighten, failure to implement energy-saving and carbon reduction measures may weaken the Company’s export competitiveness and increase additional carbon-related costs associated with sales. Conversely, proactive adoption of low-carbon energy and energy efficiency initiatives can reduce costs arising from carbon emissions. Facilities with lower carbon intensity may also benefit from potential gains through surplus carbon credits.	1. Actively assess the availability of renewable energy at each operating site and set targets for renewable energy usage to increase the proportion of low-carbon energy. 2. Evaluate the feasibility of installing solar panels in idle spaces at each site, with the aim of gradually increasing the share of renewable energy generated from such spaces. 3. Implement scheduled shutdowns of office air conditioning and lighting systems to reduce unnecessary energy consumption during periods of non-use.	The procurement of renewable energy may initially result in higher unit costs compared to conventional electricity, thereby increasing operating expenses. However, renewable energy prices are less susceptible to fluctuations in international energy markets, contributing to greater predictability and stability in energy costs. In the future, as carbon pricing or emissions trading mechanisms are implemented, the use of renewable energy is expected to reduce carbon-

						related costs. Utilizing idle spaces for the installation of solar panels will require one-time capital expenditures; however, such installations can enable self-consumption or the sale of surplus electricity, thereby reducing long-term electricity costs and potentially generating additional income or benefiting from renewable energy subsidies. In addition, measures such as scheduled shutdowns of office air conditioning and lighting systems involve relatively low investment costs and can quickly achieve energy savings, reducing unnecessary electricity expenses.	

3. The financial impacts of climate-related risks and opportunities are described in the table above.
4. Each department identifies climate-related risks based on its operations and proposes corresponding response measures. These are consolidated through the Company’s risk management procedures and incorporated into management plans.
5. Scenario analysis has not yet been applied to assess climate change risk resilience.

6. No transition plan for climate-related risks has been developed yet.

7. The internal carbon pricing policy adopts a shadow price approach, based on the carbon fee rate set by the Ministry of Environment. A price of NT$300 per metric ton of carbon dioxide equivalent (tCO_2e) is established, converting carbon emissions into potential costs for consideration in operational and investment decision-making.

   This policy applies to individual capital expenditures of NT$1 million or more, as well as projects with high energy consumption or significant carbon emission impacts. It is implemented in a phased manner, with priority given to managing Scope 1 and Scope 2 emissions..

8. To actively address climate change impacts, the Company has established specific greenhouse gas (GHG) reduction targets for Scope 1 and Scope 2 emissions. It has also developed corresponding targets for managing extreme climate risks across business units. Details are disclosed in the Company’s 2025 Sustainability Report (pages 45–46).

9. The Company, with paid-in capital below NT$5 billion, will conduct GHG inventory for the parent company entity by 2026 and complete third-party verification by 2028 in accordance with regulatory requirements.

1-1 The Company's GHG inventory and verification status for the past two years

	2024	2025	Scope	Note
Direct GHG emissions (A) (ton CO2e)	769.8515	214.5211	For 2024, the reporting boundary covers the Company’s standalone entity, including Plants	Note 1

			1, 2, and 3. For 2025, in addition to Plants 1, 2, and 3, the North Plant has been newly included within the reporting boundary.	
Indirect energy emissions (B) (ton CO2e)	3,488.171	3,377.0848	For 2024, the reporting boundary covers the Company’s standalone entity, including Plants 1, 2, and 3. For 2025, in addition to Plants 1, 2, and 3, the North Plant has been newly included within the reporting boundary.	Note 1
GHG emissions intensity (ton CO2e/million NTD revenue)	14.8203	15.8610	(A)+(B)	Note 2

Note 1: Direct emissions (Scope 1) refer to emissions directly generated from sources owned or controlled by the company; indirect energy emissions (Scope 2) refer to indirect GHG resulting from purchased electricity, heat, or steam.

Note 2: GHG emission intensity is calculated per unit of product/service or revenue, with revenue based on the Company's operating income for 2024 and 2025.

1-1-2 GHG Verified Information

The Company plans to disclose assurance results for the 2026 GHG inventory in 2028.

	1-2 GHG Reduction Targets, Strategies, and Action Plans The Company's GHG reduction targets, strategies, and action plans are disclosed in the Sustainability Report (pages 45–46).

(XI) The Company's implementation of ethical management, and any deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons therefor

Item	Operations			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
1. Formulation of ethical management policies and plans (I) Does the Company formulate an ethical management policy approved by the Board of Directors and disclose the policy and practice of ethical management in its regulations and public documents? Are the Board of Directors and the senior management committed to actively implementing the policy? (II) Does the Company establish an assessment mechanism for the risk of unethical conduct to regularly analyze and evaluate the business activities with a higher risk of unethical conduct within the business scope and formulated a prevention plan accordingly, at least covering the prevention measures for the acts under each subparagraph under Paragraph 2 of Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?” (III) Does the Company clearly specify operating procedures, guidelines for conduct, and a violation punishment and complaint system in the unethical conduct prevention plan and duly implemented them? Does the Company regularly review and revise said plan?	✓ ✓ ✓		(I) The Company adopts its “Code of Ethical Conduct” and “Ethical Management Best Practice Principles” and discloses the same on the Company’s website and MOPS. Meanwhile, the Company adopts its “Procedures for Ethical Management and Guidelines for Conduct” in accordance with the Ethical Management Best Practice Principles, in order to ensure the compliance with ethical management and laws, and require that the directors and managers who are involved in the conflict of interest against any decisions or transactions shall recuse themselves from the decision making or voting based on the conflict of interest principles. (II) The Company includes the employees’ ethics into the enterprise culture and code of conduct for employees, and establishes the “Procedures for Ethical Management and Guidelines for Conduct.” The employees shall sign the "Letter of Undertaking for Integrity” and the Company shall conduct publicity training during the orientation training. The management will also promote the measures for prevention of unethical conduct at meetings from time to time. The Company has adopted the regulations including the “Procedure for Acquisition or Disposal of Assets,” “Procedure for Making Guarantees/Endorsements,” “Procedure for Loaning of Funds to Others” and “Operating Procedure for Transactions with Group Companies, Specific Companies and Related Parties,” in order to regulate that the Company’s transactions comply with the ethical management principles. (III) In addition to the internal control system and various procedures, the Company also adopts the “Procedures for Ethical Management and Guidelines for Conduct” as the basis regulating directors, managers and employees. The internal auditors conduct various audits per the audit plan, and submit the audit results and improvement programs to the Board of Directors and management, in order to practice the audit results and prevent unethical conducts.	No material difference found.
2. Implementation of ethical management (I) Does the Company evaluate each	✓		(I) The Company established the suppliers and customers rating systems. All contracts	No material difference found.

counterparty's records for ethics? Has the Company specified the terms of ethical conduct in each contract signed with each counterparty?			are executed subject to professional staff's review, and include ethical conduct requirements, if necessary. The Company has not yet executed the ethical conduct clauses with all trading counterparties so far, but it engages in business activities in a fair and transparent manner. Meanwhile, the Company does take into account the legitimacy of trading counterparties and their unethical conduct records.	
(II) Does the Company establish a dedicated (concurrent) unit under the Board of Directors to promote ethical corporate management, regularly (at least once a year) report to the Board of Directors on its ethical management policies and prevention plans for unethical conduct, and supervise the implementation?	✓		(II) The Company establishes the "Ethical Management Administration Team" as the unit dedicated to promoting the Company's ethical management, under the supervision of the Board of Directors. The Team Leader reports the ethical corporate management implementation status to the Board of Directors directly in Q1 of each year. The latest implementation status was reported to the Board of Directors on March 10, 2026.	
(III) Does the Company formulate policies to prevent conflicts of interest, provided appropriate methods for stating one's conflicts of interest, and implemented them appropriately?	✓		(III) In order to fulfill the responsibility of supervision, the Company has established the sound system internally, and also various organizational channels, e.g. Remuneration Committee, internal control/audit systems and file control systems. Meanwhile, the Company would publish the internal regulations and work rules for employees on the Company's intranet, and notify all colleagues in writing of any amendments thereto. The Company also sets up the stakeholders section on the Company's website available to the public.	
(IV) Does the Company establish an effective accounting system and an internal control system for the implementation of ethical management and assign the internal audit unit to formulate relevant audit plans based on the assessment results of the risk of unethical conduct and audit the compliance with the unethical conduct prevention plan accordingly or commission a CPA to perform such audits?	✓		(IV) The Company establishes the effective accounting system, internal control system and other management systems, which operate normally and practice the ethical management requirements. In order to keep the design and execution of the systems effective constantly, the internal auditors audit the compliance with the systems referred to in the preceding paragraph regularly each year, prepare the audit report and submit the same to the Audit Committee and Board of Directors.	
(V) Does the Company regularly hold internal and external education and training on ethical management?	✓		(V) The Company convenes the monthly meetings, member meetings and seminars regularly on a monthly basis, in order to communicate the Company's insistence on the ethical management philosophy and demand that all colleagues should follow the example of their superiors. The Company organizes the education and training program related to ethical management regularly. In 2025, the Company organized the internal and external training and education on the ethical management issues (including ethical management laws & regulations, legal practices, advanced financial management, insider trading and disgorgement laws & regulations, accounting system and internal control programs), attended by 216 persons and for a total of 216 hours. The relevant operating procedures and regulations have been	

			posted on the Company's intranet for the employees to access at any time.	
3. Implementation of the Company's whistleblowing system (I) Does the Company formulate a specific whistleblowing and reward system, established a convenient whistleblowing method, and assign appropriate personnel to handle the party accused? (II) Does the Company formulate standard operating procedures for investigation of reported cases, the follow-up measures to be taken after the investigation is completed, and a confidentiality mechanism? (III) Does the Company take measures to protect whistleblowers from being mistreated due to their whistleblowing behavior?	✓ ✓ ✓		(I) The Company has adopted the "Regulations Governing Whistleblowing System" and also the employee complaint procedure, and encouraged the employees to whistleblow any violations to the Audit Office or management for investigation and discipline. (II) The Company conducts the investigation on the whistleblowing case in accordance with the operating procedure under the "Regulations Governing Whistleblowing System," and subject to the non-disclosure agreement. The Regulations Governing Whistleblowing System are published on both the official website and intranet of the Company. (III) The Company expressly states in its Ethical Management Best Practice Principles, Regulations Governing Whistleblowing System, and related regulations that the whistleblower's identity must be kept in confidence, and the whistleblower shall be protected from any abuse after the whistleblowing.	No material difference found.
4. Enhanced information disclosure Has the Company disclosed the content of its Corporate Governance Best Practice Principles and the effectiveness of the implementation of the principles on its website and the MOPS?	✓		The Company has adopted its own Ethical Management Best Practice Principles, and disclosed the same on the Company's website, and the MOPS.	No material difference found.
5. If the Company has formulated its own Corporate Governance Best Practice Principles as per the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, please specify the difference between its operation and the principles: The Company has adopted its own Ethical Management Best Practice Principles, and disclosed the same on the Company's website, and the MOPS. All of the Company's colleagues shall comply with the relevant requirement. There is no deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies.				
6. Other important information that facilitates the understanding of the Company's ethical management (e.g., reviewing and amending the Company's ethical management best practice principles): 1. The Company strictly complies with the laws and regulations governing business conducts and other related TWSE/TEPx regulations as the basis to practice the ethical management, and also continues to identify laws & regulations and makes update, in order to ensure the implementation of related regulations. 2. The Company adopts the "Ethical Conduct Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct," and establishes the Ethical Management Administration Team governed by the Board of Directors to serve as the Company's unit dedicated to ethical management operations. 3. The Company complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, TWSE/TPEx regulations and other laws & regulations governing business conducts as the basis to practice the ethical management. 4. The Company's "Rules of Procedure for Board of Directors' Meetings" expressly provides the conflict of interest system for directors requiring that if any director or a juristic person represented by the director is an interested party with respect to any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting; when the relationship is likely to prejudice the interests of the Company, the director may not participate in				

	discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter. 5. The Company's "Procedures for Handling Material Inside Information" expressly states that the Company's directors, managerial officers and employees shall exercise the due care and fiduciary duty of a good administrator and act in good faith when performing their duties, and shall sign confidentiality agreements; no director, managerial officer, or employee with knowledge of material inside information of the Company may divulge the information to others; no director, managerial officer, or employee of the Company may inquire about or collect any non-public material inside information of the Company not related to their individual duties from a person with knowledge of such information, nor may they disclose to others any non-public material inside information of the Company of which they become aware for reasons other than the performance of their duties.

(XII) Other information material to the understanding of corporate governance within the Company

1. The Company communicates the education about laws and regulations related to the "Insider Trading Prevention Management Operations" to directors, managers and employees at least once per year.

   Annual communication of the education about laws and regulations related to the "Insider Trading Prevention Management Operations" in 2025:

   (1) The Company engaged in the communication of education about legal compliance, prevention of insider trading promotion and non-arm's length transaction cases to the directors and managers on March 25, 2025, June 17, 2025, November 11, 2025, and July 11 2025.

   (2) In 2025, a total of 179 employees participated in educational training programs covering the scope of material inside information and confidentiality requirements, with the aim of strengthening employees' awareness of compliance with insider trading regulations.

