



TWSE : 3026

禾伸堂企業股份有限公司
Holy Stone Enterprise Co., Ltd.

2024 Annual Report (Translation)

This document is prepared in accordance with the Chinese version and is for reference only, if there is any inconsistency or ambiguity between the two versions, the Chinese version shall prevail.

Printing Date : 2025.04.30

TWSE MOPS: <https://mops.twse.com.tw>

The company's Website: <https://www.holystone.com.tw>

1. Company Spokesman, Acting Spokesman, title and contact information Company Spokesperson

Name Steven Huang
Title Director
Tel (02)2627-0383
E-mail stevenhuang@holystone.com.tw

Deputy Spokesperson

Name Contrina Chang
Title Assistant Vice President, Finance & Accounting Department
Tel (02)2627-0383
E-mail contrina@holystone.com.tw

2. Headquarters, Branch Offices and Plants

Headquarters	1F, No.62, Sec. 2, Huanshan Rd., Neihu District, Taipei City 114, Taiwan (R.O.C.)	Tel:886-2-2627-0383
Yilan Office	No.15, Sec. 2, Ligong 1st Rd., Lize Industrial Park, Wujie Township, Yilan County 268, Taiwan (R.O.C.)	Tel: 886-3-990-6900
Plants	No. 56, 61, 61-1, Lane 90, Gong 5th Rd., Longtan Dist., Taoyuan City 32559, Taiwan (R.O.C.)	Tel: 886-3-499-5288
	No.15, Sec. 2, Ligong 1st Rd., Lize Industrial Park, Wujie Township, Yilan County 268, Taiwan (R.O.C.)	Tel: 886-3-990-6900

3. Institution Handling Stock Transfer Services

Company China Trust Commercial Bank, Transfer Agency Department
Address 5F, No.83, Sec. 1, Chongqing S. Rd., Taipei City 100, Taiwan
(R.O.C.)
Website <https://www.chinatrust.com.tw>
Tel 886-2-6636-5566

4. Certified Public Accountants Auditing Financial Statements during Recent Years

Auditor Ming-Fang Hsu, Chi-Long Yu
Company KPMG
Address 68F, No.7, Sec. 5, Xinyi Rd., Taipei City 110, Taiwan (R.O.C.) (Taipei 101)
Website <https://www.kpmg.com.tw>
Tel 886-2-8101-6666

5. Foreign Securities Trade & Exchange

No foreign securities are issued by the company

6. Company Website

<https://www.holystone.com.tw>

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I. Message to the Shareholders

2024 is a year progressed with hope and challenges; affected by wars, inflation, and geopolitical conflicts, overall market demand recovery is less than expected. Yet benefited from the growth of AI-driven business opportunities, its new applications have brought new hopes. Holy Stone has been actively developing related products and applications, whether in the production of passive components or the sales of agency products. Not only to grasp business opportunities, but also meet customers' needs and expectations. An overview of the business performance for 2024 and the business plan for 2025 is as follow:

1. 2024 Business Results

- 1.1 Business Result:** consolidated revenue of 2024 totaled NT\$ (same below)12.79 billion, gross profit NT\$2.09 billion, gross margin 16.34%, net profit attributable to the parent company totaled NT\$973 million, increased 14.44% YoY. Earnings per share totaled NT\$ 5.87.
- 1.2 Budget Implementation:** The company did not publish any forms of finance forecast for 2024; therefore no act of disclosure is required.
- 1.3 Financial Income and Expenditure, Profitability Analysis:** Please refer to the financial statements in the appendix for further information.
- 1.4 Research and Development Status:** In line with the industrial development and market demand, continue to invest in the development of MLCC materials, improve the production capacity of high-end powder, establish self-material system, and optimize the process capabilities, focusing on the development of niche products resistant to high temperature and high pressure. Total expenditure of the above research and development for 2024 was NT\$196 million.

2. Summary of 2025 Annual Business Plan

- 2.1 Operating Strategy:** Holy Stone believes in programmatic, innovative and mutual beneficial business philosophy, continue to cultivate in manufacturing and strengthening product agency continuously.

Deep Cultivation in Manufacturing: house brand products are committed in developing new application fields based on industry trends, focusing on niche products continuously, deepening our presence in emerging markets; such as AI, automotive, and new network applications markets.

Product Agency Strengthening: The company mainly agents for products such as communication device, automotive and consumer electronics, we will continue to assist customers in designing and developing products, enhancing the competitiveness of agency products and maintaining stable product supply.

- 2.2 Important Production and Sales Management:** Expanding the production and sales of niche products is the most important development strategy for the company, and a critical key to support its sustained growth. To grasp the newly developed AI and automotive market, we will continue to develop in materials, research and technology, as well as upgrading our manufacturing equipment capabilities, fully develop matching products in order to expand niche product market sales.

3. Influence of External Competitive Environment, Regulatory Environment and Overall Business Environment

Holy Stone firmly believes that besides pursuing profit and growth, synchronize ESG implementation is also essential for becoming a sustainable company. Regardless of the company's governance association, or the solutions for climate change, it's all been implemented in our daily operating activities. Holy Stone parent company has finished greenhouse gas investigation, according to ISO 14064-1:2018 greenhouse gas investigation standard. In terms of energy management; we evaluate to expand solar power equipment, using self-issue and self-use green electricity to reduce greenhouse gas emissions, also continue to implement water resource and waste reduction plan to achieve environmental protection. In addition, we participate in public welfare activities through Holy Stone Foundation, care for disadvantages to fulfill social responsibility. ESG implementing results will show explanations to shareholders, employees, and stakeholders through our corporate sustainability report. In the future, we will continue to focus on ESG issues, energy conservation, environmental protection, build a friendly workplace, comply with laws, practice corporate governance, and move towards to the goal of sustainable operation.

Last but not least, the company would like to express our appreciation to our customers, suppliers, shareholders and the society for the unwavering long-term support; we also thank each and every employee for their contribution to the company. We hope for the best in the years to come.

Chairman : Jing-Rong Tang Manager : Jing-Rong Tang Chief Accounting Officer : Shu-Ying Chang

II. Corporate Governance

I. Information on Directors, General Manager, Vice General Manager, Assistant Manager and Managers of Departments and Subsidiaries

1. Information of Directors

Unit: Shares as of 2025.03.30

Title (Note1)	Nationality	Name	Gender Age (Note2)	Date Elected	Term	Date First Elected (Note3)	Shareholdings when Elected		Current Shareholdings		Spouse & Children of Minor Age Shareholdings		Shareholdings by Nominees		Working Experiences and Academic Qualifications (Note4)	Position(s) Held Concurrently in the company and or in Any Other Companies	Managers and Directors who is Spouse or within Second Degree Relative of Consanguinity to Each Other			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman	ROC Taiwan	Jing-Rong Tang	M 61~70	2024 05.30	3 Years	1997 09.09	3,864,365	2.33	5,864,365	3.54	386,296	0.23	-	-	Bachelor, Electronics Engineering, Tatung University Manager, Panasonic Sales Taiwan Co., Ltd.	General Manager, Holy Stone Enterprise Co., Ltd. Legal representative Chairman and General Manager, eGalax_eMPIA Technology Inc. Chairman, Holy Stone Healthcare Co., Ltd. Chairman, Holy Stone Healthcare Co., Ltd. (HSHC)	-	-	-	Note(5)
Director	ROC Taiwan	Lin Tan Investment Co., Ltd.	-	2024 05.30	3 Years	2003 05.28	7,567,071	4.56	7,567,071	4.56	-	-	-	-	-	-	-	-	-	-
Director	ROC Taiwan	Fang-Ming Lo (Note1)	M 61~70	2024 05.30	3 Years	1997 09.09	-	-	-	-	33	-	-	-	Bachelor, Electronic Engineering, Taipei Institute of Technology Legal representative Director and Executive Vice President., Holy Stone Enterprise Co., Ltd.	-	-	-	-	-

Title (Note1)	Nationality	Name	Gender Age (Note2)	Date Elected	Term	Date First Elected (Note3)	Shareholdings when Elected		Current Shareholdings		Spouse & Children of Minor Age Shareholdings		Shareholdings by Nominees		Working Experiences and Academic Qualifications (Note4)	Position(s) Held Concurrently in the company and or in Any Other Companies	Managers and Directors who is Spouse or within Second Degree Relative of Consanguinity to Each Other			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Director	ROC Taiwan	Shih-Yun Shen	M 71~80	2024 05.30	3 Years	1997 09.09	1,170,243	0.71	928,243	0.56	753,020	0.45	-	-	Bachelor, Department of Physics, Tamkang University Doctoral in Management, Macau University of Science and Technology Chairman, Westech Electronics Inc.	Executive Vice General Manager, Holy Stone Enterprise Co., Ltd. Representative of Institutional Shareholder & Chairman & President, Infortech (China), Inc. Representative of Institutional Shareholder & Chairman, Holy Stone International Trading (Shanghai) Ltd.	-	-	-	-
Director	ROC Taiwan	Shao-Kuo Huang	M 61~70	2024 05.30	3 Years	2006 06.09	1,117,149	0.67	1,117,149	0.67	-	-	-	-	Bachelor, Business Management, Tatung University Chairman, Infortech Co., Ltd.	Vice General Manager, Holy Stone Enterprise Co., Ltd Representative of institutional shareholder, Infortech (China) Co., Ltd Independent Director, Highpoint Service Network Co.	-	-	-	-
Director	ROC Taiwan	Tang-Ming Wu	M 61~70	2024 05.30	3 Years	1999 04.23	562,845	0.34	562,845	0.34	-	-	-	-	Bachelor, Department of Accounting, Fu Jen Catholic University Accountant, Deloitte Taiwan Supervisor, Holy Stone Enterprise Co., Ltd.	Director, Honesty CPA Firm	-	-	-	-

Title (Note1)	Nationality	Name	Gender Age (Note2)	Date Elected	Term	Date First Elected (Note3)	Shareholdings when Elected		Current Shareholdings		Spouse & Children of Minor Age Shareholdings		Shareholdings by Nominees		Working Experiences and Academic Qualifications (Note4)	Position(s) Held Concurrently in the company and or in Any Other Companies	Managers and Directors who is Spouse or within Second Degree Relative of Consanguinity to Each Other			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Independent Director	ROC Taiwan	Ken-Yi Cheng	M 61~70	2024 05.30	3 Years	2003 05.28	-	-	-	-	-	-	-	-	Bachelor, Department of Accounting, Feng Chia University Assistant Manager of Underwriting Department, Taiwan International Securities Corporation Vice President, Hyield Venture Capital Co., Ltd.	Director, Grand Fortune Securities Co., Ltd Director, Solytech Enterprise Co. Director, Leader Electronics Inc. Independent Director, Prolific Technology Inc. Director Representative, GFS Venture Capital Co., Ltd. Director Representative, GFS Venture Capital Consultant Co., Ltd.	-	-	-	-
Independent Director	ROC Taiwan	Chu-Yang Chien	M 71~80	2024 05.30	3 Years	2003 05.28	-	-	-	-	3,150	-	-	-	Doctoral in Business Administration (Accounting), National Taiwan University Associate Professor and Head of the Accounting Department, Chung Yuan Christian University Associate Professor, Department Chair and Adjunct Associate Professor of the Accounting Department National Yunlin University of Science and Technology	-	-	-	-	-

Title (Note1)	Nationality	Name	Gender Age (Note2)	Date Elected	Term	Date First Elected (Note3)	Shareholdings when Elected		Current Shareholdings		Spouse & Children of Minor Age Shareholdings		Shareholdings by Nominees		Working Experiences and Academic Qualifications (Note4)	Position(s) Held Concurrently in the company and or in Any Other Companies	Managers and Directors who is Spouse or within Second Degree Relative of Consanguinity to Each Other			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
															Director and Remuneration Committee Member, Holy Stone Enterprise Co., Ltd. Remuneration Committee Member, eGalax_eMPIA Technology Inc.					
Independent Director	ROC Taiwan	Jen-Wei Ko	M 41~50	2024 05.30	3 Years	2023. 05.30									Master of Business Administration (MBA), University of Southern California Bachelor of Accounting, National Taiwan University Chief Auditor, Deloitte Touche Tohmatsu Ltd. Financial Manager, Dell B.V., Taiwan Branch (Netherlands) Independent Director, Air Asia Company Co., Ltd. Director, Chief Consultant Co., Ltd.	Chairman, co-founder and financial manager, Cheetahasia Inc. CPA, Weyoung International CPAs & Co. Chartered accountants, Weyoung International CPAs & Co. Independent Director, Wiltrom Co., Ltd.				

Note1: Name and representative of legal person shareholders should be listing respectively. (if it is the representative of the legal person shareholder, the name should be indicated: Fang-Ming Lo is the representatives of Lin Tan Investment Co., Ltd.

Note2: Please indicate the actual age, expression in intervals is acceptable. (ex. 41~50, 51~60)

Note3: Time when first elected as director or supervisor should be indicated, if there is any interruption, time should be indicated: Director Fang-Ming Lo was the company's director during 1997.06.09~2006.06.09. Moreover, Lo stand as the Director of the Company's legal representative during 2006.06.09~2012.06.05. Chu-Yang Chien was the Company's independent director from 2003.05.28~2009.06.16.

Note4: Relevant experience with the current position should be indicated. If experienced in an audit accounting firm or an affiliated company during the previous disclosure period, the position held and the position responsible should be indicated.

Note5: If the chairman and the general manager or an equivalent position (top manager) is the same person, or the spouse or first-class relative; reasons, rationality, necessity and countermeasures should be indicated (such as increasing the number of independent directors and more than half of the directors should not be managers and or employees): The company operates with a combined chairman and general manager system which enhance operational and policy execution efficiency. Meanwhile, over half of the board of directors members are not company's employees or managers. At the same time, the chairman maintains a constant channel of communication with updates to the board of directors regarding the company's operations and corporate governance initiatives. Company would also train suitable managerial candidates, and plans to increase one-third of independent directors' representation, maintain the numbers of directors whose nor the Company's employee or manager in the Board, to enhance the functions and supervision of the Board.