2. Identification of and communication with stakeholders, and their contact information

   (1) Identification of and communication with stakeholders

   The Company reported its stakeholder communication status to the Board of Directors on January 15, 2026. Details are as follows:

Stakeholder	Key Issues of Concern	Communication Channels, Response Methods and Frequency	2025 Communication Results	Contact Channel
Employees	Occupational health and safety; talent attraction and retention; talent development; information privacy and security	1. Health checkups every three years 2. On-site health consultation by contracted nurse (twice per month, 8 hours total) 3. Internal email announcements on employee benefits (e.g., gatherings, year-end banquet), and free lunches are provided to employees. 4. Employee grievance mailbox managed by HR 5. Regular labor-management meetings and employee satisfaction surveys	1. Employee banquet held on May 27, 2025 2. Appreciation banquet held on November 26, 2025 3. Labor-management meetings (held four times during the year) 4. Employee Welfare Committee meetings (held four times during the year) 5. Employee trip held on December 13, 2025 6. Management team-building activity held on May 1, 2025 7. Employee satisfaction survey conducted from December 18 to December 24, 2025	HR Dept. – Sammy Chen sammychen@fine-mat.com
Customers	Customer relationship management; information privacy and security; product quality; innovation and R&D	1. The Company has established "Procedures for Handling Customer Complaints," under which all customer feedback is recorded in the Customer Feedback Log. 2. For defective products requiring return and re-evaluation, a "Returned Goods Authorization	1. Based on customer feedback records, the Company maintains effective two-way communication with customers and implements improvements in response to their needs. In 2025, a total of 58 Returned Goods Authorization Forms were issued, while an additional 40 customer feedback cases were recorded without the issuance of such forms.	Operations Dept. – Lu Shih-Zong shihzong@fine-mat.com

		Form" is issued, and the relevant departments assist in processing the return. 3. Upon customer request for analysis and corrective actions, the Company compiles the results into a report and submits it to the customer, with responses provided within an appropriate timeframe based on customer requirements or the severity of the issue.		
Shareholders	Corporate governance; business integrity; risk management; regulatory compliance; financial performance	1. The Company convenes shareholders' meetings annually and publishes its annual report. 2. A total of six Board of Directors meetings and six Audit Committee meetings were held during the year. 3. Material information and various disclosures are announced and filed in accordance with applicable regulations. 4. Financial and operational information is disclosed through periodic announcements. In addition, investor conference presentations and video recordings are made available on the Company's website, and an investor relations contact window is established to facilitate two-way communication with investors.	1. The shareholders' meeting was held on June 17, 2025. 2. A total of 23 material information announcements and disclosures (in both Chinese and English) were made via the Market Observation Post System (MOPS). 3. The investor conference was held on December 19, 2025.	ESG mailbox: ESG@fine-mat.com Investor relations: ir@fine-mat.com
Suppliers	Business integrity; risk management; operational and financial status; regulatory compliance	1. The Company conducts quality review meetings and on-site audits with suppliers on an ad hoc basis. 2. On an annual basis, key suppliers are required to complete self-assessment questionnaires and provide supporting documentation, or are invited to the Company's facilities to present	1. Online quality meetings were conducted on an ad hoc basis. 2. In 2025, a total of seven major suppliers completed self-assessments. 3. The "Declaration of Compliance with the Code of Ethics and Supplier Code of Conduct" was introduced in 2024, with a total of 22 major suppliers having signed the declaration. In 2025, all newly added major suppliers (two in total) also completed	Procurement Dept. – Angel Hung angelhung@fine-mat.com QA Dept. – Rita Chou ritachou@fine-mat.com

		evaluation results. 3.For approved suppliers, based on the importance of the materials supplied, the Company requires their quality management systems to comply with the ISO 9001 framework. Suppliers are also required to adhere to and sign the “Declaration of Compliance with the Code of Ethics and Supplier Code of Conduct.” The Company adopts ISO 9001:2015 as the audit standard and conducts external QMS surveillance audits on an annual basis.	the signing. 4. The Company successfully passed the external QMS surveillance audit on June 11, 2025.	
Government Agencies	GHG management; waste management; water resource management; corporate governance; regulatory compliance	1. Water quality testing is conducted semi-annually by an environmental service provider, with results reported to the Tainan Environmental Protection Bureau. 2. Scrap materials and waste generation are reported to the Resource Circulation Administration, Ministry of Environment, before the end of each month; on-site waste storage conditions are reported before the 5th of each month. 3. The Company complies with applicable laws and regulations and discloses relevant information on the Market Observation Post System (MOPS) and the Company’s website in accordance with regulatory requirements. 4. The Company participates in seminars and briefings organized by government authorities to stay informed of regulatory updates and policy developments.	1. All environmental protection-related filings were completed in compliance with regulatory deadlines during the year: filings for the period from July to December 2024 were submitted on January 22, 2025, and filings for the period from January to June 2025 were submitted on July 24, 2025. 2. Official correspondence with authorities was handled on an ad hoc basis. 3. The Company maintained direct communication with competent authorities via telephone and email. 4. Representatives attended regulatory briefings and seminars, including the 2025 Listed Companies Business Promotion Seminar (October 22, 2025), the IFRS Sustainability Disclosure Standards Seminar (November 4, 2025), and the ESG Evaluation Seminar (December 9, 2025).	EHS Dept. – Ko Shou-Hsun stephondu@fine-mat.com； ESG mailbox: ESG@fine-mat.com

(2) Stakeholders' contact information

A. Customers

Contact Person: Director Lu Shih-Zong, Operation Division

Tel: (06)60106388, Ext. 1202

Fax: (06)38402599

Email: shihzong@fine-mat.com

B. Suppliers

Contact person: Materials Department Hung Kai-Chen, Section Manager

Tel: (06)60106388, Ext. 1508

Fax: (06)38402599

Email: angelhung @fine-mat.com

C. Employees

Contact person: Human Resources Department Chen Ching-Hui - Section Manager

Tel: (06)60106388, Ext. 1503

Fax: (06)38402599

Email: sammychen @fine-mat.com

D. Contact information for whistleblowing against corruption and violation of the code of professional ethics

Contact person: Audit Office Niu, Chieh-Ju, Supervisor

Tel: (06)60106388, Ext. 1308

Fax: (06)38402599

Email: asleepcow@fine-mat.com

(XIII) Status of Internal Control System

1. 1. Statement of the Internal Control System: Internal Control Statement:

Please refer to the Market Observation Post System website at [https://mops.twse.com.tw] (navigate to Single Company > Corporate Governance > Company Regulations/Internal Control > Internal Control Statement Announcements), then enter the year and company code to search for the internal control statement announcement.

2. Audit report on internal control system: None

(XII) Important resolutions of the shareholders' meeting and Board of Directors meeting from the most recent year until the date of publication of the annual report:

1. Important resolutions of the annual general meetings

Date	Important resolution	Implementation
2025.06.17	1. Ratification of the 2024 business report and financial statements.	The motion was approved as proposed, after 96.86% votes were cast in favor of the motion.
	2. Ratification of the 2024 earnings distribution plan	The Board of Directors resolved on March 12, 2025 to approve that no earnings should be distributed, and announced the resolution on the MOPS on the same day. The motion was approved as proposed, after 96.91% votes were cast in favor of the motion at the annual general meeting.
	3. Proposal for By-election of Directors	Election Results: (1) Elected Directors: Wang I-Fan, Representative of Sheng Tai Co., Ltd. The above election results were approved by the Ministry of Economic Affairs on August 25, 2025 for registration changes and have been officially announced on Company's website.
	4. Proposal for Amendment to the Articles of Incorporation	The motion was approved as proposed, after 96.76% votes were cast in favor of the motion.
	5. Proposal for Amendment to the Procedures for Endorsements and Guarantees	The motion was approved as proposed, after 96.75% votes were cast in favor of the motion.
	6. Proposal for Amendment to the Procedures for Loaning of Funds to Others	The motion was approved as proposed, after 96.74% votes were cast in favor of the motion.
	7. Proposal for Lifting the Non-competition Restrictions on Directors and Their Representatives	The motion was approved as proposed, after 96.31% votes were cast in favor of the motion.

2. Important resolutions of the Board of Directors meetings

Date	Important resolution
2025.01.15	1. The Company's business plan for 2025. 2. Evaluation report on independence and competence of the Company’s external auditors, and appointment of external auditors. 3. Proposal for Amendment to the Company’s Articles of Incorporation. 4. Proposal for Providing Loans to Investee Companies. 5. The Company’s 2025 Managerial Compensation Policy. 6. Compensation Proposal for Newly Appointed Managers. 7. Proposal for Distribution of 2024 Year-end Bonuses for Managers. 8. Proposal for Lifting the Non-competition Restrictions on Managers. 9. Proposal for Authorizing the Custodian of the Company’s Seal Registered with the Ministry of Economic Affairs. 10. Proposal for Definition of Grassroots Employees for 2025. 11. Proposal for Applying for Bank Credit Facilities for Operational Needs.
2025.03.12	1. The 2024 employee remuneration and directors’ remuneration distribution proposal. 2. The Company’s 2024 financial statements and business report. 3. 2024 earnings distribution proposal. 4. The Company’s “2024 statement of the internal control system”. 5. Proposal for Amendment to the Company’s Articles of Incorporation. 6. Proposal for Appointment of the Company’s General Manager. 7. Proposal for Organizational Restructuring of the Company. 8. Proposal for Amendment to the Company’s Internal Control System. 9. Proposal for By-election of Directors. 10. The nomination period, number of seats to be elected, and location for acceptance and handling the nomination of candidates for directors. 11. Discussion on the nomination of candidates for directors. 12. Termination of the non-competition restrictions imposed on the directors of the Company and their representatives. 13. Proposal for obtaining financing facility from financial institutions for operation needs. 14. Date, venue and agenda of 2025 annual general meeting.
2025.05.12	1. The Company’s 2025 Q1 financial statements. 2. Termination of the non-competition restrictions imposed on the directors of the Company and their representatives. 3. Proposal for Establishing the Materiality Threshold for Overdue Accounts Receivable. 4. Proposal for Authorizing Relevant Personnel to Execute Derivative Transactions.

	5. Proposal for Amendment to the “Schedule of Authorities and Responsibilities.” 6. Proposal for Allocation Amount for Managerial Participation in the Employee Stock Ownership Plan. 7. Proposal for Amendment to the Company’s “Regulations Governing Company Vehicles for Supervisors.” 8. Proposal for Revision of Credit Facilities with CTBC Bank. 9. Proposal for obtaining financing facility from financial institutions for operation needs.
2025.07.02	1. Proposal for Amendment to the Procedures for Loaning of Funds to Others of the Subsidiary, Sense Pad Tech Co., Ltd. 2. Proposal for Loaning of Funds to Others by the Subsidiary, Sense Pad Tech Co., Ltd. 3. Proposal for the Subsidiary, Sense Pad Tech Co., Ltd., to Apply for Credit Facilities from Financial Institutions for Operational Needs. 4. Proposal for the Subsidiary, Etch Home Technology Co., Ltd. (Vietnam), to Apply for Credit Facilities from Cathay United Bank for Operational Needs.
2025.08.07	1. The Company's 2025 Q2 financial statements. 2. Proposal for Amendment to the Procedures for Endorsements and Guarantees. 3. Proposal for Capital Increase of the Subsidiary, Etch Home Technology Co., Ltd. (Vietnam). 4. Proposal for Disposal of Equity Interest in a Subsidiary. 5. Proposal for the Company’s 2024 Sustainability Report.
2025.11.07	1. The Company's 2025 Q3 financial statements. 2. Approval of the 2026 annual audit plan. 3. Proposal for Providing Endorsements and Guarantees for Subsidiaries. 4. Proposal for Amendment to the Company’s Internal Control System. 5. Proposal for obtaining financing facility from banks for operation needs 6. Proposal for the Subsidiary, Sense Pad Tech Co., Ltd., to Apply for Credit Facilities from Financial Institutions for Operational Needs. 7. Appointment of Members of the Risk Management Committee..
2026.01.15	1. The Company's business plan for 2026. 2. Evaluation report on independence and competence of the Company’s external auditors, and appointment of external auditors. 3. Proposal for Amendment to the Company’s Internal Control System. 4. Proposal for Amendment to the Company’s Rules of Procedure for Shareholders Meetings.

	5. Proposal to Revoke the Previously Approved Disposal of Equity Interest in a Subsidiary Resolved at the Board Meeting on August 7, 2025, and to Resubmi the Proposal for Disposal of Equity Interest in a Subsidiary. 6. Proposal for the Establishment of the Sustainability Development Committee Adoption of its Organizational Charter, Appointment of Committee Members and Designation of the Chief Sustainability Officer. 7. Proposal for the Establishment of the Nomination Committee, Adoption of its Organizational Charter, and Appointment of Committee Members. 8. The 2026 managerial officers' remuneration policy 9. The Company’s 2025 managerial officers’ annual distribution of remuneration. 10. Proposal for the Company’s 2026 definition of junior staff 11. Proposal for obtaining financing facility from banks for operation needs.
2026.03.10	1. The 2025 employee remuneration and directors’ remuneration distribution proposal 2. The Company’s 2025 financial statements and business report. 3. Proposal for Deficit Compensation for 2025. 4. Proposal for Distribution of Cash from Capital Surplus. 5. Proposal for the Company’s 2025 Internal Control System Statement. 6. Proposal for Applying for Credit Facilities from Financial Institutions for Operational Needs. 7. Proposal for the Subsidiary, Sense Pad Tech Co., Ltd., to Apply for Credit Facilities from Financial Institutions for Operational Needs. 8. Proposal for Providing Endorsements and Guarantees for Subsidiaries. 9. Proposal for Determining the Date, Venue, and Agenda of the 2026 Annual General Meeting of Shareholders. 10. Report on the Results of the 2025 Board Performance Evaluation. 11. Proposal confirming that the Company’s Independent Directors met the professional qualifications and independence requirements during their term of office (from 2025 to February 26, 2026). 12. Proposal for the Company’s 2026 Directors’ Training Plan.
2026.05.12	1. The Company's 2026 Q1 financial statements. 2. Proposal for Amendment to the Company’s Internal Control System. 3. Establishment of the “Internal Carbon Pricing Policy.” 4. Proposal for Applying for Bank Credit Facilities for Operational Needs.