Shareholders that are Institutional Shareholders

2025.03.30

Shareholders that are Institutional Shareholders	Major Shareholders of the Institutional Shareholders	Shareholdings %
Lin Tan Investment Co., Ltd.	Fang Hao Investment Co., Ltd.	25.00%
	Kai Shen Investment Co., Ltd.	16.07%
	Cheng Ya Investment Co., Ltd.	12.50%
	Pen Chueh Investment Co., Ltd.	10.71%
	Shih-Wei Yang	5.36%
	Tzu-Hsin Yang	5.36%
	Yu-Ching Tang	4.29%
	Chi-Hao Tang	4.11%
	Chi-Yao Tang	4.11%
	Kai-Li Shen	3.57%

Major Shareholders of Shareholders that are Institutional Shareholders

Unit: shares as of 2025.03.30

Shareholders that are Institutional Shareholders	Major Shareholders
Fang Hao Investment Co., Ltd.	Ming-Hao Lo
Kai Shen Investment Co., Ltd.	Li-Fang Chang
Cheng Ya Investment Co., Ltd.	Yueh-Hua Lin
Pen Chueh Investment Co., Ltd.	Mei-Yu Lin

Information on Directors

1. Disclosure of Professional Knowledge and Independency of Directors

Qualifications Name	Professional Qualifications and Experiences	Independency	Number of Concurrently Holding Positions in Other Publicly Listed Companies
Jing-Rong Tang	Qualified and is Experienced for: business and corporate operation	N/A	None
Lin Tan Investment Co., Ltd. Representative: Fang-Ming Lo	Qualified and is Experienced for: business and corporate operation	N/A	None
Shih-Yun Shen	Qualified and is Experienced for: business and corporate operation	N/A	None
Shao-Kuo Huang	Qualified and is Experienced for: business and corporate operation	N/A	None
Tang-Ming Wu	<ol style="list-style-type: none"> 1. Qualified and is Experienced for: business, law, finance, accounting and corporate operation 2. Certified accountant by national examinations; has been practicing for many years and is the director of an accounting firm; familiar with relevant laws and regulations 	N/A	None
Ken-Yi Cheng	<ol style="list-style-type: none"> 1. Qualified and is Experienced for: business, law, finance, accounting and corporate operation 2. Bachelor of accounting in a private university 3. Worked in the securities business field for many years. Has rich industry experience in venture capital, mergers and acquisitions and securities operations. Familiar with securities and future-related laws and regulations 4. Held the position of director, independent director, convener of the compensation committee and supervisors in various companies 5. No violation of Article 30 of the Company Acts 6. No violation of Article 27 of Company Acts 	<ol style="list-style-type: none"> 1. The person, spouse or relatives within the second degree does not serve as directors, supervisors or employees of the company and or other related companies 2. The number and proportion of the company's shares held by the person, spouse, or minor children (or in the name of others): 0% 3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the company 4. No remuneration for providing business, legal, financial, accounting and other services to the company or the affiliated companies in the past 2 years 5. Not having a spouse or relative within the second degree with other 	1

		directors	
Chu-Yang Chien	<ol style="list-style-type: none"> 1. Lecturer in finance and accounting in private universities 2. Doctoral degree in Accounting in national universities 3. Professional finance and accounting experience from being the associate professor in public and private universities 4. Served as a member of the Remuneration Committee of a listed company 5. No violation of Article 30 of the Company Acts 6. No violation of Article 27 of Company Acts 	<ol style="list-style-type: none"> 1. The person, spouse or relatives within the second degree does not serve as directors, supervisors or employees of the company and or other related companies 2. The number and proportion of the company's shares held by the person, spouse, or minor children (or in the name of others): 3,150 shares, 0% 3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the company 4. No remuneration for providing business, legal, financial, accounting and other services to the company or the affiliated companies in the past 2 years 5. Not having a spouse or relative within the second degree with other directors 	None
Jen-Wei Ko	<ol style="list-style-type: none"> 1. Possess working experience in business, legal, financial, accounting and corporate affairs 2. Certified accountant, obtained national certification and has been practicing for many years, familiar with financial and tax-related regulations 3. Bachelor's degree in accounting from a national university, master's degree in business administration from a foreign university 4. Independent director and convener of the remuneration committee of a number of listed companies. 5. No circumstance falling under Article 30 of the Company Act 6. No election involving government entities, legal persons or their representatives as stipulated in Article 27 of the Company 	<ol style="list-style-type: none"> 1. The person, spouse or relatives within the second degree does not serve as directors, supervisors or employees of the company and or other related companies 2. The number and proportion of the company's shares held by the person, spouse, or minor children (or in the name of others): 0% 3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the company 4. No remuneration for providing business, legal, financial, accounting and other services to the company or the affiliated companies in the past 2 years 5. Not having a spouse or relative within the second 	1

	Act	degree with other directors	
Jui-Chu Li	<ol style="list-style-type: none"> 1. Possess working experience in business, legal, financial, accounting and corporate affairs 2. Master's degree in Business Administration from a national university 3. Director, independent director and member of the remuneration committee of the Public Company and merging Stock Exchange of a number of listed companies 4. No circumstance falling under Article 30 of the Company Act 5. No election involving government entities, legal persons pr their representatives as stipulated in Article 27 of the Company Act 	<ol style="list-style-type: none"> 1. The person, spouse or relatives within the second degree does not serve as directors, supervisors or employees of the company and or other related companies 2. The number and proportion of the company's shares held by the person, spouse, or minor children (or in the name of others): 0% 3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the company 4. No remuneration for providing business, legal, financial, accounting and other services to the company or the affiliated companies in the past 2 years 5. Not having a spouse or relative within the second degree with other directors 	2

Note1: Professional Qualifications and Experiences: state the professional qualifications and experiences of individual directors and supervisors. If there are any members of the audit committee which has accounting or financial expertise, their accounting or financial background and work experience should be indicated. State if there is any violation regarding Article 30 of the Company Acts.

Note2: Independency of the independent directors should be indicated. Including but not limited to: whether the person, spouse, relatives within second degree is the director, supervisor or employees of the company or other affiliated companies; proportion and the amount of shares held by the person, spouse, relative within second degree (or in the name of others); whether serving as a director, supervisor or employee of a company that has a specific relationship with the company; and the remuneration amount for providing business, legal, financial, accounting and other services in the recent 2 years in accordance to Article 3-1-5~3-1-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

2. Diversification and Independency of the Board of Directors

Diversification

1. Diversification Policy

Article 20 of the Company's Corporate Governance Best Practice Principle specifically stated the policy of the diversity within the members of the board of directors as follows: Diversity should be considered in the Board members' composition. Directors who also work as the manager of the Company should not exceed one-third of the Board's placement.

In accordance to operations, operational type and development needs, the Company came up with an appropriate diversification policy, including but not limited to the two following standards below:

A. Basic requirements and value: gender, age, nationality and cultural backgrounds; among all, one-third of the seats are recommended to be taken by female members.

B. Professional knowledge and skills: professional backgrounds (law, accounting, industry, finance, marketing or technology), professional skills and industrial experience, etc.

All members of the Board shall have the knowledge, skills and experiences necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall have the following abilities:

I. Operational Judgment Skills

II. Accounting and Financial Analysis Skill

III. Business Management

IV. Risk Management Skills

V. Industry Knowledge

VI. Global Market View

VII. Leadership Skills

VIII. Decision Making Skills

2. Diversification Goals and Implementation Status

The current board of directors is composed of 9 directors (including 4 independent directors, taking up 44.44% of the members of the board and 3 employee directors, taking up 33.33% of the members of the board, one female director accounted as 11.11% of the board); with the average age of 64 years old. Directors all owned Taiwan nationality; two of them live in the United States from time to time, providing multicultural background to the board of directors. Directors have professional educational backgrounds, including electrical machinery, physics, chemistry, management, business management and accounting; they also have professional working experiences in marketing, finance, accounting, technology industry and other relevant fields. Implementation status is shown below:

Name	Diversification		Name	Gender	Age	Concurrent Employee	Years of Independent Directors		Qualified Abilities						
							Less than 3 consecutive Years	More than 3 consecutive Years	Operational Judgment	Finance and Accounting Analysis	Business Management	Risk Management	Industrial Knowledge	Global Market View	Leadership
Chairman	Jing-Rong Tang		M	61 ~ 70	V			V		V	V	V	V	V	V
Director	Lin Tan Investment Co., Ltd.	Fang-Ming Lo	M	61 ~ 70				V		V	V	V	V	V	V
Director	Shih-Yun Shen		M	71 ~ 80	V			V		V	V	V	V	V	V
Director	Shao-Kuo Huang		M	61 ~ 70	V			V		V	V	V	V	V	V
Director	Tang-Ming Wu		M	61 ~ 70				V	V	V	V			V	V
Independent Director	Ken-Yi Cheng		M	61 ~ 70			V	V	V	V	V	V		V	V
Independent Director	Chu-Yang Chien		M	71 ~ 80		V		V	V	V	V				
Independent Director	Jen-Wei Ko		M	41 ~ 50		V		V	V	V	V	V	V	V	V
Independent Director	Jui-Chu Li		F	51 ~ 60		V		V		V	V	V	V	V	V

Policy	Management Goal	Achievement
At least 1/3 of the total number of board of director shall be any gender	At least one seat for a director of a different gender	Completed (Note 1)
Board members should generally possess the knowledge, skills and qualities necessary for the performance of their duties	The over all board of directors should possess competencies in operational judgement, accounting and financial analysis, business management, crisis management, industrial knowledge, international market insight, leadership and decision-making	Completed

Note 1: If the board of directors of a listed company does not have at least one-third of its seats filled by directors of any one gender, explanations and planning of measures to enhance gender diversity of directors should be taken: In the past, our company has primarily considered professional skills and experience required for business development when selecting directors, Gender ratio factors were not specifically considered. In the future, we will continue to invite suitable and professional director candidates while prioritizing the selection of candidates of different genders to align with gender diversity standards.

Independency of the Board of Directors

The board of director is composed of 9 members, including 6 non-employee directors, accounting for 66.67% of the total seats, and 4 independent directors, accounting for 44.44% of the total seats. There are no relationships between the directors within the scope of spouse or second-degree relatives as defined in Article 26-3 of the Securities and Exchange Act. There are no relatives among independent directors or between independent directors and directors within the meaning of spouse and consanguineous within the meaning of Article 26-3, Paragraph 3 and 4 of the Securities and Exchange Act. None of the directors have engaged in any of the situations listed in Article 30 of the Company Act, the independent directors are in compliance with the relevant requirements for independent directors set by the FSC. Please refer to third chapter of the companys' annual report on corporate governance operations, circumvention of directors' interest Motion for Fiscal Year 2024.

Policy	Management Goal	Achievement
The number of independent directors must not be less than 1/3 of the total number of board seats	The number of independent directors must account for at least 1/3 of the total board seats.	Completed
Directors serving concurrently as company managers should not exceed 1/3 of the total board seats	Directors serving concurrently as company managers should not exceed 1/3 of the total board seats	Completed
The consecutive term of independent directors shall not exceed three terms	The consecutive term for over half of the independent director shall not exceed three terms	Completed

3. Information on General Manager, Vice General Manager, Associate Manager, Managers of Departments and Subsidiaries

Unit Shares as of 2025.03.30

Title	Nationality	Name	Gender	Date Elected	Current Shareholdings		Sopuse & Children of Minor Ages Shareholdings		Shareholdings by Nominees		Principle Work Experience and Academic Qualifications	Positions held concurrently in the Company and or in any other Companies (Note 1)	Managers, Directors and Supervisors who are spouse or within second-degree relative of Consanguinity to Each Other			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman and General Manager	R.O.C Taiwan	Jing-Rong Tang	M	1984.08.01	5,864,365	3.54	386,296	0.23	-	-	Bachelor, Electronic Engineering, Tatung University General Manager, Panasonic Sales Taiwan Co., Ltd.	Representative of Institutional Shareholder and Chairman, eGalax_eMPIA Technology Inc. Chairman, Holy Stone Healthcare Co., Ltd.	-	-	-	Note2
Director and Executive Vice General Manager	R.O.C Taiwan	Shih-Yun Shen	M	2002.04.01	928,243	0.56	753,020	0.45	-	-	Bachelor, Department of Physics, Tamkang University Doctoral in Management, Macau University of Science and Technology Chairman, Cica-Huntek Chemical Technology Taiwan Co., Ltd.	Representative of Institutional Shareholder & Chairman, Infortech (China) Co., Ltd. Representative of institutional shareholder & Chairman & General Manager, Holy Stone International Trading (Shanghai)	-	-	-	-
Director and Vice General Manager	R.O.C Taiwan	Shao-Kuo Huang	M	2004.07.01	1,117,149	0.67	-	-	-	-	Bachelor, Business Management, Tatung University Chairman, Symtek Automation Asia Co., Ltd.	Representative of Institutional Shareholder Director, Infortech (China) Co., Ltd. Independent Director, Highpoint Service Network Co.	-	-	-	-
Vice General Manager	R.O.C Taiwan	I-Ta Lee	F	2009.01.15	48,788	0.03	-	-	-	-	Bachelor, De François, Chinese Cultural University	-	-	-	-	-
Vice General Manager	R.O.C Taiwan	Hui-Bang Yeh	M	2009.01.15	-	-	-	-	-	-	Master, Mining, Metallurgy and Materials Science Institute, National Cheng Kung University	-	-	-	-	-
Chief Accounting Officer & Corporate Governance Officer	R.O.C Taiwan	Shu-Ying Chang	F	2003.05.02	104,882	0.06	-	-	-	-	Master, Graduate Institute of Management Science, Tamkang University Supervisor, eGalax_eMPIA Technology Inc.	Supervisor, Infortech (Shanghai) Inc.	-	-	-	-

Note1: Mainly publicly traded companies and offices in China.

Note2: When the general manager or equivalent (top manager) and the chairman are the same person, spouse or first-degree relatives; must disclose its reasons, rationality, necessity and relevant solutions. (For instance, increase the seats for independent directors, over half of the board are non-employee or managers) such related information: The company operates with a combined chairman and general manager system which enhance operational efficiency and policy execution efficiency. Meanwhile, over half of the board members are non-employee or managers of the company, the chairman maintains a constant channel of communication with updates to the board of directors regarding the company's operations and corporate governance initiatives simultaneously. In the future, the company plans to provide training for suitable candidates as the General Manager position, also increase the number of independent directors while maintaining one-third of the Board of Directors who are not employees or managers, in order to enhance the function of the Board and fulfill its supervisory role.

II. Remuneration for Director (Including Independent Directors), General Manager and Vice General Manager during latest year

Remuneration for Directors and Independent Directors

Unit: Thousand Shares/ Thousands of NT\$ as of 2024.12.31

Title	Name	Director Remuneration								Total Remuneration (A+B+C+D) and % of Net Income (Note3)								Compensation Earned as Employee of the Company or of Consolidates Entities				Total Compensation (A+B+C+D+E+F+G) and % of Net Income (Note 3)	Compensation Paid to Directors from Nonconsolidated Affiliates
		Remuneration A		Retirement Allowance B (Note1)		Profit Sharing C (Note2)		Allowance D		Base Compensation, Bonuses and Allowances (E)		Retirement Allowance (F)		Employee Profit Sharing (G) (Note 4)									
		The Company	From All Companies within the Financial Report	The Company	From All Companies within the Financial Report	The Company	From All Companies within the Financial Report	The Company	From All Companies within the Financial Report	The Company	From All Companies within the Financial Report	The Company	From All Companies within the Financial Report	The Company	From All Companies within the Financial Report	The Company		From All Companies within the Financial Report					
																Cash	Share	Cash	Share				
Director	Jing-Rong Tang (a)																						
Director	Lin Tan Investment Co., Ltd. Representative: Chyang Lo (b)																						
Director	Lin Tan Investment Co., Ltd. Representative: Fang-Ming Lo (c)	-	-	-	-	18,100	18,100	480	480	18,580 1.91	18,580 1.91	10,039	10,039	-	-	20,200	-	20,200	-	48,819 5.02	48,819 5.02	69	
Director	Shi-Yun Shen (d)																						
Director	Shao-Kuo Huang (e)																						
Director	Tang-Ming Wu (f)																						
Independent Director	Ken-Yi Cheng (g)																						
Independent Director	Nai-Hua Wu (h)																						
Independent Director	Chu-Yang Chien (i)	-	-	-	-	7,757	7,757	940	940	8,697 0.89	8,697 0.89	-	-	-	-	-	-	-	-	8,697 0.89	8,697 0.89	-	
Independent Director	Jen-Wei Ko (j)																						
Independent Director	Jui-Chu Li (k)																						

Note1: There are no circumstances of retirement pension payment for 2024

Note2: Remuneration for directors on 2024 estimated in accordance to the actual payment ratio from the previous year, and is confirmed by the board of directors on 2025.02.27 for the payment amount of NT\$ 25.86 million.

Note3: Net profit after tax refers to the net profit after tax of the individual financial report in 2024.

Note4: Remuneration for employees on 2024 estimated in accordance to the actual payment ratio from the previous year, and is confirmed by the board of directors on 2025.02.27 for the payment amount of NT\$135.75 million.

Note5: Please specify the relevancy between the policy, system, standard and structure of remuneration of the directors in accordance to their responsibilities, risks, time consumed and other factors: In accordance to Article 19 of the Articles of Association, remuneration of independent directors are reviewed by the remuneration committee, the remuneration committee combines the remuneration number with individual and the company's operational performance to achieve the rationality and attractiveness of remuneration to retain outstanding candidates and employees, final decision will be made by the board of directors.

Note6: Other than the disclosure chart above, the remuneration received by the company director for the service provided in the most recent year (serving as a consultant for the parent company, all companies in the financial report, reinvestment enterprises that are not employees of the company etc.): NT\$0 thousands.

Range of Remuneration for Directors

Range of Remuneration for Directors	Name			
	Summaration of the First 4 Items (A+B+C+D)		Summaration of the First 7 Items (A+B+C+D+E+F+G)	
	The Company	All Companies Involved in the Financial Statement	The Company	All Companies Involved in the Financial Statement
Under NT\$1,000,000	h	h	h	h
NT\$ 1,000,000~NT\$ 2,000,000	b.c.k.	b.c.k.	b.c.k	b.c.k
NT\$2,000,000~NT\$3,500,000	d.e.f.g.i.j	d.e.f.g.i.j	f.g.i.j	f.g.i.j
NT\$3,500,000~NT\$5,000,000	-	-	e	e
NT\$5,000,000~NT\$10,000,000	a	a	d	d
NT\$10,000,000~NT\$15,000,000	-	-	-	-
NT\$15,000,00~NT\$30,000,000	-	-	-	-
NT\$30,000,000~NT\$50,000,000	-	-	a	a
NT\$50,000,000~NT\$100,000,000	-	-	-	-
Over NT\$100,000,000	-	-	-	-
Total	11	11	11	11

Note: The content of remuneration disclosed in the table is different from the concept of income under the Income Tax Act; therefore this table is intended for information disclosure and not for the purpose of taxation.

Remuneration for General Manager and Vice General Manager

Unit: Thousands of shares/thousands of NT\$ as of 2024.12.31

Title	Name	Salary (A)		Retirement Allowance (B) (Note1)		Bonuses and Allowance (C)		Employee Profit Sharing (D) (Note2)				Total Remuneration (A+B+C+D) as % of Net Income (%) (Note 3)		Remuneration received from Nonconsolidated Affiliates
		The Company	From All Companies within the Financial Report	The Company	From All Companies within the Financial Report	The Company	From All Companies within the Financial Report	The Company		From All Companies within the Financial Report		The Company	From All Companies within the Financial Report	
								Cash	Stock	Cash	Stock			
General Manager	Jing-Rong Tang (a)	13,987	13,987	-	-	-	-	22,000	-	22,000	-	35,987 3.70	35,987 3.70	69
Executive Vice General Manager	Shih-Yun Shen (b)													
Vice General Manager	Shao-Kuo Huang (c)													
Vice General Manager	I-Ta Lee (d)													
Vice General Manager	Hui-Bang Yeh (e)													

Note1: There is no circumstance of retirement pension payment in 2024.

Note2: Remuneration for employees on 2024. Estimated in accordance to the actual payment ratio from the previous year, and is confirmed by the board of directors on 2025.02.27 for the payment amount of NT135.75 million.

Note3: Net profit after tax refers to the net profit after tax of the individual financial report in 2024.

Range of Remuneration for General Manager and Vice General Manager

Range of Remuneration for General Manager and Vice General Manager	Name	
	The Company	From All Companies within the Financial Report
Under NT\$1,000,000	-	-
NT\$ 1,000,000~NT\$ 2,000,000	-	-
NT\$2,000,000~NT\$3,500,000	c.d.e	c.d.e
NT\$3,500,000~NT\$5,000,000	b	b
NT\$5,000,000~NT\$10,000,000	-	-
NT\$10,000,000~NT\$15,000,000	-	-
NT\$15,000,00~NT\$30,000,000	a	a
NT\$30,000,000~NT\$50,000,000	-	-
NT\$50,000,000~NT\$100,000,000	-	-
Over NT\$100,000,000	-	-
Total	5	5

Note: The content of remuneration disclosed in this table is different from the concept of income under the Income Tax Act; therefore this table is intended for information disclosure and not for the purpose of taxation

Employee Profit Sharing Granted to Management Team

Unit: Thousands of NT\$ as of 2024.12.31

Title	Name	Stock	Cash	Total	Proportion of Total Amount to Net Profits After Tax (%)
General Manager	Jing-Rong Tang	-	23,700	23,700	2.44
Executive Vice General Manager	Shi-Yun Shen				
Vice General Manager	Shao-Kuo Huang				
Vice General Manager	I-Ta Lee				
Vice General Manager	Hui-Bang Yeh				
Chief Accounting Officer and Corporate Governance Officer	Shu-Ying Chang				

Note: The amount of employee remuneration received by the manager is calculated as an estimated amount based on the ratio of the actual distribution amount in the previous year and the proposed distribution of employee remuneration in the current year.

4. Analysis of the percentage of total compensation paid to the company's directors, supervisors, general manager and vice general managers to net income from the company and all consolidated entities in the past two fiscal years and description on correlation between compensation paid process and operating performance as well as future risks.

(1) Analysis of the Proportion of Total Amount to Net Profits after Tax (%)

Title	Item	Proportion of Total Amount to Net Profits After Tax (%)			
		2023		2024	
		The Company	All Companies in the Consolidated Financial Statement	The Company	All Companies in the Consolidated Financial Statement
Directors		5.93	5.93	5.91	5.91
General Manager and Vice General Manager		3.85	3.85	3.70	3.70

- (2) Policies, standards and packages for payment of compensation as well as the procedures followed for determining the compensation, and their linkages to business performance and future risk exposures:

- i. In accordance to Article 19 of the Articles of Association, after deducting the benefits before the distribution of employee remuneration and directors' remuneration from the current years' pre-tax benefits, after retaining the amount of accumulated losses (including adjustment of the undistributed surplus amount), allocation of no less than 7% employee benefit and no more than 3% of directors' remuneration if there is a surplus. In addition, Article 16 of the Articles of Association stated that, the board of directors is authorized for deciding the travel expense and remuneration of all directors according to their participation and contribution to the operation of the company, and taking into account the standards of the industry.

The abovementioned items shall be reviewed by the remuneration committee, and will be passed by the board of directors and further submit to the shareholders meeting: the employee remuneration distribution ratio, the board of directors' remuneration ratio, distribution in cash or in stock and the board of directors' attendance fee and profit sharing.

- ii. In accordance to the Articles of Association and Charter of Remuneration Committee, the remuneration committee reviews the remuneration of employees and directors with the following two performance evaluation method, then further submit the results to the board of directors for final decision making:
- A. Remuneration for director is set in accordance to the level of participation and contribution to the company's operations, the practice of the company's core values, the understanding of the company's goals and missions, the recognition of director responsibilities, internal relationship management and communication, professional expertise and continuous learning, and internal control. The evaluation results of performance are linked to the reasonableness and fairness of performance risks, annual compensation to the performance evaluation results of each director in the board, and takes into account the company's operational performance and industry standards.
- B. Remuneration for general manager and vice general manager is set in accordance to responsibilities, level of work, professional abilities and a comprehensive evaluation of individual job performance, goal achievement, contribution to the

overall performance of the company, and the relevance and rationality of future risks. In addition, it is also determined by considering the company's annual operating performance and industry salary standards.

After the settlement of the abovementioned remuneration amount, the remuneration committee will review the remuneration amounts for directors and managers in a timely manner, taking into account the actual business conditions and relevant laws and regulations.

III. Corporate Governance Status

1. The Operational Status of the Board of Directors

Operational Status of the Board of Directors

In 2024, the board of directors had 6 meetings (A), attendance of directors and supervisors are as follow:

Title	Name	Actual Attendance (B)	Delegated Attendance	Actual Attendance Rate (%) (B/A) (Note2)	Note
Chairman	Jing-Rong Tang	6	0	100.00	-
Director	Lin Tan Investment Co., Ltd. Representative: Chyang Lo	2	0	100.00	Resigned 2024.05.30, Should attend 2 times
Director	Lin Tan Investment Co., Ltd. Representative: Fang-Ming Lo	4	0	100.00	Elected 2024.05.30, Should attend 4 times
Director	Shih-Yun Shen	4	2	66.67	-
Director	Shao-Kuo Huang	5	0	83.33	-
Director	Tang-Ming Wu	6	0	100.00	-
Independent Director	Ken-Yi Cheng	6	0	100.00	-
Independent Director	Nai-Hua Wu	2	0	100.00	Resigned 2024.05.30, Should attend 2 times
Independent Director	Chu-Yang Chien	6	0	100.00	-
Independent Director	Jen-Wei Ko	6	0	100.00	
Independent Director	Jui-Chu Li	3	1	75.00	Elected 2024.05.30, should attend 4 times

Other thing that should be noted:

1. Date, period, content of the meeting, opinions of all the independent directors and the handling of the opinions by the company should be listed if any of the following occurs:

(1) Matters Listed in Article 14-3 of the Securities and Exchange Act:

The company has set up the Audit Committee, therefore Articles 14-3 of the Securities and Exchange Act is not applicable to the company. Please refer to the audit committee or the operational status from the audit committee for further details:

(2) Other than the previously listed contents, other objections and reservations held by the independent directors that are recorded or has written statement: None

2.Name of the directors, content of the meeting, reasons for conflict of interests and situation of voting should be listed in regards to conflict of interests of the directors:

Date	Period	Content	Interest Conflicted Directors	Reasons for Interests of Conflicts and the Participation in Voting
2024.08.07	16 th BOD 2 nd Time	Appointed the 6 th remuneration committee member case	Ken-Yi Cheng Chu-Yang Chien Jen-Wei Ko	The appointed individuals are independent directors of the former entity. Each of the appointed independent directors respectively disclosed their personal interests in the matter and recused themselves from both the discussion and voting on this proposal. Upon inquiry by the board, the remaining attending directors raised no objections, and the proposal was thereby approved as submitted.
2024.11.06	16 th BOD 3 th Time	Regular review on matters related to the remuneration of directors and managers 1. Review policies, systems, standards and structures related to annual and long-term performance targets and remuneration. 2. Evaluate performance achievements and review the content and amount of remuneration for the year of 2024.	All Directors	As this case involves the individual allocation of director and individual managers who concurrently serve as directors, each director explains their own interest in the case and recuses themselves during the discussion and voting. The resolutions were approved without any objections after the consultation by the chairman or acting chairman with the presented directors.
2024.12.18	16 th BOD 4 th Time	Remuneration for directors and managers: 1. Review the achievement on performance targets and remuneration content for the year of 2024. 2. Formulate performance targets and remuneration proposal for the year of 2025.	All Directors	As this case involves the individual allocation of director and individual managers who concurrently serve as directors, each director explains their own interest in the case and recuses themselves during the discussion and

				voting. The resolutions were approved without any objections after the consultation by the chairman or acting chairman with the presented directors.
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3. Evaluation period, range, method and content as well as the result should be listed for the directors (or peers) self-evaluation:

(1). The company has stipulated the Board of Directors Performance Evaluation Method after the approval by the board of directors on 2020.08.05. Contents are as follow:

I. Evaluation Period

At least once every year; and can at least be evaluated once every 3 years by external professional companies and experts

II. Evaluation Range

Board of directors, individual directors and functional committees

III. Evaluation Method

Board of directors' internal self-evaluations, board members self-evaluation, peer's evaluation and or appointed external professional bodies experts or other appropriate means for performance evaluation.

IV. Evaluation Content

Evaluation Range	Board of Directors	Members of the Board of Directors (self or peer)	Functional Committees
Items	Including 5 Aspects: 1. Participation in the company's operation 2. Elevate the board of directors' decision making 3. Formation and structure of the board of directors 4. Board of directors election and their continuous education 5. Internal Control System	Including 6 Aspects: 1. Mastery of the company's objectives and tasks 2. Cognition of the responsibility for the board of directors 3. Participation in the operation of the company 4. Internal relationship management and communication 5. Professionals of the board of directors and their continue education 6. Internal Control System	Including 5 Aspects: 1. Participation in the company's operation 2. Cognition of the responsibility for the functional committee 3. Elevate the decision making quality of the functional committee 4. Formation of the functional committee and its members election 5. Internal Control System

(2). The implementation status of board of directors' evaluation of 2024:

Evaluation Cycle	Evaluation Period	Evaluation Range	Evaluation Method	Evaluation Content	Evaluation Result
1. Evaluate once every year 2. Evaluate by external professional teams or corporate once every three years	2024 01.01 ~ 2024 12.31	1. Board of Directors 2. Members of the Board 3. Remuneration Committee 4. Audit Committee	1. Board of directors' self-evaluation 2. Board of directors' members' self-evaluation 3. Remuneration committee members' self-evaluation 4. Audit committee members' self-evaluation	Please refer to 1.4	Most of the evaluation results of the evaluation indicators are in strong agreement; the board of directors, board members and remuneration committee work well as a whole, comply with corporate governance requirements and can effectively strengthen the functions of the board of directors and protect the rights and interests of shareholders

4. The objectives of strengthening the functions of the board of directors in the current year and the most recent years (e.g. establish the audit committee, improving information transparency etc.) and evaluation of their implementations:

There is a total of 9 directors (including 4 independent directors) for the term of 3 years; election method is in accordance to Article 192-1 of the Company Act; chairman of the board of director is Jing-Rong Tang, bringing the board of directors into implementing corporate governance and management system:

(1) Implementation of a positive board governance system

I. In the Corporate Governance Best Practice Principles, it is stated that in the election of the members of the board of directors, over all configuration, operational judgment and management, as well as the professionalism and diversification of the composition of the members should all be taken into consideration.

The specific management goals and implementation status of the diversity of the board of directors of the company can be found on page 12 to 14 of this annual report.

II. Operation of the board of directors follows the Articles of Association, the Rules of Procedure for Board Meeting, the resolutions made during the AGM and relevant laws and regulations.

III. The current term of the board of directors is composed by 9 directors and 4 independent directors (taking up 44.44% of the seats of the boards meeting); audit committee are composed by all independent directors, assisting the board of directors to perform its supervisory duties and regularly report the operational status to the board.

IV. Purchased liability insurance for directors and supervisors for USD\$5 million.

(2) Improve the Supervision Function

I. Board's meeting of the company is launched at least once every quarter for the inspection of the operational performance and major resolutions; total of 6 meetings were launched in 2024, the average attendance rate is 92.59%.

II. Meeting of the audit committee launches at least once every quarter to inspect the fairness of presentation of the company's business report; the election, dismissal, independency and performance; the implementation status of the internal control system; potential risks and the compliance of relevant laws and regulations; total of 5 meetings were launched in 2024, the average attendance rate is 95%.

(3) Strengthen Management Skill and Information Transparency

- I. Responsible department is established for: functional committees; the attendance and continue education of the directors; publication of major news and information to ensure things are properly and timely provided to the public through websites such as the MOPS.
- II. Conduct investor forum regularly to enhance investor's identification with the company. A total of 4 forums were held in the year of 2024.
- III. Stipulated the Board of Directors Standard Operating Procedures on 2019 to assist directors in performing their duties and to enhance effectiveness of the board of. A corporate governance officer was appointed in 2023 to be responsible for this matter.
- IV. Stipulated the Board of Directors Performance Evaluation Method on 2020 to evaluate the performance of the overall board of directors, enhancing the efficiency of the board; performance evaluation and process report for 2024 was presented to the board of directors during most recent BOD meeting in 2025.

(4) Continue to strengthen the structure and operation plan of the board of directors, continue to promote the implementation of sustainability and strive to improve information transparency, promote the implementation of corporate sustainable development, and assess the feasibility of establishing a Sustainability Committee under the Board. At the same time, strive to improve information transparency.

Note1: If the directors or supervisors belongs to legal persons, the names of the legal person shareholders and their representatives shall be disclosed.

Note2: If the director and supervisor resign before the end of the year, the date of resignation shall be indicated in the remarks column, and the actual attendance rate (%) shall be calculated based on the number of board meetings and the actual number of attendance(present) during the term of office. Before the end of the year, if there is a re-election of the director, the new and previous directors and supervisors shall be filled in, and the previous or new or re-appointed and re-election date of the director and supervisors shall be indicated in the remark's column. The actual attendance rate (%) is calculated by the number of board meetings and the number of actual attendance(percentage) during the term of office.