(XV) The main contents of important resolutions of the Board passed but with directors or supervisors voicing opposing opinions on the record or in writing during the most recent year and up to the date of publication of the annual report: None.

IV. Disclosure of external auditors' fees:

(I) Disclosure of external auditors' fees

Disclosure of external auditors' fees:

Unit: NTD thousand

<table>
<tr><th>CPA firm name</th><th>CPA’s name</th><th>Audit period</th><th>Audit fees</th><th>Non-audit fees</th><th>Total</th><th>Remark</th></tr>
<tr><td rowspan="2">PwC Taiwan</td><td>Yeh Fang-Ting</td><td rowspan="2">2025.01.01~
2025.12.31.</td><td rowspan="2">1,730</td><td rowspan="2">670</td><td rowspan="2">2,400</td><td rowspan="2"></td></tr>
<tr><td>Hsu, Huei-Yu</td></tr>
</table>

Note: Non-audit fees mainly include translation of financial reports in English, taxation, business registration, and professional consultation.

(II) If a change of CPA firm results in a lower audit fee for that year compared to the previous year, please disclose the amount of audit fees before and after the change, and causes thereof: N/A.

(III) If the audit fee was reduced by more than 10% from the previous year: please disclose the reduction in the audit fees, and percentages and causes thereof: N/A.

V. Information about replacement of CPAs:

(I) About the former CPAs

<table>
<tr><td>Date of replacement</td><td colspan="4">Replaced as of 2025 Q1 upon approval of the Board of Directors on January 15, 2025</td></tr>
<tr><td>Cause of replacement and remark</td><td colspan="4">In response to the adjustment of the internal administrative organization of PwC TaiwanAccounting Firm. The external auditors responsible for certifying the Company’s financial statements have been changed from Yeh Fang-Ting, CPA and Lin Yung-Chih, CPA into Yeh Fang-Ting, CPA and Hsu Huei-Yu, CPA as of 2025 Q1.</td></tr>
<tr><td rowspan="3">To specify whether the client or CPA terminates or rejects the appointment</td><td colspan="2">Parties involved
Status</td><td>CPA</td><td>Client</td></tr>
<tr><td colspan="2">Voluntary termination of the appointment</td><td colspan="2" rowspan="2">Not applicable.</td></tr>
<tr><td colspan="2">No longer accept (continue) the appointment</td></tr>
<tr><td>Issuance of the audit report other than the audit report containing unqualified opinions in the most recent two years, and cause thereof</td><td colspan="4">None</td></tr>
<tr><td rowspan="5">Disagree with the issuer?</td><td rowspan="5">Yes</td><td></td><td colspan="2">Accounting principles or practices</td></tr>
<tr><td></td><td colspan="2">Disclosure of financial report</td></tr>
<tr><td></td><td colspan="2">Scope or steps of audit</td></tr>
<tr><td></td><td colspan="2">Others</td></tr>
<tr><td></td><td colspan="2"></td></tr>
</table>

	None.	V
	Explanation	
Other 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 Firm	PwC Taiwan
CPA's name	Hsu Huei-Yu
Date of appointment	Replaced as of 2025 Q1 upon approval of the Board of Directors on January 15, 2025
Consultation about the accounting treatment of or application of accounting principles to a specific transaction or the type of audit opinion that might be rendered prior to the formal engagement, and the consultation result.	Not applicable.
Written opinion from the succeeding CPA regarding the matters disagreed by the former CPA	Not applicable.

(III) The former CPA's response to the items referred to in Subparagraphs 6 (1) and (2) 3 of Article 10 of the Regulations: N/A.

VI. Where the Company's Chairman, President, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the firm of its external auditor or at an affiliated company of such firm, the name and position of the person, and the period during which the position was held, shall be disclosed. The term "affiliated company of the CPA's firm" means one in which the CPAs at the firm of the external auditors hold more than 50 percent of the shares, or of which such CPAs hold more than half of the directorships, or a company or institution listed as an affiliated company in the external publications or printed materials of the firm of the external auditors: None.

VII. Any transfer of equity and changes in the pledge of equity by a director, supervisor, or shareholder with a stake of more than 10 percent from the most recent year until the date of publication of the annual report

(I) Net Change in Shareholding by Directors, Supervisors, Managerial Officers, and Major Shareholders:
Please refer to the Market Observation Post System (MOPS) https://mops.twse.com.tw > Summarized Reports > Shareholding Changes/Securities Issuance > Shareholding/Pledge/Transfer by Directors, Supervisors, and Major Shareholders > Summary of Shareholding Balance of Directors, Supervisors, Managerial Officers, and Major Shareholders.
Select "Listed" for Market Type and "Other electronics" for Industry Type, then enter the relevant date to search

(II) Whether the counterpart of transfer of shares by any director, supervisor, manager or major shareholder of the Company in the most recent year is a related party: None.

(III)Whether the counterpart of pledge of shares by any director, supervisor, manager or major shareholder of the Company in the most recent year is a related party: None.

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

April 20, 2026; Unit: Share and %

Shareholder's name	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.		Remark
	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Designation or name	Relations	
Elan Investment Co., Ltd. Representative: Yeh I-Hao	8,900,373	13.41	0	0	0	0	—	—y	—
Chao Chin-Hsiao	6,396,814	9.64	323,496	0.49	0	0	—	—	—
Wistron Corporation Representative: Lin Hsien-Ming	1,589,258	2.39	0	0	0	0	—	—	—
Fan Wen-Hsing	1,407,000	2.12	0	0	0	0	—	—	—
Lee Jhong-Ren	1,292,153	1.95	164,923	0.25	0	0	—	—	—
Li Wei-Cheng	1,052,336	1.59	71,938	0.11	0	0	—	—	—
Ni Hui-Min	811,545	1.22	46,862	0.07	0	0	—	—	—
Rong Feng Industrial Co., Ltd.	663,000	1.00	0	0	0	0	—	—	—
Li Fan-Chun	614,787	0.93	173,364	0.26	0	0	—	—	—
Lo Shih-Yi	563,000	0.85	0	0	0	0	—	—	—

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

April 14, 2026; Unit: Shares; %

Investee	Investment by the Company		Investment by directors, supervisors, managers and enterprises controlled either directly or indirectly by the Company		Comprehensive investment	
	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding
Sense Pad Tech Co., Ltd	7,580,000	100.00	0	0.00	7,580,000	100.00
Htc & Solartech Service (Samoa) Corporation	8,575,900	73.73	0	0.00	8,575,900	73.73
Wave Power Technology Inc.	12,513,987	36.70	3,301,294	9.68	15,815,281	46.38
Galloptech International Co., Ltd	0	0.00	1,934,400	49.00	1,934,400	49.00
VN Etch Home Technology Co., Ltd	Note 1	100.00	0	0	Note 1	100.00
Finemat (Shanghai) Applied Materials Co., Ltd.	0	0.00	Note 1	100.00	Note 1	100.00
Solar Applied Materials Technology (Shanghai) Co., Ltd.	0	0.00	Note 1	73.73	Note 1	73.73
FineMat (HuangShi) Applied Materials Co., Ltd.	0	0.00	Note 1	73.73	Note 1	73.73
Yugyokuen Ceramics Co.,Ltd	0	0	15,000	24.63	15,000	24.63
FineXact Co., Ltd.	300,000	30.00	100,000	10.00	400,000	40.00
eDronePower Technology Co.,Ltd.	600,000	60.00	100,000	10.00	700,000	70.00

Note 1: N/A, as the company is a limited company.

Three. Information on Capital Raising

I. Capital and Shares

(I) Source of capital

Unit: Thousand Shares; NTD thousand

Year/ Month	Issue price (NTD)	Authorized capital		Paid-in capital		Remarks		
		Number of shares	amount	Number of shares	amount	Source of share capital	Capital increased by assets other than cash	Others
2007/05	10	1,000	10,000	1,000	10,000	Initial capital at the time of incorporation	—	Note 1
2007/08	10	50,000	500,000	31,000	310,000	Capital increase in cash by NT$300,000 thousand	—	Note 2
2007/12	10	50,000	500,000	39,823	398,230	Capital increase in cash by NT$88,230 thousand	—	Note 3
2008/04	24	80,000	800,000	65,823	658,230	Capital increase in cash by NT$260,000 thousand	—	Note 4
2009/11	10	80,000	800,000	66,731	667,310	Capital increase by executing employee stock options NT$9,080 thousand	—	Note 5
2010/02	10	80,000	800,000	66,753	667,530	Capital increase by executing employee stock options NT$220 thousand	—	Note 6
2010/07	10	80,000	800,000	68,509	685,090	Capital increase by NT$17,560 thousand by executing employee stock options	—	Note 7
2016/09	10	80,000	800,000	49,344	493,437	Capital reduction to make up losses (NT$191,652) thousand	—	Note 8
2018/04	10.36	80,000	800,000	53,344	533,438	Capital increase by NT$40,000 thousand by executing employee stock options	—	Note 9
2018/05	15	80,000	800,000	57,344	573,438	Capital increase in cash by NT$40,000 thousand	—	Note 10
2018/07	12	80,000	800,000	60,344	603,438	Capital increase by NT$30,000 thousand by executing employee stock options	—	Note 11
2019/12	68	100,000	1,000,000	66,390	663,898	Capital increase in cash by NT$60,460 thousand	—	Note 12

Note 1: Jin-Shou-Shang-Zi No. 09632174130 dated May 25, 2007

Note 2: Jin-Shou-Shang-Zi No. 09632636940 dated August 21, 2007

Note 3: Jin-Shou-Shang-Zi No. 09633310660 dated December 24, 2007

Note 4: Jin-Shou-Shang-Zi No. 09701090020 dated April 16, 2008

Note 5: Jin-Shou-Shang-Zi No. 09801270100 dated November 20, 2009

Note 6: Jin-Shou-Shang-Zi No. 09901025990 dated February 5, 2010

Note 7: Jin-Shou-Shang-Zi No. 09901172340 dated July 30, 2010

Note 8: Jin-Shou-Shang-Zi No. 10501221550 dated September 8, 2016

Note 9: Jin-Shou-Shang-Zi No. 10701052100 dated May 15, 2018

Note 10: Jin-Shou-Shang-Zi No. 10701061080 dated June 13, 2018

Note 11: Jin-Shou-Shang-Zi No. 10701082510 dated July 20, 2018

Note 12: Jin-Shou-Shang-Zi No. 10801181000 dated December 24, 2019

Type of share	Authorized capital			Remarks
	Number of shares issued	Number of shares unissued	Total	
Common shares	66,389,753	33,610,247	100,000,000	TWSE-listed stocks

Information relevant to the shelf registration system: N/A.

(II) List of major shareholders

Names of shareholders with a stake of 5 percent or greater, or in the first ten places, and number of shares and shareholding

April 20, 2026; Unit: Shares; %

Name of Major Shareholder	Shares held	Shareholding
Elan Investment Co., Ltd.	8,900,373	13.41
Chao Chin-Hsiao	6,396,814	9.64
Wistron Corporation	1,589,258	2.39
Fan Wen-Hsing	1,407,000	2.12
Lee Jhong-Ren	1,292,153	1.95
Li Wei-Cheng	1,052,336	1.59
Ni Hui-Min	811,545	1.22
Rong Feng Industrial Co., Ltd.	663,000	1.00
Li Fan-Chun	614,787	0.93
Lo Shih-Yi	563,000	0.85

(III) Dividend policy and implementation

1. Dividend policy:

According to Article 17 of the Company's Articles of Incorporation, if the Company has a profit in the annual final account, it shall first pay tax and make up for past losses, followed by the appropriation of 10% legal reserve. If the legal reserve amounts to the Company's paid-in capital, the appropriation may be omitted; the remaining amount is for setting aside or reversing the special reserve according to laws and regulations, together with the accumulated undistributed earnings, the Board of Directors shall propose an earnings distribution proposal. These shall be distributed after the board resolution.

The Company's policy of dividend distribution shall be subject to the Company's current and future investment environment, capital needs, domestic and international competition, resource budget and so on factors, considering the shareholders' interests and taking a balance on the dividends and the company’s long-term finance planning. The Board of Directors drafts an appropriation proposal each year in accordance with the law, and executes it as resolved. The Company is currently in the stage of transformation, and has plans to expand production lines and capital needs in the next few years.

Moreover, aiming to improve the Company's capital structure and maintain a good capital adequacy ratio, the balanced dividend policy will be adopted, and the earnings shall be distributed in accordance with the provisions of the preceding paragraph. The shareholders' bonuses for the year can be distributed in the form of cash or shares. When there are earnings from the final settlement of the fiscal year, the distribution of the shareholders profit-sharing dividends is between 10% to 80% of the distributable earnings for the year, of which the percentage of cash dividends shall not be less than 10%.

2. Execution:

（1） Cash Distribution of Earnings

The Company’s Board of Directors resolved on March 10, 2026 that the Company should not distribute the earnings in 2025.