2. Information on the Operational Status of the Audit Committee

1. Operational status of the Audit Committee

Operational Status of the Audit Committee

The company has established the Audit Committee composed of all independent directors in accordance with legal regulations. The committee meets at least once every quarter and may convene additional meetings if needed.

Main tasks of the audit committee include: supervising the fair presentation of the company's financial statement, selection and dismissal and independency evaluation, implementation efficiency of internal control, compliance of relevant laws and regulations as well as risk management. In addition to sending the audit report to the independent directors monthly, audit committee also reports major findings of the company's internal control management to the directors in the board of directors. Independent directors communicate with audit supervisors at least once every quarter on findings regarding the company's internal control management; communicate with the accountants at least twice a year on the audit or review of the company's consolidated financial report (annual including individual financial report).

2024 audit committee had 5 Meetings (A); attendance of independent directors is as follows:

Title	Name	Actual Attendance(B)	Delegated Attendance	Actual Attendance Rate (%) (B/A)	Note
Chairman	Ken-Yi Cheng	5	0	100	-
Member	Nai-Hua Wu	2	0	100	Resigned 2024.05.30, Should attend 2 times
Member	Chu-Yang Chien	5	0	100	-
Member	Jen-Wei Ko	5	0	100	-
Member	Jui-Chu Li	3	1	75	Elected 2024.05.30, Should attend 4 times

Other contents to be noted:

1. When the following situation occurred to the operation of the audit committee, state the date, period, proposal contents, resolutions, and the handling of the audit committee's opinion by the company:

(1) Matters specified in Article 14-5 of the Taiwan's Securities and Exchange Act:

Date	Period	Content	Contents of Independent Directors' Objections, Reservations or Major Proposals	Resolution	Handling of the Audit Committee's Opinion	Resolution not approved by the Audit Committee but approved by 2/3 of all directors
2024.02.27	1 st Audit Committee 14 th Meeting	1. Business Report and Financial Statements for 2023. 2. Earning distribution proposal for 2023. 3. Statement on the effectiveness of Internal Control System of 2023. 4. Business Plan for 2024 5. Endorsement case of bank financing limit for Everplus Material Co., Ltd.	None	None	None	None
2024.05.07	1 st Audit	1. Reportation of the	None	None	None	None

	Committee 15 th Meeting	consolidated financial report of 2024 quarter 1. 2. Dismissal on endorsement case of bank financing limit for subsidiary corporation.				
2024.08.07	2 st Audit Committee 1 th Meeting	1. Reportation of the consolidated financial report of 2024 quarter 2.	None	None	None	None
2024.11.06	2 st Audit Committee 2 th Meeting	1. Reportation of the consolidated financial report of 2024 quarter 3. 2. Revision on Audit Committee Charter.	None	None	None	None
2024.12.18	2 st Audit Committee 3 th Meeting	1. Adjustment on financial reports to check CPAs' cases. 2. Evaluates the independency and suitability of the CPA for Annual Report of 2025. 3. Revision on relevant articles in the Internal Control System. 4. Stipulate the Internal Audit Plan for 2025.	None	None	None	None

(2) Other than the previously listed contents, resolutions not approved by the audit committee but approved by 2/3 of all directors: None.

2. Name of the independent directors, content of the resolution, reasons for conflict of interests and the involvement situation in voting should be indicated if there are cases of conflict of interests: None.
3. Communication between independent directors and internal audit supervisors and accountants (should include the company's financial and business status, its methods or results through communication, etc.)

(1) Communication with the Audit Manager:

1. In the month following the completion of the audit project or irregularly when deemed necessary, submit the audit report to independent directors and conduct two-way communication.
2. Report the process of the internal audit to the independent directors quarterly before the board's meeting, communicates about the results of the internal audit as well as the implementation of the follow-up reports.
3. Summary of Communications:
 - (1) Other than the quarterly meeting, communications should be done whenever necessary; communications can be done via phone calls, emails and or in person meetings.
 - (2) Communication Execution and Effectiveness: In good condition.
 - (3) The major matters of the communications between independent directors and internal auditors:

Date	Communication Focus	Execution Result
2024.02.27	1. Reportation of the fourth quarter internal audit implementation status of 2023. 2. Consolidated report of the internal audit implementation for 2023. 3. Statement of Internal Control	1. Manager of the audit team explained to the independent directors (1) No significant abnormalities were found in the internal audit result of this quarter. (2) The results of the internal audit

		System for 2023.	<p>conducted in the previous year and recommendations were completed and the necessary improvements were made. No major deficiencies found.</p> <p>(3) The annual self-assessment of internal control implementation and results for each unit showed no significant risk issues.</p> <p>(4) Reviewed the internal audit report prepared by the accountant and found no significant deficiencies.</p> <p>(5) Issued the Statement of Internal Control System based on Item 2~4, declaring that the internal control system of the company is effective and submitted the declaration to the regulatory authority within the legal deadline.</p> <p>2. Independent directors held no other opinions and comments</p> <p>3. Reviewed and or approved by the audit committee.</p>
	2024.05.07	<p>1. Reportation of deficiencies or abnormal issues in the internal control system of 2023</p> <p>2. Reportation of the first quarter internal audit implementation status of 2024</p>	<p>1. Internal audit supervisors explained to the independent directors</p> <p>(1) Improvement in deficiency and abnormal issues of the internal audit system for the previous year has been reported to the competent authority within the statutory time.</p> <p>(2) The results of the internal audit implementation in the current quarter, except for audit recommendations, there are no significant abnormal conditions remaining. The recommended item was estimate to reviewed again three months later after implementation to track its improvement progress, the review results were reported to the audit committee and the board of directors.</p> <p>2. Independent directors held no other opinions or comments.</p> <p>3. Reviewed and or approved by the audit committee.</p>
	2024.08.07	Reportation of the second quarter internal audit implementation status of 2024	<p>1. Internal audit supervisors explained to the independent directors</p> <p>(1) The result of the internal audit recommendations from the previous quarter have been reviewed and the necessary improvements have been completed. Also keep track for those that haven't does so.</p> <p>(2) The results of the internal audit</p>

		<p>implementation in the current quarter, except for audit recommendations, there are no significant abnormal conditions remaining. The recommended item will be reviewed again three months later after implementation to track its improvement progress, and the review results were reported to the audit committee and the board of directors.</p> <p>2. Independent directors held no other opinions or comments</p> <p>3. Reviewed and or approved by the audit committee.</p>
2024.11.06	Reportation of the third quarter internal audit implementation status of 2024	<p>1. Internal audit supervisors explained to the independent directors</p> <p>(1) The result of the internal audit recommendations from the previous quarter have been reviewed and the necessary improvements have been completed.</p> <p>(2) No significant abnormalities were found in the internal audit result of this quarter.</p> <p>2. Independent directors held no other opinions or comments</p> <p>3. Complete reviewed and approved by the audit committee.</p>
2024.12.18	<p>1. List of internal audit personnel for 2025</p> <p>2. Revision of relevant procedures of internal control system</p> <p>3. Stipulate the internal audit plan for 2025</p>	<p>1. Internal audit supervisors explained to the independent directors</p> <p>(1) The list of internal audit personnel, their education and experience, and their training meet the requirements for internal audit personnel qualifications as required by law.</p> <p>(2) Based on the result of risk assessment and considering factors such as resource allocation, the scope, focus and frequency of internal audit work are determined; and the internal audit plan for the next year is established.</p> <p>(3) Reasons for and key contents of the revision of internal control related regulations.</p> <p>2. Independent directors held no other opinions or comments</p> <p>3. Reviewed and or approved by the audit committee</p> <p>4. List of Internal Audit Personnel and Internal Audit Plan of the company have been reported to the competent authority within the legal deadline.</p>

(2) Communication with the Accountants:

1. Meeting at least twice every year to report to the independent directors about review results of the company financial statements and its subsidiaries abroad. Communicate regarding financial statement adjustment or the impact of legal amendments of the company, communicates with the accountant whenever necessary regarding any financial issues.
2. The audit committee reviews the independency and appropriateness of the Certified Public Accountant regularly annually. Independent directors all participates in the audits.
3. Summary of Communications:
 - (1) Other than the regular meetings, communications should be done whenever necessary; communications can be done via phone calls, emails and or in person meetings.
 - (2) Communication Execution and Effectiveness: In good condition.
 - (3) Summary of Major Content of Communications are as Follows:

Date	Communication Focus	Execution Result
2024.02.27	<ol style="list-style-type: none"> 1. Audit results of 2023 individual and consolidated financial statements for and the status of internal control audit. 2. Recent updates on corporate governance, important securities regulations and tax laws, as well as the application of new accounting and auditing bulletins. 	<ol style="list-style-type: none"> 1. Accountant should explain to the Independent Director: <ol style="list-style-type: none"> (1) Responsibility for checking the independence of officers and auditing the financial statements. (2) Key audit matters, audit scope, types of audit opinions and audit findings for individual and consolidated financial statements for current year. (3) Explanation of the implementation status of the Internal Control System related to the audit of financial statement preparation. (4) Recent inspections of Listed Companies by Authorities and Reminders of internal re-assessment deficiencies. (5) Impact on the company regarding recent updates on corporate governance, important securities regulations and tax laws, as well as the application of new accounting and audit bulletins. 2. The independent directors held no other opinions or comments 3. Approved by the audit committee 4. Declaration of the financial report to the competent authority within the statutory time
2024.08.07	<ol style="list-style-type: none"> 1. Review results of the 2024 second quarter consolidated financial statements and its internal control audit status. 2. Recent updates on corporate governance, important securities regulations and tax laws, as well as the application of new accounting and auditing bulletins. 	<ol style="list-style-type: none"> 1. Accountant should explain to the Independent Director: <ol style="list-style-type: none"> (1) Responsibility for checking the independence of officers and auditing the financial statements. (2) Financial report, the scope of review, the type of opinion and the findings of the review of this season's financial report. (3) Provide an explanation on the implementation of the internal control system for the preparation of financial reports. (4) Recent updates on corporate governance, important securities regulations and tax laws, as well as the application of new accounting and auditing bulletins.

			<p>(5) IFRS Sustainability Disclosure Standard Implementation Plan.</p> <ol style="list-style-type: none"> 2. Independent directors held no other opinions or comments 3. Approved by the audit committee 4. Declaration of the financial report to the competent authority within the statutory time
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Note1: if an independent director resigns before the end of the year, the date of resignation shall be indicated in the remarks column, and the actual attendance rate (%) shall be calculated based on the number of audit committee meetings and the number of actual attendances during the term of office.

Note2: before the end of the year, if there is an independent director re-election, the new and old independent director should be filled in, and the old, new or re-appointed and the re-election date of the independent director should be indicated in the remark's column. The actual attendance rate (%) should be calculated based on the number of audit committee meetings and the number of actual attendances during the term of office.

1. Difference between the corporate governance implementation and the Corporate Governance Best Practice Principles for TWSE/GTSM-Listed Companies and reasons:

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
I. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The company has established the Corporate Governance Best-Practice Principles in accordance to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. The information has been disclosed on the company’s website and MOPS.	No Difference
II. Shareholding Structure & Shareholder’s Rights				
(1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations and implements based on the procedure?	V		1. The company has designated spokesperson, deputy spokesperson, public relations, investor relations and stock affairs office to communicate with shareholders and stakeholders, when encountering shareholder’s inquiries, each department responds to the inquiries accordingly. Please visit: https://www.holystone.com.tw for further information. 2. Shareholders’ meetings are held in accordance to the Rules and Procedures for Board Meetings.	No Difference
(2) Does the company possess the list of its major shareholders as well as the final owners of those shares?	V		Other than analyzing the distribution profile of share ownership after the last day for stock transfer, the company also has stock affairs office and specialists to stay in touch with stock transfer institution to maintain the list of main shareholders and its main controllers and the report the stock change information of the company’s insiders and major shareholders according to relevant laws and regulations.	No Difference
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		The company has established Procedures Governing Related Parties Transactions, Operational Specifications for the Financial Services of Related Parties, Regulations on Supervising Subsidiaries, Guidelines for Endorsements and Guarantees, Guidelines for Lending of Capitals and Guidelines for Handling Acquisition and Disposal of Assets to manage risks	No Difference

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			and build firewall between the company and subsidiaries. The relevant regulations have been followed.	
(4) Does the company establish internal rules against insiders to trade with undisclosed information?	V		<ol style="list-style-type: none"> 1. Procedure for Handling Material Information is stipulated to prohibit insiders from using unpublished information to purchase and sell securities; Corporate Governance Best Practice Principle also regulates insiders from purchasing and selling the company’s stock when they learn of the company’s financial report announcement closed period or related performance content; insider trading was specially indicated in the Internal Control System, preventing the occurrence of insider trading. 2. Internal trainings regarding insider trade, fair trade and compliances to laws and regulations are given to the employees, participants include managers’ sales operational officers, logistics-related supervisors, and other employees, total 209 participants with 104.5 hours of trainings were done in 2024. 3. Before the announcement of the financial report for 2024, directors and insiders were notified to refrain from buying or selling company stocks a total of 4 times 4. Relevant information is disclosed in the Corporate Governance section of the company’s website. 	No Difference
III. Composition and Responsibilities of the Board of Directors				
(1) Does the board of directors develop a diversity policy, specific management goals and implement its operation for the composition of its members?	V		<ol style="list-style-type: none"> 1. Please refer to page 12 to 14 of this Annual Report for further information regarding diversification, management plan and implementation status of the board of directors. 2. Relevant information is disclosed in the Corporate Governance section of the company’s website. 	No Difference

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company voluntarily establish other functional committees in addition to the remuneration committee and the audit committee?		V	Other than the remuneration committee and the audit committee, the rest of the corporate governance operations are carried out by each unit of the company according to their respective functions. No other functional committees are established yet, planning and setting will be considered in accordance to the laws, operational scales and development needs.	No Significant Difference, will collaborate with legislations to set up regulations.
(3) Does the company establish a standard to evaluate the performance of the board of directors, and implement it annually? Is the result provided to the board of directors use for consideration of boards’ remuneration and nomination for renewal?	V		<ol style="list-style-type: none"> 1. Companys’ Board of Director Performance Evaluation Method is used to evaluate the performance of the directors annually. The 2024 annual performance evaluation results of the directors, individual directors, remuneration committee and audit committee have been submitted to the board of directors on 2025.02.27. Results will be used as a reference for individual directors’ remuneration and nomination for re-election, in order to strengthen the operation efficiency of the board of directors. 2. Relevant information is disclosed in the Corporate Governance section of the company’s website. 	No Difference
(4) Does the company regularly evaluates the independence of CPAs?	V		The company has entrusted the KPMG for the Financial Reporting Visa. KPMG before undertaking any appointed services, must conduct a self-check for compliance. Additionally, our finance and accounting department obtains Audit Quality Indicators (AQIs) information provided by the accounting firm annually. We evaluate the audit quality status of the accounting firm and audit team based on various aspects such as professionalism, quality control, independence, supervision, and innovation, in accordance with the Audit Quality Indicators (AQIs) issued by the competent authority. The company assess the qualifications and	No Difference