（2） Cash Distribution from Capital Surplus

On March 10, 2026, the Board of Directors resolved to propose, subject to the approval of the shareholders’ meeting on the 2025 deficit compensation proposal and provided that the Company has no accumulated losses, to distribute cash dividends from capital surplus in accordance with Article 17-1 of the Company’s Articles of Incorporation. The proposed cash dividend amounts to NT$32,893,877, equivalent to NT$0.5 per share.

3. Expected significant changes in the dividend policy: None.

(IV) The effects of stock bonus proposed at this shareholders’ meeting on business performance and earnings per share: N/A.

(V) Remuneration to employees, directors and supervisors

1. The percentages or ranges with respect to remuneration to employees, directors and supervisors, as set forth in the Company’s Articles of Incorporation:

According to Article 14 of the Articles of Incorporation, remuneration must be paid to all directors for their performance of their job duties, irrelevant with profit or loss retained by the Company. The Board of Directors is authorized to decide the remuneration subject to the level and value of the Company’s engagement in and contribution to the Company’s operation, at the rate generally adopted by the peers in the same industry. Meanwhile, Article 16-1 thereof also provides that 8%~15% of the earnings for the current year concluded by the Company shall be distributed as the employee remuneration (including remuneration for entry-level employees),of which the proportion allocated to entry-level employees shall not be less than 3% of the annual profit, and no more than 5% shall be allocated as director remuneration, and no more than 5% thereof as the director remuneration, provided that the earnings must first be taken to offset against cumulative losses, if any. The director remuneration may be paid in cash. The employee remuneration may be paid, in cash or stock, to employees of affiliated companies that satisfy certain criteria.

The earnings for the current year referred to in the preceding paragraph refer to the income before the income before tax earned for the current year less the employee remuneration and director remuneration.

The distribution of remuneration to employees and directors shall be decided per the resolution adopted by a majority of the directors present at a meeting of the Board of Directors attended by more than two-thirds of the whole directors, and reported to a shareholders' meeting.

2. The basis for estimating the amount of employee remuneration and director remuneration, for calculating the number of shares to be distributed as the stock dividends, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: No difference.
3. Distribution of remuneration approved by the Board of Directors:
   (1) The Company's Board of Directors already resolved on March 10, 2026 that no remuneration should be distributed to directors and employees. The amount to be distributed per the resolution had no difference from that estimated in 2025.
   (2) The amount of any employee remuneration distributed in stocks, and the size of that amount as a percentage of the sum of the net income stated in the parent company only financial reports or individual financial reports for the current period and total employee remuneration: N/A, as the Company didn't distribute employee remuneration in stocks this year.
4. The actual distribution of employee and director remuneration for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee or director remuneration, additionally the discrepancy, cause, and how it is treated.
   The Company's Board of Directors already resolved on March 12, 2025 that no remuneration should be distributed to directors and employees. The amount to be distributed per the resolution had no difference to that estimated in 2024.

(VI) Repurchase of the Company's shares:

1. Repurchase of the Company's shares (already executed):

Session of repurchase	First repurchase in 2021
Purpose of repurchase	Transfer shares to employees
Repurchase period	November 8, 2021 to January 4, 2022
Range of repurchase price	NT$27.34 to NT$57.70 per share
Type and quantity of shares repurchased	602,000 shares of common stock
Amount of shares repurchased	NT$24,221,164

The number of the shares repurchased as a percentage of the number scheduled to be repurchased	60.20%
Number of shares cancelled and transferred	0 share
Cumulative number of the Company's shares held	602,000 shares
Cumulative number of the Company's shares held as a percentage of the Company's total issued shares	0.91%

2. Repurchase of the Company's shares (pending): None.

II. Information about corporate bonds: None.

III. Information about preferred shares: None.

IV. Issuance of overseas depository receipts: None.

V. Information about employee stock warrants

(I) Status of the Company's employee stock warrants which have not yet been expired: None.

(II) Names of managerial officers and top ten employees who receive the employee stock warrants until the date of publication of the annual report, and acquisition and subscription thereof (Chief Financial Officer):

May 13, 2026; Unit: Share; %; NTD

Status	Job Title	Name	Subscription quantity received	Subscription quantity received to the total quantity of issued shares (%)	Executed				Not executive			
					Subscription quantity	Subscription price	Subscription amount	Percentage of subscriptions to total issued shares	Subscription quantity	Subscription price	Subscription amount	Percentage of subscriptions to total issued shares
Managerial Officers	President	Li Wei-Cheng (Note 1)	5,829,000	8.78	5,249,000	10.00 10.36 12.00	57,005,880	7.91	0	0	0	0
	CSO	Chao Chin-Hsiao										
	Executive Vice President	Lee Jhong-Ren (Note 2)										
	Vice President	Li Fan-Chun (Note 2)										
	Vice President	Hsiao Yu-Chan										
	Vice President	Lai Yuan-Chang										
	Chief Financial Officer	Huang Hsin-Mao										
	Accounting Manager	Tsai Hsiu-Chen										
Employees	Director	Li Hou-Kuan (Note 2)	2,676,000	4.03	2,438,000	10.00 10.36 12.00	25,824,000	3.67	0	0	0	0
	Vice Director	Hsu Shuo-Hsiu (Note 2)										
	Vice Director	Cheng Hung-Hua (Note 2)										

	Special Assistant	Yeh Chien-Hung (Note 2)											
	Vice Director	Chen Chin-To (Note 2)											
	Vice Director	Wu Lung-Hsiang (Note 2)											
	Senior Secretary	Yeh Ching-Wei											
	Manager	Tang Kuang-Han (Note 2)											
	Manager	Chen Teng-Ke (Note 2)											
	Manager	Tsai Tsung-Hung (Note 2)											

Note 1: President Li Wei-Cheng stepped down on April 01, 2025.

Note 2: The employee has resigned.

VI. Information about restricted stock awards (RSAs): None.

VII. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

VIII. Implementation of Capital Utilization Plan: No securities issued by the Company previously or in private placement have not yet been completed, or no plan which has been completed within three years but has not yet yielded substantive effects.

Four. Overview of Operation

I. Business activities

(I) Scope of Business

1. The Company primarily engages in the following business activities:

The Group primarily engages in the business activities, such as Electronics Components Manufacturing, Wholesale of Electronic Materials, Communication Mechanical Equipment Manufacturing and Instrument Manufacturing. The primary business lines include production and sale of the high-precision metal masks for key processes of new-generation AMOLED displays, production and sale of Vapor Chamber, production of precision cleaning and regeneration, biomedical equipment and consumable materials and contact lens printing stencil masks, and design and development of high-power microwave/millimeter wave meters, radar microwave emission source production, high-temperature resistant electronic products, and manufacturing and maintenance of semiconductor equipment components. The Group's market applications cover semiconductor, solar energy, vacuum equipment, heat dissipation and national defense industry, and unmanned aerial vehicle (UAV) power systems..

The Company's business activities registered with the Ministry of Economic Affairs are stated as following:

I. CC01080 Electronics Components Manufacturing
II. CC01110 Computer and Peripheral Equipment Manufacturing
III. CC01120 Data Storage Media Manufacturing and Duplicating
IV. F119010 Wholesale of Electronic Materials
V. CA01050 Steel Secondary Processing
VI. CA02990 Other Metal Products Manufacturing
VII. CB01010 Mechanical Equipment Manufacturing
VIII. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Business ratio

Unit: NTD thousand; %

Item	2024		2025	
	Sales value	Sales value	Sales value	Business ratio
Metal mask	281,697	31.63	159,204	13.77
Precision cleaning and regeneration	72,832	8.18	77,394	6.69
AI Liquid Cooling Components, Vacuum Microwave Tubes, and Semiconductor Equipment Components	413,766	46.45	850,772	73.55
Thermal Module	107,785	12.10	55,368	4.79
Others	14,630	1.64	13,918	1.20
Total	890,710	100.00	1,156,656	100.00

3. The Company's current main products (services)
   (1) High-precision metal masks for displays exclusively
   (2) Thermal Module materials
   (3) Precision cleaning service
   (4) Various precision itching products
   (5) Vacuum microwave tube
   (6) Vacuum feedthrough components
   (7) Semiconductor equipment components
4. New products (services) planned to be developed
   (1) Development of new generation thermal components
   (2) Drone power systems
   (3) Development of aluminum alloying processes
   (4) Titanium etching products

(II) Overview of industry

1. Current status and development of the industry

(1) The increasing penetration of AMOLED panels into large-size display applications, including PCs, notebooks, tablets, and automotive displays, is expected to drive growth momentum in 2026.

The Company is primarily engaged in precision metal etching, with its core products being precision metal masks used in the vapor deposition processes of AMOLED and Micro-OLED panels. As smartphone OLED penetration has exceeded 50%, growth in the smartphone segment has slowed, and panel prices continue to decline despite ongoing feature enhancements. According to Omdia, global AMOLED display revenue is estimated at approximately USD 53 billion in 2025, slightly lower than USD 54 billion in 2024. Due to weakening smartphone demand and intensified price competition, OLED applications are expanding toward larger display segments. Major panel manufacturers in South Korea and China have already invested in Gen 8.6 production lines. Looking ahead to 2026, global AMOLED revenue is projected to reach approximately USD 56 billion, representing a year-on-year growth of around 5%.

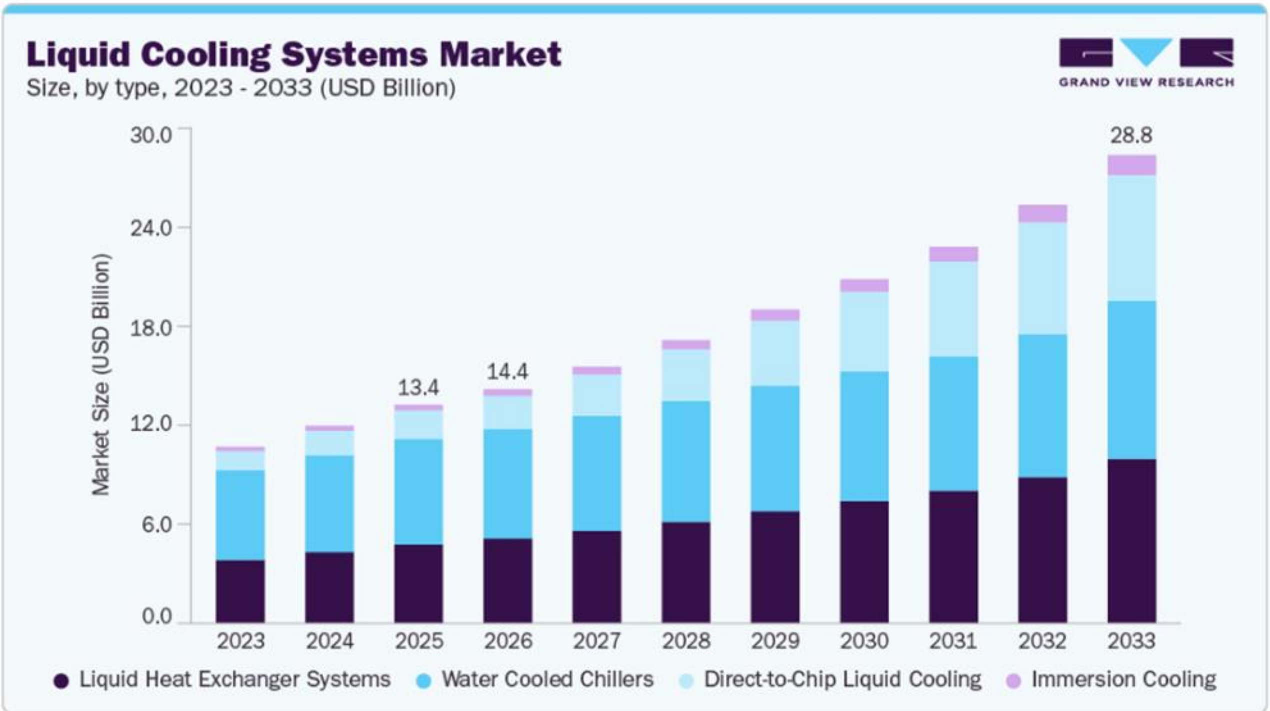
(2) In contrast, high-resolution Micro-OLED displays are expected to reach a market size of approximately USD 1.2 billion in 2026, with year-on-year growth exceeding 200%. This growth is driven by OLED-on-Silicon (OLEDoS) technology, particularly in near-eye display applications such as AR, VR, and MR devices. With strong market potential in AR/VR applications, global manufacturers are actively investing in Micro-OLED and Micro-LED panel technologies to compete in next-generation display markets. Currently, AR devices predominantly utilize Micro-OLED panels paired with Birdbath optical systems due to cost advantages, while long-term development is expected to transition toward full-color Micro-LED with waveguide optics. In the VR segment, Fast LCD remains dominant in entry-level devices, while Micro-OLED is adopted in mid- to high-end products. Long-term industry projections indicate that the OLED microdisplay market (including Micro-OLED) is expected to grow at a compound annual growth rate (CAGR) of approximately 19% from 2025 to 2033, highlighting strong growth potential in near-eye displays and wearable devices.

Overall, the AMOLED market is currently in a stage of "technological maturity with continued rapid evolution." While smartphones remain the primary shipment driver in the short term, future growth will be driven by both higher-resolution micro-displays and larger-sized display applications.

The rapid development of AI technologies is also expected to accelerate demand for near-eye display devices as a key growth driver.

(3) The rapid advancement of AI models and platforms has significantly increased demand for computing power, leading to higher thermal loads for GPU and ASIC devices—often exceeding 1,000W. As a result, traditional air-cooling solutions are becoming insufficient, accelerating the adoption of liquid cooling technologies. According to market research, the AI liquid cooling market is estimated at approximately USD 3.2 billion in 2025 and is projected to grow to USD 15.7 billion by 2035, representing a CAGR of approximately 16.9%. Key growth drivers include increased computing density, expansion of cloud and data center demand, and advancements in cooling technologies.

Among these, micro-channel cooling is expected to be a key technological focus in 2026. Compared to conventional cold plates, micro-channel designs position coolant channels closer to heat sources, significantly improving heat transfer efficiency—potentially several times higher than traditional solutions. This makes them particularly suitable for high heat flux applications such as AI GPUs and high-power ASICs. To manufacture such micro-channel cooling modules, ultra-fine flow channels (typically tens to hundreds of microns) must be fabricated on heat sink surfaces, enabling coolant to flow in close proximity to heat sources at high speed. This significantly enhances convective heat transfer efficiency. Through precision etching technology, the Company is capable of providing high-precision thermal materials to meet such advanced manufacturing requirements.



(4) AI Liquid Cooling Components, Vacuum Microwave Tubes, and Semiconductor Equipment Components: Please refer to the annual report of the Company's subsidiary, Wave Power Technology Inc. (stock code: 6895).

2. Correlation of the upstream, midstream and downstream segments of the industry:

《Metal Masks》

As one of the Company's main products, it refers to the precision metal mask applied in the key process of AMOLED panels. Since the AMOLED display uses small molecule organic electroluminescent materials, it must apply the Thermal Evaporation to evaporate multi-layer organic film materials. In the production process of full-color panels subject to mass production, in order to avoid mutual contamination between different materials, multi-chamber vacuum equipment and metal masks bearing different pictures are needed by the evaporation process of different frequency and color light-emitting films.

Chart of the relationship among the upstream, midstream and downstream segments in the OLED metal masks industry

Location of the industry	Scope of Business	Explanation
Upstream	INVAR alloy sheet	INVAR alloy plate refers to a nickel-iron alloy, applied to the production of fine metals with its characteristics, including low thermal expansion coefficient, lightweight and flatness.
Midstream	OLED metal masks	Primarily by the metal precision etching, the INVAR alloy is made into a fine metal mask, which may etch the hole position accurately and effectively, and also solve the overheating and bending problems about the metal mask.
Downstream	OLED panels	The AMOLED panel production process applies the evaporation technology and, therefore, needs the fine metal masks, in order to have the organic materials deposited on specific positions correctly in the evaporation process.

《Thermal materials》

Heat dissipating module materials refer to materials that can effectively transfer or dissipate heat from a heat source. These materials usually have good thermal conductivity, which can quickly conduct heat to the material surface, and then release the heat through radiation, convection or thermal conductivity. Thermal materials play an important role in many fields, particularly in electronic products, automobiles, buildings, and industrial devices.

Heat sink is a commonly used heat dissipating module material that plays an important role in many electronic devices and industrial applications. They are usually made of metal materials such as copper, aluminum or stainless steel, which have high thermal conductivity and good heat dissipation effect, and are used to disperse heat and increase the surface heat dissipation area. The design of heat dissipation fins is usually flat, with many protrusions and depressions on the surface, to increase the surface area and provide more heat dissipation surface. Some heat dissipation fins have a larger heat dissipation surface that can be directly pasted on the heat dissipation component to improve heat dissipation efficiency. Heat sinks are usually installed on the surface of components that require heat dissipation, such as CPUs, GPUs, and power chips. They use their good thermal conductivity to conduct heat from these electronic components to the surface of the heat sink, and then dissipate heat through the air or other heat dissipation systems.

Chart of the relationship among the upstream, midstream and downstream segments in the thermal materials module industry

Location of the industry	Scope of Business	Explanation
Upstream	Oxygen-free copper, copper alloy, stainless steel	The oxygen-free copper refers to 99.995% pure copper metal, free from hydrogen embrittlement, and with high electrical and thermal conductivity, and also good processing performance and welding performance, corrosion resistance and low temperature performance. Applicable as the metal shells of the VCs.
Midstream	Thermal materials	Primarily by the metal precision etching, the metal is made into a fine metal sheet, which may be used as the metal shell of the VC or thermal module materials.

Downstream	Thermal Module	A modular unit used for thermal purposes of systems, devices or equipment.

《AI Liquid Cooling Components, Vacuum Microwave Tubes, and Semiconductor Equipment Components》

Please refer to the annual report of the Company's subsidiary, Wave Power Technology Inc. (stock code: 6895).

3. Industrial development trend

(1) Expansion of AMOLED into Medium- and Large-size Applications

According to TrendForce, panel manufacturers in China and South Korea continue to expand AMOLED Gen 8.6 production capacity. OLED display technology is rapidly extending from small-sized devices to medium- and large-sized applications, aligning closely with Apple's product roadmap. It is expected that Apple will officially launch MacBook Pro models equipped with OLED panels in 2026, driving upgrades in high-end notebook display specifications from mini-LED to OLED. The penetration rate of OLED notebooks is projected to increase from approximately 5% in 2025 to 9%–12% during the period from 2026 to 2028. In addition, Apple is expected to enter the foldable smartphone market between late 2026 and 2027. Global shipments of Apple's foldable smartphones are projected to exceed 300,000 units in 2027.

(2) Micro-OLED (OLEDoS) as a Core Technology Driving Near-eye Displays

A) AR / Smart Glasses

Various display technologies are available for smart glasses, including LCoS, Micro LED, and Micro-OLED. Among these, Micro-OLED is currently the most commercially viable solution in terms of cost efficiency and system integration. When combined with optical waveguide or light-engine designs, Micro-OLED enables high display quality while maintaining lightweight form factors. AR device design is trending toward smaller, lighter, and more integrated solutions. At CES 2026, several devices weighing less than 50 grams were showcased, with some adopting Micro-OLED display engines to enhance image quality and user experience.

B) VR Head-mounted Devices

High-end VR devices are increasingly adopting Micro-OLED technology due to their demand for superior resolution and color performance in enclosed visual environments. Compared to traditional LCD or QLED displays, Micro-OLED-based VR displays demonstrate better contrast ratios and image clarity. However, these advantages come with relatively higher production costs and pricing.

C) MR (Mixed Reality) Devices

MR devices, which integrate real-world and virtual imagery, require higher brightness and transparency from display systems. Although Micro-OLED may have lower brightness compared to certain optical waveguide or Micro LED solutions, its compact size and high resolution make it one of the most important display technologies in the near term.

2026–2028年AR、VR和MR近眼设备新品路线图

	2026	2027	2028
VR/MR	Meta lightweight MR 0.9-inch dual **OLEDoS** + pancake	Quest Pro 2 MR 1.38-inch dual **OLEDoS** + pancake	Apple Vision Pro VR Dual **OLEDoS** + OLED
AR	ROG XREAL R1 0.55-inch dual **OLEDoS** 240Hz	Meta AR glasses Dual **OLEDoS** + waveguide	Apple AR glasses 0.6-inch dual **OLEDoS**
	RayNeo AR glasses 0.6-inch dual **OLEDoS**	RayNeo AR glasses 0.6-inch dual **OLEDoS**	

© 2026 Omdia

Among market players, Meta's upcoming products are particularly noteworthy. The company is expected to launch a lightweight MR device with a design concept similar to Apple Vision Pro, featuring an external battery pack. The display size is approximately 0.91 inches, significantly smaller than that of Vision Pro, aiming to reduce both cost and headset weight. Market expectations for this product remain strong. Meta is reportedly in discussions with BOE and SeeYA Technology regarding display supply. Driven by anticipated demand for lightweight MR devices, shipments of near-eye displays are projected to rebound significantly in 2026, reaching approximately 20.2 million units, representing a year-on-year growth of 57.9%. Under this growth momentum, Omdia forecasts that the global AR/VR/MR near-eye display market will reach approximately USD 1.2 billion in 2026 and further expand to USD 2.8 billion by 2028. Among competing technologies, OLEDoS is expected to play a central role in driving this growth.

(3) Rapid Integration of the Liquid Cooling Supply Chain Driving Technological Advancement

In 2026, liquid cooling technologies have become a critical enabler in AI data centers and high-performance computing (HPC) systems. Over the coming years, liquid cooling is expected to expand beyond data centers and AI workloads into broader applications, including industrial equipment, power electronics, and high-performance consumer PCs. Looking ahead, liquid cooling is transitioning from a supplementary solution for high-power-density components to a standard thermal management architecture for AI servers, hyperscale data centers, and HPC clusters. This shift is primarily driven by the rapid increase in thermal density of next-generation GPU and ASIC platforms, which necessitates a transition from localized liquid cooling to full-rack liquid cooling system architectures. According to NVIDIA's technology roadmap, power consumption per chip has exceeded 1 kW as architectures evolve from Hopper to Blackwell. At NVIDIA GTC, the next-generation AI system, Vera Rubin NVL72, was showcased, featuring up to 72 Rubin GPUs and 36 Vera CPUs. This system adopts a fully liquid-cooled design, which is increasingly becoming an industry standard. As a result, the supply chain for liquid cooling systems—including key components such as cold plates, piping, quick connectors, and coolant distribution units (CDUs)—is rapidly expanding and undergoing deeper integration. Component suppliers and system integrators are jointly developing standardized and modularized solutions to reduce system costs and enhance overall reliability.

4. Competition

Following the trend in 2025, demand for AMOLED panel makers' G6H production lines remains broadly in line with 2024 levels. However, under the localization policies of the Mainland China supply chain, market prices for metal masks have continued to remain under pressure. The Company will maintain its 2024 operating strategy by continuing to focus on precision etching of metal masks, while emphasizing improvements in production efficiency and yield rates. In addition, the Company will collaborate with strategic partners to further develop end customers in Mainland China, with the aim of jointly securing additional metal mask orders.

As end-market demand for Micro-OLED masks gradually materializes and panel manufacturers move toward mass production, demand is expected to increase in 2026. Nevertheless, pricing pressure from Mainland China competitors is expected to persist. In response, the Company will focus on strengthening its technological capabilities and improving yield rates to enhance production efficiency and reduce costs.

In the thermal management segment, competitive pressure primarily arises from competitors advancing titanium etching technologies. The Company is currently evaluating the rapid development of titanium etching capabilities to respond effectively to potential material substitutions by customers and to meet diversified etching requirements across different materials.

With respect to AI liquid cooling components, vacuum microwave tubes, and semiconductor equipment components, please refer to the annual report of the Company’s subsidiary, Wave Power Technology Inc. (stock code: 6895).

(III) Overview of technology and R&D

1. Overview of technological arrangement in business operations and R&D

The Company takes the precision etching technology as the core technology. Through so many years, the Company has established the G2.5 to G6H manufacturing technology for metal sharing and support masks covering the entire OLED panel industry based on its own R&D results. Meanwhile, it can provide customers with the complete solutions applicable through the whole life cycle of products from design consultation, mask etching, preparation for frame, meshing and spot welding to cleaning and regeneration. The Company own the technology and production capacity for the production lines covering optical mask design and production, sheet-to-sheet and roll-to-roll lamination/ exposure/ development/ etching/ removal/ cleaning, precision measurement, mesh meshing, and laser spot welding. The Company continues to research and develop innovative process equipment and operating methods, improve the yield rate and efficiency, and promote products to the application of bio-medical devices, semiconductor devices application and thermal materials industry. The Company has achieved remarkable results in this regard.