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			independence of the signing accountant based on their education and experience, existing or potential conflicts of interest between the signing accountant's current clients and our company, the signing accountant's tenure, status of non-audit services, reasonableness of annual audit service fees, and any direct or indirect conflicts of interest or financial interests. The evaluation results, along with the accountant's independence statement, are submitted to the board for resolution. The assessments of the independence and suitability of the signing accountant for the years 2024 and 2025 were approved by the board on 2023.12.13 and 2024.12.18 respectively.	
IV. Does the company establish a division who handles Corporate Governance matters? Appointed the corporate governance to handle governance-related matters (includes but not limited to provide information for directors and supervisors of enforcement, handle BOD and shareholders' meetings, preparation for minutes of board and shareholders' meetings, etc)		V	<ol style="list-style-type: none"> 1. On 2023.05.10, the board of directors approved the establishment of a corporate governance officer whose qualifications meet the professional requirements for corporate governance officers specified in Article 23 of the "Guidelines for the Establishment and Exercise of Powers by Boards of Directors of Listed Companies on the Taiwan Stock Exchange." 2. The corporate governance officer is responsible for providing the board of directors with the necessary information for business execution, staying updated on the latest regulatory developments related to company operations to assist the directors in compliance, thereby strengthening the functions of the board and safeguarding shareholder rights. Other responsibilities are specified in Article 3.1 of the company's Corporate Governance Best Practice Principle. 3. The corporate governance officer is required to complete at least 18 hours of continuing education within one year from assuming the position, and should undergo at least 12 hours of continuing education annually. The corporate governance officer of this company was appointed on 2023.05.10 and as of 2024.12.31, has completed 24 hours of relevant 	No Difference

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			courses on legal compliance, finance, and corporate sustainability.	
V. Does the company establish a communication channel and build a designated section on its website for stakeholders (includes but not limited to: shareholders, employees, customers and suppliers) and build a designated section on its website for stakeholders, handle all the important issues they care for in terms of corporate social responsibilities?	V		1.The Company respects the rights and interests of its stakeholders. Designated personnel are responsible for handling needs, request and expectations of stakeholders. Various communication channels are provided. For further information on issues concerned by the stakeholders as well as actions taken by the company, please refer to page 47 of this Annual Report. 2.Latest information is provided via the MOPS website as well as the company’s website. Contacts from stakeholders are welcomed through any methods listed on the MOPS and the company’s website.	No Difference
VI. Does the company entrust a professional stock agency for shareholders affairs?	V		The company entrusted CTBC Commercial Bank CO., Ltd., for relevant shareholders affairs. Regulations on Governing Handling of Stock Affairs are also established for corresponding issues.	No Difference
VII. Information Disclosure				
(1) Does the company has a corporate website that discloses information on both financial standings and the status of corporate governance?	V		The company has set up the website in Chinese, which regularly updates with the latest information on products, the company, financial statements, business information, corporate information, corporate sustainability and stakeholders communication related information. The information will be updated regularly.	No Difference
(2) Does the company have other information disclosure channels (that includes but not limited to: English website, designated disclosure personnel, spokesperson and webcasting investor conferences)?	V		1. The company has set up and implemented the spokesperson and designated spokesperson system. A designated person is responsible for the collection and disclosure of company information, as well as the participation in at least 2 investor’s conferences every year. Information regarding the investor conferences will be declared before and after the conferences on the MOPS website as well as the company’s website for the investors’ references. In 2024, the company were invited to attend investors forum for 4 times.	No Difference

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>2. Major information regarding the financial and operational status is published in both Chinese and English for our domestic and foreign investors to examine. There are no differences in the disclosed information.</p> <p>3. English website is established. Contents include products, company intro and financial status of the company. Information is updated regularly.</p>	
(3) Does the company announce and report the annual financial statements within two months after the end of the fiscal year? Announce and report the first, second and third quarter financial statements as well as the operating status of each month before the prescribed deadline?	V		<p>1. The company's financial reports for the years 2023 and 2024 were respectively approved by the board of directors on 2024.02.27 and 2025.02.27, publicly announced and filed. The financial reports for the first, second, and third quarters of 2024 were also approved by the board of directors and completed the public announcement filing five days before the deadline</p> <p>2. The operating conditions of the company for each month were announced and declared ahead of the designated deadline.</p>	No Difference
VIII. Does the company have other information for better understanding the company’s corporate governance system (including but not limited to interests and rights of employees, employee caring, relations with investors and suppliers, stakeholder’s rights, board of directors and supervisors’ continuous education, risk management policies and measuring standards, customer policies, liability insurance for the company’s directors and supervisors)?	V		<p>1. Employee rights and care:</p> <p>(1) Prohibition of forced and child labor, employees are free to resign upon reasonable notice. Prohibition of late-night tasks as well as dangerous heavy-duty jobs for employees under the age of 18.</p> <p>(2) Implemented Equal Employment Opportunity Principle, no one is discriminated based on their gender, age, marital status, race, religion, color, nationality, disability, constellation and blood type; the workforce shall be free of harassment and unlawful discriminations.</p> <p>(3) Employee salary as well as working hours that include minimum wage and over-time, are regulated based on relevant rules and regulations made by the Labors Act, employee’s rights are ensured and protected.</p>	No Difference

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>(4) The company and the plants are designed with safety been its priority. Other than providing a safe and comfortable working environment, regular health check as well as emergency evacuation training is also given to our employees to ensure their health and safety. In compliance to the Labor Safety and Health Law, the company has occupational personnel for occupational health and safety who on a regular base examine the safety of the working environment. Industrial Safety is always a priority in the company’s internal audit for employee management; therefore, every employee and management team set self-expectations for “Zero Accidents”.</p> <p>(5) The achievements of corporate goals rely on each employee’s effort, the relationship between employees and management teams plays an important role for the company. As of today, there are no disputes between employees and the management team, the company is also not expecting to encounter one in the future.</p> <p>2.Investors Relationship:</p> <p>(1) Column of investors relationship is established under the company’s Chinese and English website, information such as monthly revenue and financial statements are regularly announced. Designated personnel are available for professional and accurate information regarding the performance of the company.</p> <p>(2) Contacting Email: IR@holystone.com.tw</p> <p>3.Supplier Relationship:</p> <p>(1) The company operates in accordance to green supplier management as well as relationships. For further information</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>regarding supplier management and relationships, please refer to the CSR report of the company.</p> <p>(2) CSR Report Website: www.holystone.com.tw</p> <p>4.Stakeholders’ Rights: The company has designated personnel for stakeholders’ rights protection and communication. For further information, please refer to the company’s CSR report.</p> <p>5.Continue Education for Board of Directors and Supervisors: (1) Board of directors of the company is equipped with knowledge that includes: business, law, finance, accounting and other relevant business management experience. (2) The company irregularly provides the board of directors with lectures and seminars such as: the latest accounting act, security act, tax act, corporate governance risk managements and forums organized by the Stock Exchange, encourage the board of directors to further acquire knowledge. (3) Educational status is disclosed on the MOPS website. Please refer to https://mops.twse.com.tw for further information. The total hours of director’s further study in 2024 is 42 hours.</p> <p>6.Measurements and Policies Regarding Risk Management: Please refer to page 109 to 110 of this Annual Report for further information.</p> <p>7.Customer Policies Implementation Status: The company follows strictly to the following rules: (1) Holy Stone Sustainability Policy (2) Ethical Management Policy (3) ISO14001 Environmental Protection Policy</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>(4) ISO9001, IATF16949 Quality Control Policy (5) IECQ QC080000 Hazardous Substance Control Policy (HSF) (6) Conflict Minerals Policy (7) ISO45001 Occupational Health and Safety Policy (8) ISO27001 Information Security Policy (9) Supply Chain Security Policy</p> <p>Provide customer-oriented and full-service, and continue to pursue quality improvement and corporate sustainability operation. Technical communication with clients based on their needs, enhance relationships with the clients through Customer Satisfaction Surveys. Also, continue to motivate corporate sustainability activities in labor, health and safety, environment and ethics.</p> <p>For further information, please refer to the Sustainability Report of the company.</p> <p>8. Liability Insurance for the company’s Directors: Liability insurance has been covered for directors for up to 5 million USD annually.</p> <p>9. Regulations such as: Corporate Governance Best Practice Principle, Corporate Sustainability Best Practice Principle, Code of Ethical Conducts, Rules Governing the Scope of Power of Independent Directors, Board of Directors Standard Operating Procedures, Board of Directors Performance Evaluation Method, Ethical Corporate Management Best Practice Principles, Guidelines and Procedure for Ethical Corporate Management Best Practice Principle and other relevant regulations are also established for further implementation of corporate governance.</p>	
IX. Please specify the measures adopted by the company to improve the items listed in the corporate governance review result from Taiwan Stock Exchange’s Corporate Governance Center and the improvement plans for items yet to be improved:				

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>1. Every year, the company reviews the indicators that have not yet met the standards based on the recent corporate governance evaluation results and the latest corporate governance evaluation indicators released in the most recent year, arranges improvement schedules, and has completed the improvements of most of the projects.</p> <p>2. The improved situation, and the prioritization of the strengthening matters and measurements that shall be taken for those that have not yet improved:</p> <p>(1) Diversification of the Board of Directors There is currently one female member in the board’s meeting, accounted as 11.11% of the board. In the next re-election, candidates whose different gender will be prioritized.</p> <p>(2) Chairman concurrently serves as the General Manager In the future, it is planned to conduct trainings for the selected suitable candidates for the position of general manager, and maintain no more than half of the directors concurrently serve as employee or managers of the company, to enhance the function of the board of directors and exert its supervisory function.</p> <p>(3) Deliberations on functional committee setups on risk management, sustainability development, nominations, to strengthen the structure and operation plans of the board of directors, promote implementation of sustainable development of the enterprise.</p> <p>(4) Committed to enhance information transparency.</p>				

Note: whether the operation status is checked yes or no, details shall be given in the illustration section.

Stakeholders Concerns and Channels of Communication

Stakeholder	Concerned Issues	Communication Channels
Employees	<ol style="list-style-type: none"> 1. Company Performances 2. Employee Benefits 3. Labor Relations 	<ol style="list-style-type: none"> 1. Holy Stone Internal Website (irregularly) 2. Complaints hotline and E-Mails (permanent) 3. Internal Meetings Within Departments (labors/ mangers) (every month or quarter) 4. E-mail Contacts on company's Website (permanent)
Customers	<ol style="list-style-type: none"> 1. Green Products 2. Environmental Issues and Responsibilities 3. Labor Relations 	<ol style="list-style-type: none"> 1. Customer Satisfaction Survey (every year) 2. Customer Visits and Audits (irregularly) 3. Websites, Phone Calls or E-mail (irregularly) 4. E-mail Contacts on company's Website (permanent)
Suppliers	<ol style="list-style-type: none"> 1. Disclosure on Conflict Minerals 2. Environmental Management 3. Hazardous Substance Management 	<ol style="list-style-type: none"> 1. Suppliers Visits and Audits (irregularly) 2. E-mail Contacts on company's Website (permanent) 3. Websites, Phone Calls or E-mail (irregularly)
Shareholders	<ol style="list-style-type: none"> 1. Company Performance 2. Corporate Governance 3. Investment Plan 	<ol style="list-style-type: none"> 1. E-mail Contacts on company's Website (permanent) 2. TWSE MOPS (irregularly) 3. Annual Report and Shareholders' Meeting (every year) 4. Investors' Forum/ Conferences (every year)
Government	<ol style="list-style-type: none"> 1. Corporate Governance 2. Environmental Issues and Responsibilities 3. Labor Relations 	<ol style="list-style-type: none"> 1. E-mail Contacts on company's Website (permanent) 2. Participate in Seminars, Workshops and Forums (irregularly) 3. Government Documents, Phone Calls and E-mails (irregularly)
Community	<ol style="list-style-type: none"> 1. Social Involvement 2. Corporate Social Responsibilities 	<ol style="list-style-type: none"> 1. E-mail Contacts on company's Website (permanent) 2. Community Event Engagement (irregularly)
Consumer	<ol style="list-style-type: none"> 1. Green Products 2. Environmental Issues and Responsibilities 	<ol style="list-style-type: none"> 1. E-mail Contacts on company's Website (permanent) 2. Websites, Phone Calls or E-mail (irregularly)
Media	<ol style="list-style-type: none"> 1. Company Performance 2. Corporate Social Responsibilities 	<ol style="list-style-type: none"> 1. E-mail Contacts on company's Website (permanent) 2. Publish Press Release (irregularly) 3. Websites, Phone Calls or E-mail (irregularly)
Directors and Supervisors	<ol style="list-style-type: none"> 1. Company Performance 2. Corporate Governance 	<ol style="list-style-type: none"> 1. Periodical Board Meetings (regularly / irregularly) 2. Websites, Phone Calls or E-mail (irregularly)
NGO (Non-Governmental Organization)	<ol style="list-style-type: none"> 1. Environmental Issues and Responsibilities 2. Social Involvement 	<ol style="list-style-type: none"> 1. E-mail Contacts on company's Website (permanent) 2. External Seminars and Workshops Participation (irregularly) 3. Company E-mail (irregularly) 4. Holy Stone Foundation (irregularly)

4. Disclose if any, on remuneration committee's formation, responsibilities and operational status

A. Formation and Responsibilities

The purpose of the remuneration committee is to assist the board of directors in evaluating and approving the remuneration levels of the company's directors and managers. The committees submit suggestions to the board of directors for discussion, so as to combine remuneration with individual and company's operational performance to achieve the rationality and attractiveness of remunerations to retain outstanding candidates and employees. The followings are proposed to the board of directors by the remuneration committee:

- (1) Propose amendments by regularly review the Charter of Remuneration Committee.
- (2) Stipulates and regularly reviews the policies, institutions, standards and structures of the annual and long-term performance goals and remunerations for directors and managers.
- (3) Regularly reviews the achievement of performance goals of the directors and managers; stipulates individual remuneration content and amount accordingly.

Remuneration Committee Operating Status

Title (Note1)	Qualification Name	Professional Qualification and Experience (Note2)	Independency (Note3)	Numbers of concurrently serving as member of the remuneration committee in other publicly listed companies
Independent Director (chairman)	Ken-Yi Cheng	Please refer to page 10 to 12 of this Annual Report for further information on professional qualifications/ experiences/ independency of directors and supervisors.		1
Independent Director	Chu-Yang Chien			None
Independent Director	Jen-Wei Ko			1

Note1: Please indicate professional qualification, experiences and independency of the member of the remuneration committee, if the member of the remuneration committee is an independent director, indicate in the note section. Indicate in the title if the member is the chairman of the committee.

Note2: Professional Qualifications and Experiences: state professional qualifications and experiences of individual member of the remuneration committee.

Note3: Independency: state the independency of the members of the remuneration committee; including but not limited to the person, spouse, relatives within the second degree relatives, serves as directors, supervisors or employees of the company or other related enterprise; the person, spouse, relatives within second degree of relative (or in name of others) hold the shares (and the ratio of the shares) of the company whether he or she is a director or supervisor of the company that has a specific relationship with the company (refer to Article6, Paragraph1, Subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); amount of remuneration for providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years.