2. Personnel involved in research & development and their educational background and employment history

Unit: Person; %

Item	2024		2025	
	Number of persons	Percentage	Number of persons	Percentage
PhD/Master	5	13.51	5	16.67
Bachelor	21	56.76	16	53.33
Senior High School	11	29.73	9	30.00
Total	37	100.00	30	100.00

3. R&D expenses invested each year for the most recent five years

Unit: NTD thousand; %

Item	2021	2022	2023	2024	2025
R&D expenses (A)	70,471	79,164	80,562	77,437	98,424
Net operating revenue (B)	856,083	1,250,628	1,121,229	890,710	1,156,656
To net operating revenue (A)/(B)	8.23	6.33	7.19	8.69	8.51

4. Technology or product developed successfully in the most recent five years

Item	Technology or product developed successfully	Main purpose and function
1	Impression regulator and minimally invasive surgical instrument connecting rod	Make contact lens printing molds and precision connecting rods of minimally invasive surgical instruments with the precision itching technology
2	G2.5 FMM	OLED0G2.5 precision metal mask with etching and meshing accuracy for ±5um.
3	G5.5Q CMM/STICK	Manufacturing technology for metal sharing and support masks no more than OLED0G5.5Q in size.
4	G6H0CMM	Manufacturing technology for metal sharing and support masks no more than OLED0G6H in size.
5	FMM itching technology	Precision (accuracy for± 3um) metal mask etching technology. The results are applied to the production of shared and supported (accuracy for± 30um) mask products.
6	8”/12” Wafer Mask	Precision metal masks applied in the process of OLEDoS.
7	For encapsulation of new generation flexible OLED panels (TFE Mask) Ceramic Insulation Coating	Using 100~200um-thickness Invar sheet as the substrate, and making CVD coating masks for assembly of flexible OLED panel occupying an area of 1700×1100 mm and with a dimensional accuracy for ±30um. It also delivers the technology in preparation of mask frame and spot welding and also metal mask ceramic insulation coating technology, and satisfies the need of production process CVD Mask for assembly of G2.5~G6H new generation flexible OLED panel.
8	Thermal Conductive Pad	A thermal-conductive pad that can be applied to any heat-dissipating mechanism to deliver high-efficiency thermal-conductive performance.
9	G5.5 Full-Size Inkjet-Printed OLED Fine Metal Mask	The production of OLED substrates has shifted from evaporation deposition to inkjet printing processes, achieving a significant 20-30% reduction in manufacturing costs. This represents the G5.5 OLED full-size printed mask production method.
10	G8.6H OLED Fine Metal Mask Multi-Panel Stitching and Tensioning Technology	Based on precision etching and combined with proprietary precision bonding technology, it meets the requirements for OLED evaporation masks used in the G8.6H generation.
11	G8.6H OLED Precision Metal-Supported Mask Production Technology	OLED G8.6H supported mask production technology is suitable for large-sized TV panel metal mask applications.
12	Thin Vapor Chamber Component Manufacturing Technology	Under the demand for thin products, heat spreaders with thickness <1mm have become the focus of new technologies. Through precision etching microstructure technology, they ensure sufficient liquid and vapor flow channel space inside thin vapor chambers to

		enhance heat transfer efficiency.
13	Capsule Endoscopy Planar Switch Manufacturing Technology	Replacing the length limitations of traditional endoscopes and the examination risks associated with intestinal bends, capsule endoscopes utilize precision etching methods to manufacture their key component switches.
14	Piezoelectric Pump Component Manufacturing Technology	Using etching technology to produce key internal components for microfluidic piezoelectric pumps, enabling the end products to possess exceptional advantages of ultra-thinness, ultra-quiet operation, and high efficiency.
15	Metallic Support Plates for Fuel Cells and Manufacturing Method (Patent)	Integration of precision etching and laser processing to produce micro-structured metal support plates with high-precision flow channels and apertures, improving gas transmission efficiency for SOFC/SOEC applications.
16	Wafer Mask Laser Stress Adjustment and Warpage Improvement Technology	Laser-based localized stress adjustment technology to optimize internal stress distribution, reduce warpage, and enhance mask flatness and process stability.
17	Precision-Etched Micro-channel Liquid Cooling Component Manufacturing Technology	Micro-channel plates for GPU/HBM cold plates fabricated via wet etching on copper, enabling micron-scale channels for direct liquid cooling of thermal hotspots.

AI Liquid Cooling Components, Vacuum Microwave Tubes, and Semiconductor Equipment Components: Please refer to the annual report of the Company's subsidiary, Wave Power Technology Inc. (stock code: 6895).

(IV) Long-term/short-term business development plan

1. Short-term business plan

①. Collect sufficient market information to meet customers’ diversified and timely product needs, and develop new customers for metal etching and heat dissipation materials, and continue to expand the sales and market share of the existing products.

②. In the Micro-OLED metal mask market, the Company aims to position itself as a leading supplier, maximizing order intake and expanding its customer base.

③. To enhance operational efficiency, the Company will allocate production resources appropriately by systematically separating rapid prototyping and mass production facilities to better meet varying customer demands.

④. Improve the employees’ education and training, train excellent talents proactively, improve work efficiency and business management capabilities, perfect the welfare system, unify the staff’s centripetal force and improve business performance.

2. Long-term development plan

①. The Company will expand equipment, enhance production capacity, and strengthen technological capabilities. It will also develop etching technologies for different materials (including titanium) and achieve higher aspect ratio etching capabilities to meet a broader range of customer needs.

②. The Company will diversify its product portfolio by developing products across different application fields, thereby enhancing product diversity and supporting long-term business expansion.

③. The Company will expand its customer base across different geographic regions to mitigate the risk of revenue volatility arising from over-reliance on a single market.

④. Provide technical consulting service in a timely manner, in order to maintain fair partnership with the customers in the downstream segment; control the market trend at any time, work with customers in the product development and launch schedule to improve the Company's competitiveness.

⑤. In response to the enterprise's expansion needs, make good use of the capital market, and reduce the capital cost. Maximize the effectiveness of capital utilization to the utmost.

II. Overview of Market and Production & Marketing

(I) Market analysis

1. Territories where the main products are sold

Unit: NTD thousand; %

Item	2024		2025	
	Sales value	Percentage	Sales value	Percentage
Domestic sales	504,879	56.68	498,709	43.12
Export	385,831	43.32	657,947	56.88
Total	890,710	100.00	1,156,656	100.00

2. Market share

The Company decided to change the business model of mask from 2025 and no longer produce and sell complete masks, but to focus on the etching of metal masks. FineMat prepares to transform into a professional mask sheet etching manufacturer and collaborate with strategic partners to develop end customers in mainland China. This is because FineMat is no longer a supplier of direct-to-panel manufacturers, but a manufacturer of metal masks. Therefore, FineMat's customers will spill over beyond the original customer group, and the overall mask sheet shipments will increase.

In the context of the development of ultra-thin and lightweight electronic products, it is a great challenge to control the thickness of the VC reasonably. The more occupied areas are, the better thermal effect will be. However, given the demand for lightweight and thin products, the welding accuracy requirement becomes stricter when the thickness is less than 0.4mm. Therefore, it is more difficult to carry out the production. The Company may satisfy the demand for ultra-thin products by virtue of the high-precision etching technology, in response to the requirement for fineness in the market.

3. Future market demand and supply, and market's growth potential

Demand for AMOLED displays is expected to continue growing, driven by large-size displays, foldable devices, and emerging display applications. AMOLED technology offers advantages such as high contrast, deep blacks, fast response time, and flexibility, making it the mainstream display solution for mid- to high-end smartphones, with ongoing penetration into mid-range devices. The expansion of foldable and rollable display markets will further boost demand for flexible AMOLED panels. In addition, applications in notebooks, tablets, and automotive displays are expected to become key growth drivers. With the ramp-up of high-generation production lines and improvements in yield rates, AMOLED panel costs are expected to decline, accelerating adoption in IT display applications. In the automotive sector, increasing demand for large-size, high-resolution, and curved displays will further expand AMOLED adoption. Overall, AMOLED demand is expected to extend from mobile devices into IT and automotive markets, becoming a major growth driver for the display industry.

Demand for Micro-OLED (OLEDoS) is expected to grow rapidly alongside the expansion of near-eye display applications such as AR, VR, and MR devices. With advantages including ultra-high pixel density, high contrast, low power consumption, and compact form factor, Micro-OLED effectively reduces the “screen-door effect” and enhances immersive visual experiences, making it particularly suitable for high-end VR headsets and lightweight AR smart glasses. As XR devices evolve toward lighter weight, higher resolution, and longer battery life, the application value of Micro-OLED will continue to increase. In addition, enterprise applications—such as industrial remote collaboration, medical imaging assistance, and military training and simulation—are expected to further drive demand. Although cost and brightness remain current constraints, ongoing process improvements, yield enhancement, and supply chain expansion are expected to gradually improve market penetration. Overall, Micro-OLED is expected to become a key growth driver in the micro-display market, centered on high-end XR devices and gradually extending into professional and commercial applications.

Demand for liquid cooling solutions is expected to continue growing, primarily driven by AI servers, high-performance computing (HPC), and the expansion of cloud data centers. As thermal design power (TDP) of GPUs, AI accelerators, and high-performance CPUs increases significantly, traditional air-cooling solutions are becoming insufficient, positioning liquid cooling as a critical technology for improving thermal efficiency and reducing energy consumption. In particular, direct-to-chip (cold plate) and immersion liquid cooling solutions are expected to see accelerated adoption in high-density server racks. In the consumer market, increasing demand for gaming PCs, content creation workstations, and high-end DIY systems is driving continued adoption of all-in-one (AIO) liquid cooling solutions, with trends toward larger radiators, lower noise, and intelligent monitoring features. Looking ahead, demand for liquid cooling will extend beyond the consumer PC segment and increasingly focus on data centers as the primary growth driver. This will also stimulate growth across the supply chain, including pumps, cold plates, quick connectors, coolants, and coolant distribution units (CDUs). Overall, liquid cooling is expected to become a standard configuration for high-power computing systems.

4. Competitive niche

① Professional management team with insight into industry development trends

The Company has a strong R&D team specialized in the technologies for materials, machine, chemicals and microwave, and focuses on medium and long-term industrial chain development planning. In response to the huge demand for production capacity in the market, the demand for high-precision masks and VC components will continue to grow. The Company will continue to improve the etching technology, optimize the manufacturing process, and improve production efficiency. Meanwhile, it will also integrate the Group’s resources to provide customers with more comprehensive and rea-time technical support and services.

②. High technical autonomy raises the entry threshold

In consideration of the concept about partnership with customers, the Company understands its product specifications and requirements from the customers' point of view, and discusses the workmanship of high-specification products with customers based on the niche that the management team holds the professional technical knowledge, intensifies the cooperative relationship between both parties, obtains technical specification decisions, and establishes the entry threshold for competitors.

③ Product precision and regional advantages

China's OLED industry is still in the stage of rapid growth, and more cooperation between upstream, midstream and downstream industries is needed to promote the healthy growth of the industry. Coupled with the unstoppable trend of China's localization policy, the Company, based on its geographical and cultural advantages, has accelerated its industrial layout and cooperated with various Chinese manufacturers to provide service for terminal panel manufacturers. It is believed that with the CMM MASK production technology of FineMat for many years, it will help the partners to become the most trustworthy partners of the end customers.

In the thermal industry, the Company provides customers with the ultra-thin VC materials with excellent technical quality based on the outstanding metal etching technology. In the context of the development of ultra-thin and lightweight electronic products, it is a great challenge to control the thickness of the VC reasonably. The Company may satisfy the demand for ultra-thin products by virtue of the high-precision etching technology, in response to the requirement for fineness in the market.

5. Analysis on positive and negative factors for future development and responsive measures:

① Favorable factors

A. Different from the large-size OLED panel production process, the technical threshold for precision metal etching technology is high, and few manufacturers engaged in the high-precision masks. Small and medium-sized OLED panels must apply the masks for evaporation. The more precise the opening on the mask is, the higher the panel resolution is. The Company focuses on high-precision metal etching technology in the short term to produce mask and etching components, which has been successfully certified by customers and introduced for mass production.

B. High technical threshold for semiconductor, energy, and metal etching components applied with heat dissipation. With the high-precision etching technology, the Company may complete the 0.25mm product for the time being.

③. Negative factors and countermeasures

A. The supply of main raw materials rely on international renowned manufacturers. Due to the exclusivity of the OLED evaporation process and specifications, the raw materials and supplies of the current masks are provided by few international renowned manufacturers. Meanwhile, some high-specification materials (FMM) have been ordered by Japan-based manufacturers and, therefore, it is impossible for them to supply the same to other suppliers. Therefore, the entire industrial development is limited.

Countermeasures:

The Company maintains the close cooperative relationship with suppliers, and also establishes the inventory management mechanism for various materials and supplies, and execute short-, medium- and long-term supply contracts, if necessary, in order to reduce costs. Insofar as the product quality remains unaffected, the Company will look for alternative materials proactively, in order to mitigate the risk over the materials price volatility and shortage of materials.

B. The exported part of the Company's products is mainly denominated in USD, and the main raw materials are also procured from foreign suppliers. Besides, the net cash positions held by the Company are mostly denominated in USD, and the foreign exchange rate fluctuations will impose specific impact to the Company’s profit.

Countermeasures:

The Company expands the accounting and financial department and hires professionals with experience in investment projects to keep observing and evaluating the changes in the market. Meanwhile, the Company keeps in touch with bank’s foreign exchange department to verify the trend and changes of foreign exchange rate at home and abroad, in order to mitigate the negative impact posed by the changes in foreign exchange rates.

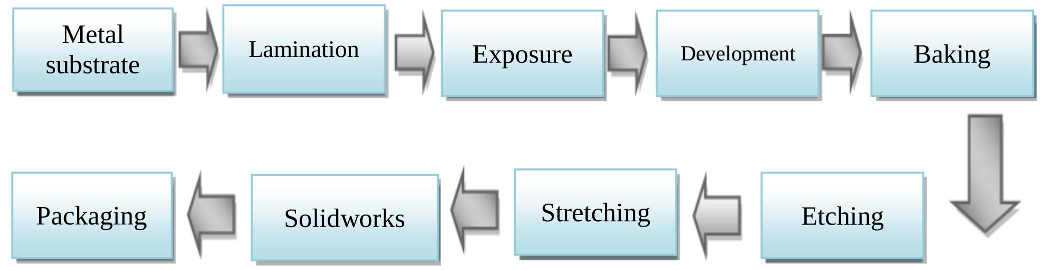
(II) Important purposes and production processes of main products

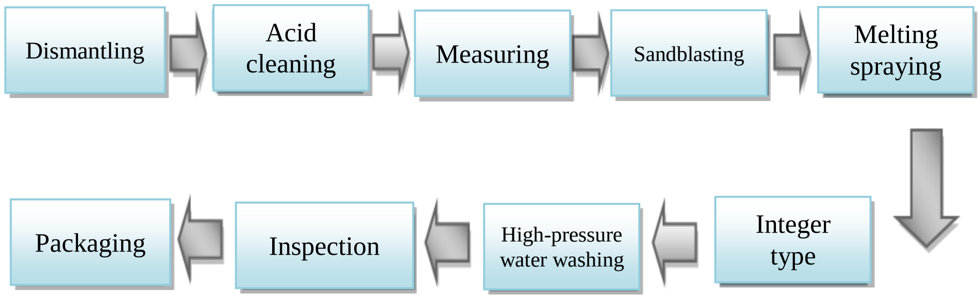
1. Important purposes of main products

Product items	Main purpose and function
Metal mask	It is primarily applied to the metal mask used in the OLED panel luminescent dye pigment thermal evaporation process. Different mask patterns are required to complete the thermal evaporation process for luminescent films of different colors.
Precision cleaning and regeneration	Have the equipment components, such as optoelectronics and semiconductors, go through the precise cleaning and regeneration processing to make them meet the quality required by the production process.
VC materials	Primarily by the metal precision etching, the metal is made into a fine metal sheet, which may be used as the metal shell of the VC or thermal module materials.
AI Liquid Cooling Components, Vacuum Microwave Tubes, and Semiconductor	Please refer to the annual report of subsidiary, Wave Power Technology Inc. (Stock Code: 6895), for details.