B. Operational Status

Operational Status of the Remuneration Committee

- (1) There are currently 3 members in the Remuneration Committee
 (2) Term of the Committee: 2024.08.07~2027.05.29. 2 (A) meetings were launched in 2024, attendance of the members are as follows:

Title	Name	Actual Attendance (B)	Delegated Attendance	Actual Attendance Rate (%) (B/A)	Note
Chairman	Ken-Yi Cheng	2	0	100	-
Member	Chu-Yang Chien	2	0	100	-
Member	Jen-Wei Ko	2	0	100	-
Other things to be Noted:					
1. If the advice brought by the remuneration committee was not approved by the board of directors, date of the board's meeting, content, resolutions, and the handling of the opinions by the board of directors should be listed (if the formulated remuneration is better than that of the remuneration committees, reasons should be disclosed): None					
2. For the resolutions of the remuneration committee; if there are any objections and or reservation by the member that has a record or written statement, should state the date of the meeting, the content of the resolution, opinion of all members and handling of all the opinions: None					
3. Recent meetings of the Remuneration Committee; contents, resolutions and the handling of the opinions of the Remuneration Committee by the company:					
Meeting Date		Content	Resolution	Handling of the opinions of the Remuneration Committee	
6 th Remuneration Committee 1 st Meeting 2024.08.28		1. Remuneration for the Directors and Managers (1) Revise performance evaluation and remuneration's policy, standard and structures. (2) Evaluates performance achievement and revise the content of the remuneration for 2024. 2. Review the boards' performance evaluation indicators case regularly.	1. For first item, other than the members who need to avoid conflict of interests and stated their reasons for the conflict of interest, also refrain from participating in the discussion and voting; the proposal was approved by the chairman or the acting chairman without any objection from the remaining members presented in the meeting. 2. Second item was approved by the chairman without any objection from the remaining members presented in the meeting.	1. To the board of directors, each director explains their own conflict of interest and avoids discussing and voting. The proposal was approved by the chairman or the acting chairman without any objections from the remaining members presented in the meeting. 2. The second item to be presented in the board meeting.	
6 th Remuneration Committee 2 th Meeting 2024.12.18		1. Remunerations for the Directors, Supervisors and Managers 2. Review performance goal completion status	Other than the members who have to avoid conflict of interests and stated their reasons for the conflict of interest, also refrain from	To the board of directors, each director explains their own conflict of interest and avoids discussing and voting. The proposal	

		for 2024 and the content of remuneration 3. Stipulate performance goal and remuneration advise for 2025.	participating in the discussion and voting; the proposal was approved by the chairman or the acting chairman without any objection from the remaining members presented in the meeting.	was approved by the chairman or the acting chairman without any objections from the remaining members presented in the meeting.
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Note:

- (1) If a member of the remuneration committee resigned before the end of the year, the date of resignation shall be indicated in the column. The actual attendance rate (%) shall be calculated based on the number of meetings of the remuneration committee, and the actual number of attendances during the term of office.
- (2) Before the end of the year, if there is a re-election of the remuneration committee, the new and old members of the remuneration committee shall be filled in, and the remarks column should indicate the old, new or re-appointed and the date of re-election. The actual attendance rate (%) is calculated based on the number of meetings held by the remuneration committee and the number of actual attendances during the term of office.

5. Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons

Evaluation Item	Implement Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
I. Does the company establish and disclose the Governance Structure to Promote Sustainable Development, and set up Sustainable Development department, authorized senior management by the board of directors to handle this matter, with the board of directors supervising the situation? (For listed and OTC companies, this should be reported on their performance, not classified as compliance or explanation.)	V		<ol style="list-style-type: none"> 1. The company stipulated the corporate sustainable development committee to promote sustainable development. 2. From 2020, chairman of the corporate sustainable development committee is the general manager of the company. Manager of the general manager office is in charge of relevant activities, acting as the management representative of the committee; different groups were established: the corporate governance group, the friendly workplace group, the environmental protection group, and the supply chain management group. Each group set up goals and implement in accordance to the company’s corporate sustainability policy. Implementation status is reported to the management representative once every year; management representative sets the plans and goals for sustainability development and monitors its implementation; results are reported to the chairman and the board of directors, then the board leads the sustainability policy and review its implementation regularly. 3. Annual implementation status, reviews and goals for next year is reported to the board meetings by the management representative on 2025.02.27. 4. The parent company reported on 2022.05.04 to the board of directors regarding certification schedule for greenhouse gas inventory. In 2023, the implementation of ISO 14064-1:2018 Greenhouse Gas Quantification and Verification Standard Certification was initiated. 2023 Unqualified Opinion on Greenhouse Gas Verification Report was aquired on 2024.07.08. The relevant progress reports were submitted to the board for control on 2024.02.07, 2024.05.07, 2024.08.07, 2024.11.06 and 2025.02.27 respectively on a quarterly basis. 	No Difference

Evaluation Item	Implement Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
II. Does the company conduct risk assessments on environmental, social and corporate governance issues related to the company’s operations in accordance with the materiality principle and formulates relevant to risk management policies or strategies? (Note 2) (For listed and OTC companies, this should be reported on their performance, not classified as compliance or explanation.)	V		<p>In accordance with the principle of materiality, the company conducts carefully prior assessment through the management team. The board of directors fully exercise its supervisory functions while relevant management units carry out the risk management to mitigate the risk. The company assigns respective management units to be responsible for the risk assessment and management in each operation according to the nature of the business.</p> <p>1. Environment:</p> <p>(1) The company devotes into create a green enterprise and follows strictly to the ISO9001, IATF16949 Quality Policies, IECQ QC080000 Restricted Substance Management System and ISO14001 Environmental Protection Policies to prevent environmental damage, effectively reduce the factors that impact environmental quality effectively.</p> <p>(2) Launched ISO14064-1:2018 certification for Greenhouse Gas Quantification and Verification on 2023. 2023 Unqualified Opinion on Greenhouse Gas Verification Report was aquired on 2024.07.08.</p> <p>2. Social:</p> <p>(1) In order to mitigate the impact of rapid changes in the internal and external environment on business operations, the company periodically enhances the necessary network and computer security protection system to ensure the security of the company’s overall functions and important business operation; such as manufacturing, operations, IoT, data security, accounting, etc. Obtained ISO 27001 Information Security Management System certification in 2023, (certification is valid until 2025.10.31), to enhance our company's information security management.</p>	No Difference

Evaluation Item	Implement Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			<p>(2) Considering employee’s safety and a healthy working environment, the company has obtained the ISO45001 Occupational Health and Safety Management System certification to provide employees with a safe and reliable workplace, reduce the possibility of employee’s accidents and illness, and improve regulatory compliance.</p> <p>3. Corporate Governance:</p> <p>(1) The chairman and the general manager of the company are the same person. In the future, the company plans to provide training to suitable candidates for the position of general manager and increase the number of independent directors. Meanwhile, maintaining one-third members of the board whose not concurrently employees or managers, to enhance the function of the board of directors and perform its supervisory role.</p> <p>(2) Considering the security of cross-border cargo transportation, the company introduced the AEO (Authorized Economic Operator) certification for high-quality enterprise in 2023; the company has obtained the certificate on 2024.05.31 from Customs Administration, Ministry of Finance.</p>	
III. Environmental Issues				
(1). Does the company establish proper environmental management systems based on the characteristics of their industries?	V		The company stipulates relevant environmental protection management standards and policies; also certification of ISO14001 was obtained, in the meantime, proceed ISO14064-1:2018 Quantification and Verification Standard, aiming to reach environmental protection, energy saving, carbon reducing goals, gradually develops into green enterprise.	No Difference
(2). Does the company endeavor to utilize all	V		The company strives to improve the utilization efficiency of various	No

Evaluation Item	Implement Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
resources more efficiently and use renewable resources which have low impact on the environment?			<p>resources; we have conducted waste classification management and recycling of raw materials and waste solvents. The amount of recycled solvents in 2024 was 197.46 tons. The estimated benefit of solvent recycling is approximately NTD\$9.87 million, effectively reducing the costs of solvent (raw material) procurement and waste disposal. This reduction contributes to lowering environmental impact and has been included in our company's ongoing environmental conservation plan, subject to regular reviews. The process also reduces resource consumption and greenhouse gas emissions indirectly.</p> <p>To fully implement Circular Economy and enhance Environmental Management, the company continued to collaborate with suppliers to use waste plastics as solid recovered fuel, as part of the “turning waste into energy” program. We successfully introduced the conversion of waste into SRF (Solid Recovered Fuel). The process involved sorting combustible materials such as paper, plastic and fiber from the company’s waste, which may later be mixed with various substances, and homogenizing them to form a uniform fuel. The resulting SRF can be used in dedicated boilers or cement kilns, eliminating the need for coal oil, natural gas or other fuels, truly turning trash into gold.</p> <p>The combustion heat value and efficiency of SRF are also higher in production process; reduce greenhouse gas emissions, environmentally friendly, gives re-use opportunities for waste and non-recyclable substances. SRF generates thermal energy close to coal, reducing the extraction of petrochemical fuels, and its carbon emissions are only one-third of coal's. SRF converts waste into fuel (substituting for coal), alleviating the burden</p>	Difference

Evaluation Item	Implement Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			<p>of incineration. In 2024, a total of 93,190kg was recovered, significantly reducing the direct incineration volume of waste while lowering environmental impact.</p> <p>Self-generated solar photovoltaic electricity is accounted 497,350 (kWh) in 2024, A total of 495 Renewable Energy Certificate (T-REC) issued by the National Renewable Energy Certificate Center have been obtained. Estimated reduction on greenhouse gas emission 292.667 tons CO₂e; the company estimate to invest 65.02 million in 2025, participating in energy saving plan by Energy Administration, Ministry of Economic Affairs (Longtan Plant Energy Efficiency Project) and installing the second phase of the Holy Stone solar photovoltaic system. We use actual actions to promote energy conservation, carbon reduction, electrical saving and other environmental activity program.</p>	
(3). Does the company assess the potential risks and opportunities of climate change on its present and future operation and take measures to respond to climate-related issues?	V		<p>The company’s greenhouse gas emissions are currently not subject to regulatory management conditions, so there is no requirement for regular disclosure of relevant information. However, the company has designated personnel responsible for various management takes related to this issue, and will continue to monitor changes in domestic and foreign regulations in order to proactively respond to it.</p> <p>The United Nation Climate Change Conference (COP25) of 2015 agreed on the “Paris Agreement” curbing the trend of global warming together, the goal of limiting global temperature rise to 1.5°C to 2°C by the end of this century to mitigate the impact of extreme climate change was signed and agreed by 171 nations. Climate change is becoming a global concern, and is also an inevitable challenge of the company; impacts can be direct and or indirect.</p>	No Difference

Evaluation Item	Implement Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			<p>In response to national carbon reduction policies and global response to climate risk trends, the company stipulates the Climate Change Response Act, and continuously evaluates the risks of climate change and the chances that came along with it. The countermeasures are as follows:</p> <p>Short-Term Goal: Complete the goal of “2024 reduction of greenhouse gas per million products decreased by 10% in comparison to the base year (2019)”, and continuously monitor changes in domestic and foreign relevant laws and regulations.</p> <p>Mid-Long-Term Goal: In line with the national policy schedule to achieve the national carbon reduction target: Net-zero emission by 2050.</p> <p>Potential Risks and Opportunities by Climate Change:</p> <p>Actual Risks: Due to climate change, the probability of severe rain and water shortage will increase, which results in potential damage or interruption of operational facilities. The countermeasures are to check the vulnerability of the facilities, and evaluate the groundwater backup strategies such as elevate the facilities, procuring water retaining facilities, strengthening and repairing old facilities and adding additional pumps.</p> <p>Climate Change and Opportunities: As carbon management and climate change have become trends, through records of carbon footprint and greenhouse gas emissions during the production process, can help set carbon reduction targets. Developing energy-saving and green products can increase product value and competitiveness, fulfilling corporate responsibility to the environment.</p>	

Evaluation Item	Implement Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			<p>The Climate Change Response Act has completed the legislative process and incorporated a carbon fee charging system. The newly added carbon fee mechanism in the Climate Change Response Act has also been a focal point of legislative amendment. According to the content of the legislation passed in the third reading of the Legislative Yuan, the carbon fee is planned to be levied in phases. Although our company is temporarily not applicable, we will continue to monitor closely, proactively prepare to avoid any impacts, enhance energy resource and production efficiency, implement energy conservation and carbon reduction activities, and invest in pollution prevention and control equipment to mitigate the impact of climate change on our company.</p> <p>So far the company has not incurred any substantial losses due to natural disasters such as typhoons or floods caused by climate change. However, the extreme weather conditions resulting from global warming caused by the greenhouse effect will increase the frequency and severity of such disasters. In addition, the uncertain risks of natural disasters may lead to damage to our factories and production equipment, power outages and damages to customers’ property to business, indirectly increase our operational risks and operating costs. The company’s strategies for addressing climate change and greenhouse gas management are described briefly as follow:</p> <ol style="list-style-type: none"> 1. The main source of greenhouse gas emission for the company is the carbon dioxide emissions from electricity supplied by Taiwan Power company, therefore energy-saving and carbon-reduction plan will focus on energy conservation. This will include increasing production efficiency, replacing lighting fixtures with energy-saving ones, reducing the consumption of raw materials and conducting energy- 	

Evaluation Item	Implement Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			<p>saving inspections throughout the area on a daily basis by dedicated personnel, with the participation of all employees.</p> <p>2. Sustained achievement for ISO14064-1:2018 certification: Greenhouse Gas Verification Report Opinion.</p> <p>3. In accordance with the operational management procedures of ISO14001, relevant air and water management measures will be developed to effectively manage and reduce environmental impact.</p>	
(4). Does the company conduct assessment on greenhouse gas, water consumption and waste for the last two years, and establish company strategies for energy conservation and carbon reduction, greenhouse gas reduction, water saving and waste management?	V		The company has conducted statistical analysis of greenhouse gas emissions, water usage, and total waste weight. We have established relevant management policies and regularly review the progress of implementation. Currently, our greenhouse gas reduction target is “2024 reduction of greenhouse gas per million products decreased by 10% in comparison to the base year (2019).” We will continue to quantify and disclose environmental-related information in the future. For detailed information, please refer to our company's CSR Report on our official website or the ESG information disclosure on MOPS.	No Significant Difference
IV. Social Issues				
(1). Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		<p>The company complies with labor laws and regulations in each operating area; we acknowledge and support Universal Declaration of Human Rights, United Nations Global Compact as well as International Labor Convention for the disclosure and the protection of human rights. Integrating operational strategies with the Responsible Business Alliance, (RBA) to put our effort in the protection of human rights into tangible actions.</p> <p>Occupational health and safety policies, labor policies, child labor policies and other occupational regulations are stipulated in accordance with: 2019 International Labor Organization C190: Violence and Harassment</p>	No Difference

Evaluation Item	Implement Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			Convention IV., 1958 International Labor Organization C111: Convention Concerning Discrimination in Respect of Employment and Occupation I., and 1989 United Nation: Convention on the Rights of the Child XXXII. In 2024, a total of 543 people attended relevant trainings with the total of 271.5 training hours.	
(2). Does the company formulate and implement reasonable employee benefits measures (including remuneration, vacation and other benefits), and appropriately reflect on operating performance or results in employee compensation?	V		<ol style="list-style-type: none"> 1. The company stipulates reasonable systems and policies for employee compensation and benefits. company dividends are also given to the employees in accordance with both the company’s performances and employees’ performance; this is to share the operational results of the company with our employees. Employees compensation are distributed in accordance to the company’s Articles of Association, and is calculated on no less than 7% of the company’s profit of the current year. 2. The company follows legal regulations and provides various types of leaves for employees, such as marriage leave, funeral leave, maternity leave, prenatal examination leave, paternity leave, family care leave, special leave, menstrual leave, regular sick leave, work-related injury leave, public holiday leave, and personal leave. This allows employees to choose the appropriate type of leave based on their actual situation. 3. The company offers regular health checks, childcare grants, hands out cash gifts and vouchers for holidays, birthdays, weddings, childbirths, hospitalizes as well as subsidies for employee trips, social club activities and special discount stores. The company also launches various art activities and charity events to improve and enhance employee cohesion. 4. The company provides equal pay for equal work and equal promotion opportunities for male and female employees, promoting sustainable and inclusive economic growth. In 2024, the proportion of female employees 	No Difference

Evaluation Item	Implement Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			averaged 55.0%, with female supervisors averaging 49.4%.	
(3). Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		<ol style="list-style-type: none"> 1. The company ensures workplace health and safety by providing occupational health and safety education and emergency response training courses for new and existing employees annually, strengthening employees’ safety and emergency response capabilities. Emergency response teams are established based on functional areas to enhance workplace safety measures. Regular employee health checks are scheduled, along with health awareness campaigns to strengthen employee health concepts and awareness. Additionally, to enhance subcontractor management within the plant, safety induction and construction safety inspections are increased for subcontractors entering the plant. Safety training and awareness campaigns are also increased for internal engineering personnel to effectively supervise and remind construction contractors of safety precautions, ensuring a safe working environment for employees. In 2024, a total of 1,995 people participated in training and awareness sessions, totaling 2,409 hours. 2. The company has obtained the certification of ISO45001 (expires on 2028.01.05), the certification is still under effective operation currently. 3. In 2024, a total of 6 cases of incident with 6 people involved (excluding traffic accidents), taking 0.6% of the total employees occurred. Occupational disaster accidents are jointly investigated by the unit supervisor, labor representatives and occupational safety personnel. After analyzing the case of the accident, risk control is used to prevent the recurrence of disasters through hazard identification. 4. In 2024, there were 0 fire incidents, and the ratio of casualties to the total number of employees was 0. 	No Difference