2. Production processes of main products:

【Metal Mask/Vapor Chamber】





< AI Liquid Cooling Components, Vacuum Microwave Tubes, and Semiconductor>: Please refer to the annual report of subsidiary, Wave Power Technology Inc. (Stock Code: 6895), for details.

3. Supply of main raw materials

Main raw materials	Status of supply
INVAR alloy sheet	Fair
Oxygen-free copper	Fair
Copper alloy	Fair
Major Raw Materials for AI Liquid Cooling Components, Vacuum Microwave Tubes, and Semiconductor Equipment Components	Please refer to the annual report of subsidiary, Wave Power Technology Inc. (Stock Code: 6895), for details.

4. A list of any suppliers (customers) accounting for 10 percent or more of the Company's total procurement (sales) amount in either of the most recent two years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and causes of decrease/increase thereof:

(1) Analysis on main suppliers

Unit: NTD thousand; %

Item	2024				2025				Up to the first quarter of 2026			
	Name (Note 1)	Amount	Percentage of net purchases for the year	Relationship with the issuer	Name (Note 1)	Amount	Percentage of net purchases for the year	Relationship with the issuer	Name (Note 1)	Amount	Percentage of net purchases as of the previous quarter	Relationship with the issuer
1	Company A	55,502	16.26	None	Company B	114,449	20.86	None	Others	71,151	100.00	None
2	Company B	13,997	4.10	None	Company A	6,493	1.18	None				
3	Others	271,763	79.64		Others	427,764	77.96					
	Net purchase	341,262	100.00		Net purchase	548,706	100.00		Net purchase	71,151	100.00	

Note 1: It is impossible to disclose the full names, according to the non-disclosure agreement.

Explanation: The fluctuation of Company A in 2025 was mainly due to a decrease in shipments of metal mask mesh tensioning products, resulting in reduced procurement of related raw materials. The fluctuation of Company B in 2025 was primarily attributable to increased shipments of AI liquid cooling components, leading to higher procurement of related raw materials.

(2) Analysis on main customers

Unit: NTD thousand; %

Item	2024				2025				Up to the first quarter of 2026			
	Name (Note 1)	Amount	Percentage of net sales for the year	Relationship with the issuer	Name (Note 1)	Amount	Percentage of net sales for the year	Relationship with the issuer	Name (Note 1)	Amount	Percentage to net sales amount of the current year up to the previous quarter	Relationship with the issuer
1	Company A	164,148	18.43	None	Company C	352,246	30.45	None	Company B	15,301	9.18	None
2	Company B	131,660	14.78	None	Company B	187,566	16.22	None	Company A	13,538	8.12	None
3	Company C	32,665	3.67	None	Company A	96,420	8.34	None	Company C	(1,752)	(1.05)	None
4	Others	562,237	63.12		Others	520,424	44.99		Others	139,610	83.75	
	Net sales	890,710	100.00		Net sales	1,156,656	100.00		Net sales	166,697	100.00	

Note 1: It is impossible to disclose the full names, according to the non-disclosure agreement.

Explanation: The fluctuation of Company A in 2025 was primarily due to a decline in shipments of metal mask mesh tensioning products, resulting in decreased revenue. The fluctuation of Company C in 2025 was mainly attributable to increased shipments of AI liquid cooling components, leading to a significant increase in revenue.

III. The number of employees employed for the most recent two fiscal years, and during the current fiscal year up to the date of publication of the annual report, their average years of service, average age, and education levels

February 28, 2026

Year		2024	2025	As of February 28, 2026
Number of employees	Supervisors	66	52	53
	Indirect	142	123	124
	Direct	186	208	213
	Total	394	383	390
Average age		38.25	39.28	39.39
Average years of service		4.80	4.78	5.05
Distribution of education attainment	Doctoral Degree	8	9	9
	Master	22	19	21
	College/University	203	175	186
	Senior High School	158	131	124
	Below Senior High School	3	49	50

IV. Information about environmental protection expenditure

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

(I) Losses due to environmental pollution: None

(II) Estimated amount of current and possible future occurrences and responsive measures: None

V. Labor-management relationship

(I) List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests.

1. Employee benefit plans
   a. The Company provides allowances and bonuses, such as marriage allowance, mourning rituals for funerals of lineal relatives by blood, and childbirth allowance.
   b. The Company also maintains the labor insurance and national health insurance pursuant to the government laws and regulations. Meanwhile, for sake of employees’ safety, the Company also maintains the group insurance to secure the employees and provide more benefits additionally.
2. Continuing education and training of employees

   The Company plans the sound education and training programs for employees, e.g. the orientation, professional technology and personal performance training courses.

3. Employees' retirement system and implementation thereof
   The Company contributes 6% of the salary per employee to the employee's personal pension account under the new system according to the Labor Pension Act on a monthly basis.
4. Labor-management agreements
   The relevant requirements posed by the Company all comply with the Labor Standards Act. So far, the labor-management relationship has been considered amicable and free from any labor dispute to be settled.
5. Measures for preserving employees' rights and interests.
   The Company has adopted the Work Rules and various management regulations and systems which expressly define the employees' right and obligation and benefits, in order to maintain employees' interest and right.

(II) List 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 labor disputes, and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

VI. Cyber security management:

(I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management:

1. Cyber security risk management framework:
   The Company has its information unit responsible for establishing the cyber security policy, and preventing and managing any crisis in the Company's cyber security.
   The Company executes the information security operations, and establishes the "Cyber Security Response Team" in response to the information security incident framework.
   A. Cyber Security Response Team members: Consisting of the information personnel, responsible for reporting and processing the Company's information security incidents.
   B. Cyber Security Response Team Supervisor: Served by the IT officer, responsible for reviewing the response and escalating the case to his/her supervisor.
   C. The Company's internal control system include the information security-related management regulations, and undergoes periodic audit and review and keeps improving to provide the IT system with a safe and uninterrupted business environment.

2. Cyber security policy
   Include the operating environments for the Company's computer system, network, data, equipment, personnel, anti-virus and anti-hacking information into the security management

mechanism, and also establish a set of preventive and urgent response policies and communicate the cyber security problem in a timely manner, in order to ensure the safety in the Company's information operation.

3. Concrete management programs:
   ① HR safety management and education & training
   ② Computer system security management
      A. Operating procedure and liability of the system.
      B. Online operation security management
      C. Prevention of computer virus and malicious software
      D. Software access security management.
      E. Computer media security management.
      F. Security management in the exchange between data and the media.
   ③ Network security management
      A. Network security planning and management
      B. Intranet security management
      C. Internet security management
   ④ System access control
      A. System access control requirements
      B. System access and application supervision
   ⑤ Tangible equipment, peripheral and environmental security management
   ⑥ Information security incident urgent response mechanism

4. Resources invested in the cyber security management

   The Company checks and takes an inventory of the information security equipment, services and human resource each year to prepare the resources related to information security management.

(II) List any losses suffered by the Company in recent fiscal years and up to the date of publication of the annual report due to significant cyber security incidents, and potential effects to be caused and responsive measures 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

May 13, 2026

Nature of contracts	Parties	Duration of Contract	Main Contents	Restrictive Clauses

Land use right	Daye City Land Resources Bureau	2018/01/08~ 2068/01/07	Industrial land (site for plant of FineMat (HuangShi) Applied Materials Co., Ltd.)	The year of right transfer shall be subject to the year when the certificate of national land use is transferred.
Mid- and long-term loans	O-Bank	2020/01/20~ 2030 /07/15	Loan contract	Land House and building
Mid- and long-term loans	CTBC Bank	2021/09/24~ 2026/09/24	Loan contract	Land House and building
Mid- and long-term loans	O-Bank	2020/09/25~ 2027/08/15	Loan contract	Land House and building
Mid- and long-term loans	The Shanghai Commercial and Savings Bank Ltd.	2024/10/07~ 2027/10/07	Loan contract	None
Mid- and long-term loans	The Shanghai Commercial and Savings Bank Ltd.	2025/02/07~ 2028/02/07	Loan contract	None
Land use right	An Thinh Hoa Binh Real Estate Co., Ltd.	2020/09/03~ 2057/02/02	Industrial land (site for plant of Etch Home Technology Co., Ltd. (Vietnam))	The year of right transfer shall be subject to the year when the certificate of national land use is transferred.
License of technology	Huangshi Quanyang Photoelectric Technology Co., Ltd.	2023/09/20~ 2028/09/19	License of technology for etching	None
Plant lease	Chin Hsien Enterprise Co., Ltd.	2024/02/01~ 2029/01/31	FineMat Applied Materials Co., Ltd. Luzhu Plant	None

Note: For the subsidiary, Wave Power Technology Inc., please refer to the annual report of Wave Power Technology Inc. (stock code: 6895).

Five. A review and analysis of the Company's financial status and financial performance, and risk management

I. Financial status

(I) Main causes for significant changes in accounting titles in the balance sheet for the most recent two years, and effects posed by such changes

Unit: NTD thousand

Item	2025	2024	Difference	
			Amount	%
Current asset	1,365,592	1,419,122	(53,530)	(3.77)
Property, plant and equipment	1,112,213	1,120,807	(8,594)	(0.77)
Intangible assets	35,985	46,529	(10,544)	(22.66)
Other assets	361,296	308,214	53,082	17.22
Total assets	2,875,086	2,894,672	(19,586)	(0.68)
Current liabilities	930,112	836,585	93,527	11.18
Total liabilities	993,058	928,205	64,853	6.99
Share capital	663,898	663,898	-	-
Additional paid-in capital	555,896	539,318	16,578	3.07
Retained earnings	(105,369)	3,418	(108,787)	(3,182.77)
Other equity	(7,711)	(4,933)	(2,778)	(56.31)
Treasury shares	(24,187)	(24,187)	-	-
Non-controlling interests	799,501	788,953	10,548	1.34
Total equity	1,882,028	1,966,467	(84,439)	(4.29)

Remark on the significant changes: (analysis is not required for changes by less than 20%)

1. The changes in intangible assets were primarily due to the annual amortization of intangible assets.
2. The changes in retained earnings was primarily due to the operating loss generated in 2025 resulting the decrease in undistributed earnings.
3. The changes in other comprehensive income are mainly due to foreign exchange differences arising from the translation of financial statements of foreign operations.
4. Said difference was caused by the Company's business adjustment in response to the changes in the industry and market environment and also the need for business development strategy, by taking into account the integration of resources and scale of economy, which poses no significant impact to the Company.

II. Financial performance

(I) Comparative list of financial performance comparison for the most recent two years

Unit: NTD thousand

Item	2025	2024	Difference	
			Amount	Amount
Operating revenue	1,156,656	890,710	265,946	29.86
Gross profit	275,849	242,655	33,194	13.68
Operating income (loss)	3,480	(16,971)	20,451	120.51
Non-operating income and expenses	(8,692)	18,604	(27,296)	(146.72)
Net income (loss) before tax	(5,212)	1,633	(6,845)	(419.17)
Net income (loss) of continuing operations in this period	(42,543)	(20,116)	(22,427)	(111.49)
Loss on discontinued operations	0	0	-	-
Net loss for the current period	(42,543)	(20,116)	(22,427)	(111.49)
Other comprehensive income (loss) for the current period, Net	(3,721)	17,683	(21,404)	(121.04)
Total comprehensive income (loss) for this period	(46,264)	(2,433)	(43,831)	(1801.52)
Net loss attributable to owners of parent company	(108,787)	(62,968)	(45,819)	(72.77)
Net income attributable to non-controlling interests	66,244	42,852	23,392	54.59
Total comprehensive income (loss) attributable to owners of parent company	(111,565)	(49,898)	(61,667)	(123.59)
Total comprehensive income (loss) attributable to non-controlling interests	65,301	47,465	17,836	37.58
Loss per share (EPS)	(1.65)	(0.96)	(0.69)	(71.88)
Remark on the significant changes: (analysis is not required for changes by less than 20%) 1. Changes in Operating Revenue: The increase in operating revenue was primarily attributable to the growth in revenue from AI liquid cooling components of the Company’s subsidiary, Wave Power Technology Inc. 2. Changes in Operating Income and Related Profit or Loss: The changes were mainly due to the increase in operating revenue in 2025 compared to the prior period, resulting in an overall increase in gross profit. 3. Changes in non-operating income: The changes were primarily attributable to foreign exchange losses recognized as a result of the appreciation of the New Taiwan Dollar in 2025.				

(II) Sales volume forecast and the basis thereof: Please refer to the outlined business plan referred to in A Message to Shareholders herein.

(III) Effect upon the Company's business and finance, as well as the plans to be taken in response: Please refer to the Overview of Market and Production & Marketing in Overview of Operation herein for details.

III. Cash flow

(I) Analysis on changes in the cash flow for the most recent year

Unit: NTD thousand

Balance of cash, beginning (1)	Net cash flow from operating activities for the year (2)	Net cash flow from investing activities for the year (3)	Net cash flow from financing activities for the year (4)	Effects posed by changes in foreign exchange rate to cash and cash equivalents (5)	Cash balance (deficit) (1)+(2)+(3)+(4)+(5)	Responsive measures against cash deficit	
						Investment plan	Wealth management plan
619,609	31,741	(35,128)	(74,768)	4,288	545,742	None	None

Explanation:

1. Analysis on changes in the cash flow in the current year: Net cash inflow from operating activities was mainly attributable to profit before tax, adjusted for non-cash expenses such as depreciation and amortization. Net cash outflow from investing activities was primarily due to the expansion of production lines by the Company's subsidiary, Wave Power Technology Inc., and a decrease in time deposits with maturities exceeding three months during the current period. Net cash outflow from financing activities was mainly due to the repayment of borrowings..
2. Financing of projected cash deficits and liquidity analysis: The ending cash in 2025 was about NT$545 million. Therefore, no cash deficits arose then.

(II) Analysis on liquidity for the coming year

Unit: NTD thousand

Balance of cash, beginning (1)	Net cash flow from operating activities for the year (2)	Net cash flow from investing activities for the year (3)	Net cash flow from financing activities for the year (4)	Cash balance (deficit) (1)+(2)+(3)+(4)	Responsive measures against cash deficit	
					Investment plan	Wealth management plan
545,742	15,000	(130,000)	80,000	510,742	None	None

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, improvements, and investment plans for next year:

(I) Investment policy: The Company engages in investment subject to the Company's business needs or future growth consideration, and also adopts the "Procedure for Acquisition or Disposal of Assets" in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" enacted by the competent authority, as the basis for the Company to engage in investments, and in order to control the overview of business and finance. Meanwhile, in order to improve the supervision and management of investees, the Company sets forth the regulations governing supervision and management of subsidiaries in its internal control system and also adopts the regulations governing information disclosure, finance, business, inventory and financial management which are expected to enable the Company's investees to produce the best results.

(II) Major causes for profit or loss thereof, improvements

Unit: NTD thousand

Investee	Principle business lines	Recognized in 2025	Major causes for profit or loss thereof	Improvement
Sense Pad Tech Co., Ltd.	Professional investments	3,091	Recognition of investment profit	None
Htc & Solartech Service (Samoa) Corporation	Professional investments	(17,247)	Recognition of investment losses	
Wave Power Technology Inc.	Manufacure and sales of microwaves and semiconductor components	43,261	The investees' business grows stably	
Galloptech International Co., Ltd	Sale of semiconductor equipment, mechanical and electrical equipment and optic equipment, and after-sales services	Not applicable	(Note)	
Vn Etch Home Technology Co., Ltd.	Manufacture and sales of electronic components, communication equipment and apparatus and other metal products	(20,078)	Uncertain economic situation and weak market demand	
Finemat (Shanghai) Applied Materials Co., Ltd.	Sales of electronic components, general instruments and electronic materials	(228)	Uncertain economic situation and weak market demand	
Solar Applied Materials Technology (Shanghai) Co., Ltd.	Manufacture of other metal products, electronic components, computers and its peripherals, and sales of electronic materials, precision equipment clearing and recycling	(327)	Uncertain economic situation and weak market demand	
FineMat (HuangShi) Applied Materials Co., Ltd.	Manufacture of other metal products, electronic components, computers and its peripherals, and sales of electronic materials, precision equipment clearing and recycling	(13,023)	Uncertain economic situation and weak market demand	
Yugyokuen Ceramics Co.,Ltd	Engage in the sales of Ceramic and Metallized Brazing Products	240	Market conditions are stable	
FineXact Co., Ltd.	Manufacture of other fabricated metal products, electronic components, computers and peripheral equipment, sale of electronic materials,retailing and services of information soflware.	(1,171)	New business under development stage	
eDronePower Technology Co., Ltd.	Manufacture and sale of wired and wireless communications equipment and Manufacture of electronic components	(294)	New business under development stage	

Note: Pursuant to the requirements, the Company may be exempted from disclosing the investment income recognized for the current period.

(3) Investment plans for next year: None.

VI. Risk analysis and assessment from the most recent year until the date of publication of the annual report

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

1. Changes in interest rate

Unit: NTD thousand and %

Item	2024		2025	
	Amount	To net operating revenue (%)	Amount	To net operating revenue (%)
Interest revenue	8,282	0.93	7,227	0.62
Interest expenses	17,595	1.98	15,291	1.32

A. Impact to the income:

The interest revenues of the Company and its subsidiaries were NT$8,282 thousand and NT$7,227 thousand, respectively, in 2024 and 2025, i.e. 0. 93% and 0.62% of the net operating revenue. The impact posed therefor is considered minor. The interest expenses of the Company and its subsidiaries were NT$17,595 thousand and NT$15,291 thousand, respectively, in 2024 and 2025, i.e. 1.98% and 1.32% of the net operating revenue. The impact posed therefor is considered minor. Therefore, the changes in interest posed no significant impact to the Company. Interest expenses decreased by NT$2,304 thousand mainly due to the decrease in financing from financial institutions for the operations of overseas subsidiaries.

B. Future responsive measures:

The Group doesn’t necessarily rely on the loans from financial institutions, but it still will maintain good relationship with banks, verify changes in interest rates at any time, and strive for preferential interest rates.

2. Changes in foreign exchange rate

Unit: NTD thousand and %

Item	2024		2025	
	Amount	To net operating revenue (%)	Amount	To net operating revenue (%)
Net exchange gain (loss)	9,367	1.05	(12,917)	(1.12)

A. Impact to the income:

The net exchange gains (losses) of the Company and its subsidiaries were NT9,367 thousand and NT$(12,917) thousand, respectively, in 2024 and 2025, i.e. 1.05% and (1.12%) of the net operating revenue. The exchange gains (losses) were generated primarily due to the volatility in the foreign exchange rate for USD, while they impose no significant impact to the entire income.

B. Future responsive measures:

For the foreign exchange fund allocation, the Company will offset the foreign currency claims against debts through regular export and import of goods, in order to achieve the natural hedging effect and mitigate the foreign exchange rate risk. In the future, the Company will keep adopting the foreign exchange position natural hedging as the main strategy to control the foreign interest rate risk, and exercise the forward exchange transactions in a timely manner to mitigate the risk over changes in foreign exchange rate. The finance unit keeps close connection with the financial institutions and continue observing the changes in foreign exchange rates.

3. Inflation:

No significant impact has been posed by the inflation to the Company's income by the date of publication of the annual report. Therefore, the inflation is expected to pose limited impact to the Company's income. In the future, the Company will still continue observing the inflation status and take appropriate actions to mitigate the impact posed by it to the Company's operations.

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

1. The Company has adopted the "Operating Procedure for Loaning to Others," "Operating Procedure for Making of Endorsements/Guarantees" and "Procedure for Acquisition or Disposal of Assets," et al., to be followed by the Company.
2. The Company never engaged in the business activities such as high-risk and highly leveraged investments by the date of publication of the annual report.
3. Until the date of publication of the annual report, the Company has engaged in the derivatives trading to evade the risk from recorded foreign currency financial assets or financial liabilities. All transactions were conducted in accordance with the "Procedure for Acquisition or Disposal of Assets."
4. Until the date of publication of the annual report, the recipients of the endorsements/guarantees and loans provided by the Company and its subsidiaries have been limited to the affiliated companies of the Company or the subsidiaries.

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

The Company will continue to commit itself to the improvement of etching precision, upgrading of the mask size, multi-layer mask diffusion welding technology, design and construction of new process machine, and implementation and certification of heat dissipation materials subject to new specifications. The R&D expenses to be invested will be prepared subject to the product development progress. Meanwhile, the Company will continue to invest capital in professional technicians and development of equipment and new technology, in order to ensure the Company's competitive strength. The estimated R&D expenses in 2026 are approximately 7.0% - 9.0% of the revenue.

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

The Company runs its business following related domestic and foreign laws and regulations, and the management keep observing the development of important policies at home and abroad. Meanwhile, the Company will assign its professional staff to attend related training programs from time to time, in order to connect with the international trend and improve the Company's competitiveness in the world. No significant impact has been posed by the changes in important policies and laws at home and abroad to the Company's business and finance by the date of publication of the annual report.

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

The Company keeps observing the technological or industrial changes in the industry which it is engaged in from time to time, and also verifies the industrial development rapidly. Meanwhile, the Company keeps improving its own R&D abilities, applies for patents to protect its innovative ideas and design developments, and expands the future market applications proactively, in order to deal with the impacts on the Company due to technological or industrial changes. The Company checks and takes an inventory of the information security equipment, services and human resource each year to prepare the resources related to information security management, ensure the maintenance of the Company's and subsidiaries' overall cyber security and mitigate the overall cyber security risk.

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

Since the Company was incorporated, it has always complied with related laws and regulations, improved its internal management and also management quality and performance proactively, and maintained the harmonious labor-management relationship, in order to maintain the excellent corporate identity. No changes affecting the corporate identity have occurred from the most recent year until the date of publication of the annual report.

(VII) Expected benefits and possible risks of merger and acquisition, and responsive measures:

The Company has had no the plan for merger and acquisition of another company in the most recent year or by the date of publication of the annual report. If the Company is involved in, or has the plan for, merger & acquisition, it will conduct the evaluation on various effects and control the risk with care per the relevant operational requirements, in order to protect the Company's interest and shareholders' equity.

(VIII) Expected benefits and possible risks of plant expansion, and responsive measures:

The plant expansion will cause the increase in operating cost, but will also result in the increase in operating revenue to cover the additional operating cost at the same time. In order to deal with the risk, the Company will improve the production capacity and market share proactively, in an attempt to expand the operating revenue. The new plant construction projects will be evaluated by the Company with care before they are executed; therefore, operating risk is not likely to be caused to the Group.

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

1. For purchases:

The Company purchases goods from suppliers primarily providing metal sheets and bellows. There are a great number of such suppliers engaged in selling multiple product types. Notwithstanding, in consideration of the stable quality and production capacity, the Company's purchases appear to be concentrated for the time being. Notwithstanding, in order to mitigate the concentrated purchases, the Company is also working with other domestic and foreign suppliers which provide quality products proactively. The Company has maintained the long-term cooperative and dependent partnership with most main suppliers. With the stably growing sales performance, the Company's cooperative relationship with suppliers becomes more and more advantageous. Therefore, as far as the Company is concerned, there is no risk associated with excessive concentrated purchases.

2. For sales:

In companies with sales amount accounting for more than 10%, sales after deducting related party transactions accounted for 53.31% and 33.21% of the total sales in 2025 and 2024, respectively. The change in the Company's major customer structure was mainly attributable to the growth in orders for AI server liquid cooling components driven by the AI trend.

In 2025, the sales of metal masks accounted for 14% of the group's total revenue, the sales of AI liquid cooling components accounted for about 44%, the sales of microwave and semiconductor components accounted for about 29%, and the sales of thermal materials and precision cleaning industries accounted for about 5% and 8% of the total sales, respectively. These figures indicate that the Group's sales are not overly concentrated.

(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:

From the most recent year until the date of publication of the annual report, no significant changes have occurred upon transfer of the equity by the Company's directors and major shareholders with more than 10% ownership interest. Therefore, there is no impact or risk on the Company's business due to major transfer or conversion of equity.

(XI) Impact and risks on the Company due to a change of the right of management: None.

(XII) Litigious and non-litigious matters: If there has been any material impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving any of the Company’s directors, supervisors, President, de facto responsible person, or major shareholders with a stake of more than 10 percent, and the matter was finalized or remained pending, please disclose the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case until the date of publication of the annual report: None.

(XIII) Other important risks and responsive measures:

1. Information security:

In order to support the Company’s overall business development and ensure effective application of the information resource, and balance the security of information system and operation, the Company has taken the following protection measures: establishment of fire walls and information security software as the preventive network security protection mechanism, daily backup and periodic remote storage of the server data, establishment of the local synchronization system backup measures, periodic exercise of system restoration drills, and performance of information security evaluation each year to improve the information system’s security protection ability and mitigate the damage caused to the information system effectively.

2. Labor health and safety:

The Company has adopted related EHS operation management regulations governing wastewater, drinking water, waste gas, waste, chemicals, water and electricity resources, stackers, lifting equipment and production equipment, etc., and also passed ISO 14001 certification to have the eco-friendly waste reduction, pollution prevention and zero labor disaster.

Occupational accidents in 2025

	Number of case	Number of person	As % of the employees	Related improvement measures
Disability accident	0 case	0 person	0	Not applicable.
Death accident	0 case	0 person	0	Not applicable.
Fire accident	0 case	0 person	0	Not applicable.
Total	0 case	0 person	0	

VII. Other important matters: None.

Six. Special Notes

I. Information about affiliated companies:

Please refer to the Market Observation Post System (MOPS) https://mops.twse.com.tw > Single Company > Electronic Document Download > Affiliated Enterprises Reports Section. Enter the company code to search for related information.

II. Private placement of securities in the most recent year and as of the printing date of the annual report: None.

III. Other Supplementary Notes: None.

IV. Any occurrences of events defined under Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act in the most recent year up till the date of publication of the annual report that significantly impacted shareholders’ equity or security price: None.