Evaluation Item	Implement Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
(4). Does the company provide its employees with career development and training sessions?	V		The company stipulates the “Talent Training Plan” to enhance the knowledge and skills of employees to perform their duties. Including managers, employees and junior staffs are all involved in the training program, training topics include: management training and professional training. Trainings are given in accordance to: the nature of department’s work; special expertise; professional trainings; regulations; decree (products or environmental); environmentally controlled substances; customers’ requested trainings and specific qualification personnel trainings.	No Difference
(5). Does the company comply with relevant regulations and international standards on the health and safety of customers, customer privacy, marketing and labeling of products and services, and formulates relevant policies and procedures to protect consumer rights and handling complaints?	V		Products and services of the company follow strictly to relevant domestic and global laws and regulations. ISO9001, ISO14001, IATF16949, IECQ QC080000, ISO45001, RBA and ISO14064-1 certifications were obtained.	No Difference
(6). Does the company formulated and implement supplier management policy, requiring suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights?	V		There are huge diversities in the application of our house-brand products of our company; in order to accelerate our compliance with international regulations, Social Responsibility Supplier Management Procedure as well as Management System for the Disengagement of Conflict Minerals are built in accordance to the RBA Code of Conduct and supplier coaching. Through supplier audit coaching, performance evaluation and training, the company implanted sustainability requirements into the supply chain management. 1. Apply Supplier Assessment based on Corporate Social Responsibility	No Difference

Evaluation Item	Implement Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			<p>criteria:</p> <ol style="list-style-type: none"> (1) Raw Material Suppliers: Over 90% achieved ISO9001 Quality Management Certificate. (2) All suppliers promised and guaranteed their materials meet the Restricted Environmental Hazardous Substances Operating Procedures. (3) 103 suppliers have signed, promised and guaranteed to follow the RBA (Responsible Business Alliance) standards, ensuring labor rights, environmental and ethical regulations that are applicable are been appropriately followed. <ol style="list-style-type: none"> 2. Counseling based on characteristics and risk classification of the supplier: <ol style="list-style-type: none"> (1) According to Social Responsibility Supplier Managing Procedures, 103 of suppliers have finished self-assessment; 4 of them have finished re-evaluation. 3. Advocate and communicate with suppliers periodically: <ol style="list-style-type: none"> (1) Advocated and promised Holy Stone Corporate Sustainability Policy to 103 suppliers. (2) Managed all suppliers based on Conflict-Free Minerals Managing Procedures. (3) Held a supplier conference on 2024.12.19, to promote and communicate ESG policies and implementation results with suppliers. 4. Responsible Procurement: <p>Set up policies and promises to fairly ensure that sources and sales of productions that contain tantalum, tin, tungsten and gold in the manufactured products have already conducted due diligence; ensuring</p> 	

Evaluation Item	Implement Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
			<p>the sources are compliance with Organization for Economic Cooperation and Development (OECD) Due Diligence; Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas or other equally recognized due diligence method.</p> <p>To maintain strict control on raw materials, before purchasing any new material, suppliers are asked to enter the green approval process with our IQC unit for test result confirmation. The process will ensure the suppliers understand the company’s requirements on environmental substances and make sure the materials supplied are in line with these requirements.</p>	
V. Does the company compile corporate social responsibility reports or reports that disclose the company’s non-financial information based on international CSR compiling standard or guidelines? Does the report accredit from accreditation agency or third-party verification organization?		V	<p>1. The company composed its CSR report in accordance to the GRI Standard, and is currently at its 2023 version. The CSR report is publicly published at the MOPS website and the company’s website. Please refer to the following websites for the CSR report: https://www.holystone.com.tw https://mops.twse.com.tw</p> <p>2. The abovementioned report is not yet verified by a third party; however verification process is under consideration.</p>	Under Consideration
<p>VI. If the company makes its own sustainable development principles according to the Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies, please state the differences: The company has stipulated Corporate Sustainability Principle as well as regulation stated by the Responsible Business Alliance (RBA), promote and implement corporate social responsibilities, the function of so has no significant difference compare to the Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies.</p>				
VII. Other important information that helps to understand the conduct of corporate social responsibility:				

Evaluation Item	Implement Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Abstract Illustration	
Complete the Responsible Business Alliance (RBA) external audit on May 2024.				

Note 1: If "yes" is selected for execution status, please specifically describe the key policies, strategies, measures adopted, and the execution status; If "no" is selected for execution status, please explain the differences and reasons in the column titled "Differences and Reasons Compared to the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and describe the future plans for adopting relevant policies, strategies, and measures. Regarding initiatives 1 and 2, TWSE/TPEX listed companies should specify the governance and supervisory framework for sustainable development, including but not limited to management policies, strategy and goal formulation, and review measures, etc. Additionally, specify the company's risk management policies or strategies regarding environmental, social, and corporate governance (ESG) issues related to its operations, as well as the evaluation of these policies or strategies.

Note 2: The materiality principle refers to environmental, social, and corporate governance (ESG) issues that have a significant impact on the company's investors and other stakeholders.

Note 3: For the disclosure method, please refer to the best practice reference examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

Implementation of Climate-Related Information

Item	Implementation Status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	To enhance climate-related risk management, the company has established a Corporate Sustainability Committee, with General Manager Office responsible for driving corporate sustainability, and progress are regular reported to the board of directors Additionally, Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Task Force on Climate-related Financial Disclosures (TCFD) proposed by G20 member countries, and the requirements of ISO 14001 and ISO 14064-1 were referred to. The company actively develop supervisory and management methods for addressing climate change-related risks. Actively to monitor continuously and respond to global sustainability issues, such as participating in the CDP Carbon Disclosure Project, and publicly disclosing our implementation results in sustainability reports.

<p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium and long term).</p>	<p>Potential Risks and Chances by Climate Change:</p> <ol style="list-style-type: none"> 1. Actual Risks: Due to climate change, the probability of severe rain and water shortage will increase, which results in potential damage or interruption of operational facilities. The countermeasures are to check the vulnerability of the facilities, and evaluate the groundwater backup strategies such as elevate the facilities, procuring water retaining facilities and adding additional pumps. 2. Climate Change and Chances: As carbon management and climate change have become trends, through records of carbon footprint and greenhouse gas emissions can help set carbon reduction targets. Developing energy-saving and green products can increase product value and competitiveness, fulfilling corporate responsibility to the environment. <p>Carbon fee charging system is set to be inclusive in the revision of the Climate Change Response Act. Respond to the impact in advance, improve energy resources and production efficiency; implement environmental protection activities such as energy saving, carbon reduction and electricity saving; invest in various pollution prevention and control equipment to lower the impact of climate change on the company.</p> <p>At present, the company has not incurred any substantial losses due to natural disasters such as typhoons or floods caused by climate change. However, the extreme weather conditions resulting from global warming caused by the greenhouse effect will increase the frequency and severity of such disasters. In addition, the uncertain risks of natural disasters may lead to damage to our factories and production equipment, power outages and damage to customer's' property to business, indirectly increasing our operational risks and operating costs. The company's strategies for addressing climate change and greenhouse gas management are described briefly as follow:</p> <ol style="list-style-type: none"> 1. The main source of greenhouse gas emission for the company is the carbon dioxide emissions from electricity supplied by Taiwan Power company, therefore energy-saving and carbon-reduction plan will focus on energy conservation. This will include increasing production efficiency, replacing lighting fixtures with energy-saving ones, reducing the consumption of raw materials and conducting energy-saving inspections throughout the area on a daily basis by dedicated personnel, with the participation of all employees. 2. The greenhouse gas management issue will be evaluated and discussed in the
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	<p>context of ISO14001 and ISO14064-1:2018 external environmental issues and the needs and expectations of stakeholders.</p> <p>3. In accordance with the operational management procedures of ISO14001 and ISO14064-1:2018, relevant air and water management measures will be developed to effectively manage and reduce environmental impact.</p> <p>Short-Term Goal: Complete the goal of 2024 reduction of greenhouse gas per million products decreased by 10% in comparison to the base year (2019), reset the carbon reduction targets, and the corresponding carbon reduction actions.</p> <p>Mid-Long-Term Goal: In line with the national policy schedule to achieve the national carbon reduction target: 2050 Net Zero Emissions Goal.</p>
<p>3. Describe the financial impact of extreme weather events and transformative actions.</p>	<p>Extreme weather events: typhoon, heavy rain and water accumulation, may have caused the interruption of supplychain, causing production operations to stagnate or delivery delays. Moreover, as the temperature continue to goes up, power shortages are worsen in summer, the company cannot operate regularly, affecting product production and increase operating costs.</p> <p>Financial Impact of Transformation Actions: 1.Reduced operating performance 2.Delay on delivery causing the decline on customer satisfaction 3. Increase on operating costs (electric bill, water bill...etc)</p>
<p>4. Describe how climate risk identification, assessment, and management process are integrated into the overall risk management system.</p>	<p>The company has conducted education and training on TCFD issues in 2024, participated in the CDP Carbon Disclosure Project. We aim to gradually integrate climate change risk issues into corporate governance and sustainability management goals, moving towards becoming a sustainable development enterprise.</p>
<p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</p>	<p>No implementation yet but will continue to evaluate and schedule.</p>
<p>6. If there is a transition plan for managing climate-related risk, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</p>	<p>To address the potential impact of climate change, the company has applied to the Ministry of Economic Affairs for subsidies to upgrade and transform low-</p>

	<p>carbon and intelligent manufacturing in the Low-Carbon Automotive Ceramic Capacitor Material and Process Development project.</p> <p>This project would be concluded through August 2023 to June 2025, through integrating carbon reduction technologies with upstream and downstream suppliers, as well as the Industrial Technology Research Institute (ITRI), and commissioning the development of research. The current project progress has been completed as scheduled and is still ongoing, incorporate the technology into the core automotive-grade product 100KK. Currently achieving electricity saving rate 35% benefits and 14% material carbon reduction. To sustain the implementation of the Climate Risk Transformation Program, In 2025, New Solar Power Generation is planned; anticipated investment would be \$50 million, installed capacity approximately 1,175 kW.</p>
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Currently not executed, will continue to evaluate and schedule.
8. If climate-related target have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieved relavent targets, the source and quantity of carbon credits or RECs to be offset should be specified.	The company set a greenhouse gas emission reduction target of 2024 reduction of greenhouse gas per million products decreased by 10% in comparison to the base year (2019) in 2020. Besides the annual 1% power-saving target, the greenhouse gas reduction target will be reset with reference to international trends and national policies in 2025. For further information, please refer to our CSR report on our official website or the ESG information disclosure on MOPS.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (fill out in points 1-1 below).	See details in 1-1 and 1-2.

1-1 Greenhouse Gas Inventory and Assurance Status for thr Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information Describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/ NT\$million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

The company's inventory and calculation of scope 1 and 2 are as follow:

(1) Parent Company Greenhouse Gas Inventory:

Item \ Year	2023	2024
Scope1	367.6258	920.4331
Scope2	29,670.8726	28,731.4240
Total Emission Equivalent (mt CO2e/Year)	30,038.4984	29,651.8571

Note : The 2023 data results above are certified by third-party. Results for 2024 are from self-inventory and have not yet been certified. Complete verified information will be disclosed in

Company sustainability report.

Note 1: Direct emissions (scope 1, i.e., emissions directly from sources owned or controlled by the Company), indirect energy emissions (scope 2, i.e., indirect greenhouse gas emissions from electricity, heat, or steam) and other indirect emissions (scope 3, i.e., emissions from company activities that are not indirect energy emissions, but originate from sources owned or controlled by other companies).

Note 2: The data coverage scope for direct emissions and indirect energy emissions shall comply with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. Other indirect emissions information may be voluntarily disclosed.

Note 3: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue, but at least the data calculated in terms of revenue (NT\$ 1 million) shall be disclosed.

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

In 2023, the results of the Parent Company's greenhouse gas inventory were commissioned by (AFNOR ASIA) in accordance with the ISO 14064-3:2019 standard and the results were unqualified.

The results of the Parent Company's 2024 GHG inventory are being verified. Complete verification information will be disclosed in the Sustainability Report.

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations.

Note 2: The assurance institutions shall meet the directions regarding assurance of sustainability reports prescribed by the TWSE and the TPEx.

Note 3: When preparing the disclosure content, the Company may refer to the best practice reference examples on the TWSE Corporate Governance Center website.

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

The company previously set a greenhouse gas emission reduction target of 2024 reduction of greenhouse gas per million products decreased by 10% in comparison to the base year (2019); the emission intensity in 2024 was 2.24. Due to the inclusion of Taipei and Lizhe in the inventory sites for 2024, the total emission equivalent increased, leading to a simultaneous increase in emission intensity. Please refer to our company's CSR Report on our official website or the ESG information disclosure on MOPS for further information.

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations.

Note 2: The base year shall be the fiscal year in which the greenhouse gas inventory is completed based on the consolidated financial reporting boundary. For example, under the order issued under Article 10, paragraph 2 of the Regulations, company with a capital of NT\$10 billion shall complete the inventory for its fiscal 2024 annual consolidated financial report in 2025, so the base year will be 2024. If a company has disclosed its inventory in its consolidated financial report in an earlier year, it may take the earlier fiscal year as its base year. Also, the data for the base year may be calculated based on a single fiscal year or the average of multiple fiscal years.

Note 3: When preparing the disclosure content, the Company may refer to the best practice reference examples on the TWSE Corporate Governance Center website.

6. Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and reasons

Evaluation Item	Implementation Status			Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and reasons
	Yes	No	Description	
I. Establishment of Ethical Corporate Management Policies and Programs				
(1). Does the company formulate ethical corporate management policy that approved by the board of directors, and declares its policies and procedures in its guidelines and external documents, as well as the commitment from its board and top executive to implement the policies?	V		<ol style="list-style-type: none"> 1. In order to implement and develop corporate ethics management culture, the company has stipulated the Ethical Corporate Management Best Practice Principles and has been passed by the board of directors on 2015.03.18. The policy has been explained in detail in CSR Report of the company, both English and Chinese. The board of directors of the company as well as top management executives operates the company in accordance with the integrity policies to achieve sustainable development. 2. From the year of 2008, the company compiled its CSR report as a reference for the stakeholders about the implementation status on sustainable development that the company has been working on. 3. To better allow directors and officers to act ethically, the company established the Code of Ethics for Directors and Executive Officers. 4. The company has set up Rules and Procedures of Board of Directors Meeting, Operating Procedures for Handling Internal Material Information and Ethical Corporate Management Best-Practice Principles for recusal of conflict of interest and information disclosure system. The complete Accounting System, Internal Control System and other methods are stipulated for the directors to better fulfill ethical management. 	No Difference
(2). Has the company established an evaluation mechanism to assess the unethical conducts risk, and regularly analyzes and evaluates business activities with high potential unethical conducts, and formulates a precaution plan which at least covered listed activities stated in	V		In Guidelines and Procedure for Ethical Corporate Management Best Practice Principles, the company specifically stated the prohibition of: bribery, political bribery, unfair competitive behaviors, improper charity donations and sponsorships, disclose trade secrets as well as business conducts of harming the interests of stakeholders, etc. The company has take preventive measure and conduct educational advocacy upon all behaviors above, to comply with Ethical Corporate Management Policy.	No Difference

Evaluation Item	Implementation Status			Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTS M-Listed Companies and reasons
	Yes	No	Description	
Article 2, Paragraph 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies?				
(3). Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies, and review the policy regularly?	V		The company stipulates the Guidelines and Procedure for Ethical Corporate Management Best Practice Principles that specifically stated the regulations, reporting channels as well as punishments to prevent unethical actions taken. The company also has Accounting System and Internal Control System for the internal auditors to better regulates and monitors the ethical operation of the company.	No Difference
II. Fulfill Operations Integrity Policy				
(1). Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		In addition to sign corporate sustainability commitments with suppliers, the company also signs anit-bribery commitments with customers.	No Difference
(2). Does the company establish an exclusive dedicated unit supervised by the Board in charge of corporate integrity, and regularly (at least once a year) report to the board of directors about the implementation of ethical corporate management policy and the plan against unethical conducts?	V		General Manager Office is the designated unit for implementing and promoting ethic and integrity business acts. General Manager Office regularly reports to management level executives for the operational status of integrity management. The 2024 status of integrity management was reported to the board of directors in the board meeting on 2025.02.27.	No Difference
(3). Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels and implementation?	V		1. The company has established policies for recusal of directors in the event where conflict of interest occurs and recorded in Ethical Corporate Management Best Practice Principles, Rules and Procedures for Board Meeting, Procedure for Handling Material Information and Guidelines, and Procedure for Ethical Management and Guidelines for conduct, which	No Difference

Evaluation Item	Implementation Status			Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTS M-Listed Companies and reasons
	Yes	No	Description	
			<p>specifies the prevention of internal conflict of interests. Individuals with conflicts of interest in a matter must proactively recuse themselves and handle the situation according to relevant procedures. If the interest of the board's member were affected during current year, directors have disclosed their interests in accordance with the regulations and abstained from participating in the discussion and voting.</p> <p>2. Employees can report such matters during regular departmental meetings and through email or internal communication system. The company encourages employees to communicate with management team and directors directly.</p>	
(4). Has the company established effective system for both accounting and internal control to facilitate ethical corporate management, and audit the implementation of policies of preventing unethical conduct, either by internal auditors or CPAs on a regular basis?	V		<p>1. To ensure integrity management, the company has stipulated the Accounting System and the Internal Control System for better control and monitoring the implementation of integrity management.</p> <p>2. Internal auditors regularly evaluate risks on a yearly base, putting into considerations for risks that have high chances of affecting the company. Audit evaluation plans are given to the board of directors for further use in self-evaluation as well as Internal Control System.</p> <p>3. During quarter financial report auditing, accountants also audits in accordance to the Procedure for Handling Material Information. Through the collaboration between the internal auditor, departmental executives and the accountants, review and revise relevant regulations, the company ensures the implementation status of the corporate integrity management.</p>	No Difference
(5). Does the company regularly hold internal and external educational trainings on operational integrity?	V		The company carries out regular trainings in hopes for better awareness on operational integrities that includes but not limited to: trainings on ethical rules, conflict of interests, business morals and all other related subjects. In 2024, internal trainings on relevant topics were provided, training hour totaled 376, participants include new and existing employees, totaled 752 people.	No Difference

Evaluation Item	Implementation Status			Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTS M-Listed Companies and reasons
	Yes	No	Description	
III. Report System Operating Status				
(1). Has the company set specific report and reward system to facilitate the report channel and assign appropriate specialist accepting to spot the reported object?	V		<p>1. Besides the Article 23 of Ethical Corporate Management Best Practice Principles and Article 21 of Guidelines and Procedures for Ethical Corporate Management Best Practice Principle; established specific reporting and reward systems along with reporting channels, also promote ethical operating practices and encourage the reporting of dishonest behavior during various meetings, including explanations on reporting process, channels, and responsible unit.</p> <p>2. Stakeholders can go on Stakeholders' Concern page on companys' website, report to our company via the designated mailbox.</p> <p>3. No relevant matters were found in this current fiscal year.</p>	No Difference
(2). Does the company establish standard operating procedures for confidential reporting on investigating accusation cases and measures for follow-up?	V		<p>1. In accordance to Article 23 of Ethical Corporate Management Best Practice Principles and Article 21 of Guidelines and Procedures for Ethical Corporate Management Best Practice Principle, reported materials have been documented as a record, the identification of the informer should be kept confidential.</p> <p>2. Reported Matters are Verified to be True:</p> <p>(1) Responsible department should review the Internal Control System, propose improvement plans to prevent similar matters from recurrence.</p> <p>(2) Responsible department should report: reported matters, methods of handling and improvement, to the board of directors.</p> <p>(3) If significant violations and or the company suffer from significant damage, the responsible department should immediately put into reports, and inform the independent directors and supervisors with hard copy. Including define the operating procedures and conduct</p>	No Difference

Evaluation Item	Implementation Status			Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTS M-Listed Companies and reasons
	Yes	No	Description	
			<p>guidelines for each plan, disciplinary actions and report mechanisms for violations, to prevent the occurrence of high-risk dishonest behaviors; Additionally, the company has established an effective accounting system and internal control system, which are reviewed and revised continuously. Audit personnel also regularly inspect compliance with the systems to ensure the implementation of ethical business practices.</p> <p>3. No relevant matters were found in this current fiscal year.</p>	
(3). Has the company set measures to protect whistleblowers not to suffer for which he or she reported?	V		<p>1. In accordance to Article 23 of Ethical Corporate Management Best Practice Principles and Article 21 of Guidelines and Procedures for Ethical Corporate Management Best Practice Principle, the identification of the informer should be kept confidential, and no discrimination or any unfair and or unequal treatment should be done or given to the informer.</p> <p>2. No relevant matters were found in this current fiscal year.</p>	No Difference
IV. Enhance Information Disclosure				
(1). Does the company disclose the information of implementation and results of integrity management on its website and the MOPS?	V		<p>In accordance with article 25 of the company's Ethical Corporate Management Best Practice Principle, the results of our implementation have been published on company's annual report, CSR report, Chinese and English website as well as the MOPS website. Integrity and ethics are the two-core value of the company as well as the regulations that all employees should strictly follows.</p> <p>The company will continue to uphold integrity management, trying our hardest to fulfill promises given to the customer, supplier, employees, shareholders and the society.</p>	No Difference
V. If the company develops its own Integrity Operation rules according to the Integrity Operation Best Practice Principles for TWSE/GTSM-Listed Companies, please state the differences:				

Evaluation Item	Implementation Status			Difference from Ethical Corporate Management Best Practice Principles for TWSE/GTS M-Listed Companies and reasons
	Yes	No	Description	
The stipulated Ethical Corporate Management Best Practice Principles and Guidelines and Procedures for Ethical Corporate Management Best Practice Principle by the company for the development of integrity management, have no significant difference from the Integrity Operation Best Practice Principles for TWSE/GTSM-Listed Companies.				
<p>VI. Other important information for better understanding of the ethical operation (such as review and revision of the regulations on integrity operation):</p> <ol style="list-style-type: none"> 1. In accordance to the Ethical Corporate Management Best Practice Principles, the company strictly follows: Company Law, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act and Public Officer Conflict of Interest Avoidance Act and other relevant regulations. Procedures for Ethical Management and Guidelines for Conduct are also stipulated to regulate the board of directors, the management executives and other responsible employees. 2. The Procedures for Handling Material Information has prohibited any reveal or disclose by any personnel, of important and or unpublished material information about the company. 3. If any directors or legal person represents other interest party or agenda, they need to state their relationships and important aspects with the interest party which they are a member of in the respective meeting. If those parties are likely to affect the company's interest, then they will not be allowed to participate in discussion or vote on any agenda. 4. Others <ol style="list-style-type: none"> (1) Customers and Suppliers: Business activities with up, mid and down-stream suppliers are followed with voluntary, equality fairness and good faith. (2) Employees: Trainings are given irregularly on the company's integrity management. (3) Investing Shareholders: Periodically renew and update on company's operational status and information on the company's English and Chinese website as well as the MOPS website. (4) Internal Management: Stipulates appropriate regulation, procedures, permissions and internal audit regulations. Periodically evaluated the validity of these procedures and regulations. 5. The company pays close attention to any changes made domestically and internationally, and encourages the board of directors, management executives and employees to raise improvement opinions in order to better improve the company's integrity management and implementation of the integrity management. 				

7. Other information that would increase the understanding of the corporate governance operation should be disclosed:

(1) The company has published its CSR Report since 2008, and have issued the CSR Report for 2023, please refer to the following sites for further information:

- Company's Official Website: www.holystone.com.tw
- MOPS: <https://mops.twse.com.tw>

(2) Company Board Member and Key Management Succession Status:

I. Board Member

A. The company's Articles of Association stipulate a comprehensive candidate nomination system for the election of directors. The Corporate Governance Best Practices also specify the abilities that the board as a whole should possess, taking into account diversity and formulating diverse policies based on the company's operations, business model, and development needs. This includes, but not limited to; criteria such as basic qualifications and values, professional knowledge and skills among other aspects.

B. In accordance with the above provisions, the company has implemented diversity in its board of directors, currently comprising 9 members (including 4 independent directors) with diverse and complementary industry experience, as well as expertise in securities, finance, accounting, and other professional fields. Among all, 3 individuals also hold high-level management positions in the company, not exceeding one-third of the board seats. In the future, the composition and background experiences of the board members will continue to emphasize gender equality. Currently one female director seat is setted. In the future, we prioritize to choose the board director based on one-third of the seats are recommended to be taken by members with different genders.

C. The company has established a Board of Directors Performance Evaluation Method to assess the performance of the board. The evaluation includes measures such as control over company goals and missions, awareness of responsibilities, participation in operations, internal relationship management and communication, professional capabilities and development, internal controls, and articulation of concrete opinions. This evaluation ensures the effective operation of the board and evaluates the performance of directors, serving as a reference for future director nominations and reappointments.

D. Regarding the succession plan for the board, apart from introducing external directors who align with the company's operational philosophy and possess the necessary knowledge, skills, and qualities for their roles, the company also selects and fosters senior managers from within the company's management talent pool and business executives to enter the board. They are also assigned roles as directors or senior executives in group subsidiary companies to familiarize themselves with board operations and the business units of the group, thereby developing the capabilities to take charge of directors of the company.

II. Key Management Succession

To ensure a robust management team for sustainable business development, the company regularly evaluates and selects suitable candidates with potential. Besides excellent professional knowledge and work skills, candidates must also align with the company's core values in terms of values and personality traits. Through career development planning, training programs, participation in meetings, and visits to group subsidiaries both domestically and internationally. Having multifaceted management capability is cultivated to assist in effectively enhancing succession capabilities and shortening the succession period.

8. Internal Control System Execution Status

(1) Statement of Internal Control System

Please refer to the public disclosure on the MOPS website

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

(2) Disclosure of the External Auditors' Opinion on Holy Stone's Internal Control System: N/A

9. Important resolutions made by the shareholders meeting and board of directors from the period of 2024 up to the printing date of this annual report:

Major resolutions of shareholders meeting and board of directors during the most recent fiscal year and as of the printing date of this annual report:

Date	Unit	Major Resolutions	Implementation Status
2024.05.30	Shareholders Meeting	1. Reportation of 2023 Operational Report and Financial Report 2. Earning distribution proposal of 2023 3. Revision of the Rules of Procedure for Annual General Meeting 4. Election of the 16 th BOD 5. Release from Director's Non-Compete Restrictions	1. All proposals have been voted and approved, either as proposed by the original board of directors or as candidates nominated by the original board of directors. 2. Item 2: distribution of cash dividend of NT\$5 per share, with the ex-dividend and ex-rights date set by the board of directors on 2024.06.30. The cash dividend and stock dividend will be distributed on 2024.07.19. 3. Item 4: Complete the election based on the list of board of director candidates, approved and recorded by the Ministry of Economic Affairs, with NO. 11330098980, dated 2024.06.18. 4. Other items are implemented in accordance with the resolution.

Date	Unit	Major Resolutions	Implementation Status
2024.02.27	BOD Meeting	<ol style="list-style-type: none"> 1. Distribution of remuneration for employees and directors for 2023 2. Reportation of business report and financial report for 2023 3. 2023 annual earnings distribution proposal 4. 2023 Cash dividends issued on annual earnings 5. Revision on Rules of Procedures for Shareholders Meeting 6. Election of 16th Board of Directors 7. Nomination and Qualification review of Director Candidates 8. Release from Director's Non-Compete Restrictions 9. Convening the Annual Shareholders Meetings of the Shareholders for 2024 10. Explanation of the efficiency of the Internal Control System for 2023 11. Annual operation plan for 2024 12. Endorsement guarantee for bank financing limit for Everplus Material Co., Ltd. 	<ol style="list-style-type: none"> 1. Approved by the chairman, attending directors and independent directors without any objections. 2. Item 1~8: listed separately in reportation, commitment, discussion and election; approved by the AGM of 2024. Approved and recorded by the Ministry of Economic Affairs, with NO 11330098980, dated 2024.06.18, for the Rules of Procedure for Shareholders' Meeting. 3. Item 7: Announced in accordance with the law to declare the qualifications of independent director candidates and was completed through by-election at the Shareholders' Meeting on 2024.05.30. 4. Item 9: completed the convene of the Annual Shareholders Meeting for 2024 on 2024.05.30. 5. Item 10: published in the Annual Report of 2023. 6. Other items are implemented in accordance with the resolution.
2024.05.07	BOD Meeting	<ol style="list-style-type: none"> 1. Consolidated financial report of 2024 first quarter 2. Terminate the subsidiary's endorsement and guarantee 	<ol style="list-style-type: none"> 1. Approved by the chairman, attending directors and independent directors without any objections. 2. Item 1 declaration has been announced in accordance to laws and regulations. 3. Other items are implemented in accordance with the resolution.
2024.05.30	BOD Meeting	<ol style="list-style-type: none"> 1. Election of the Chairman 	<ol style="list-style-type: none"> 1. All attending directors unanimously elected Jing-Rong Tang as the Chairman. 2. Approved and recorded by the Ministry of Economic Affairs, with NO. 11330098980 dated 2024.06.18 for the approval of chairman's change registration.

Date	Unit	Major Resolutions	Implementation Status
2024.08.07	BOD Meeting	<ol style="list-style-type: none"> 1. 2023 ESG Report 2. Authorization for financial institution transactions 3. Appointment of member for the 6th Remuneration Committee 4. Consolidated financial report of 2024 second quarter 	<ol style="list-style-type: none"> 1. Item 1&2&4: Approved by the chairman, attending directors and independent directors without any objections; Item 3: the directors each explained their own conflict of interests and avoid participating in the voting, remaining attending directors and independent directors passed the proposal without any objections. 2. Item 1 and 4: declaration of completion has been announced in accordance to laws and regulations. 3. Other items are implemented in accordance with the resolution.
2024.11.06	BOD Meeting	<ol style="list-style-type: none"> 1. Consolidated financial report report of 2024 quarter 3 2. Revision of Charter of Audit Committee 3. Revision of Rules of Procedure for Board Meeting 4. Review of directors' and executives' remuneration regularly 	<ol style="list-style-type: none"> 1. Item 1 and 3: Approved by the chairman, attending directors and independent directors without any objections; Item 4: the directors each explained their own conflict of interests and avoid participating in the voting, remaining attending directors and independent directors passed the proposal without any objections. 2. Declaration has been announced in accordance with laws and regulations.

Date	Unit	Major Resolutions	Implementation Status
2024.12.18	BOD Meeting	<ol style="list-style-type: none"> 1. Adjustment of the CPA for financial report certification 2. Evaluates the independency and suitability of the CPAs for the Annual Report of 2025 3. Revise relevant regulations for internal control system 4. Stipulate internal audit plan for 2025 5. Revision of Corporate Governance Best Practice Principles 6. Remuneration for the directors and managers 	<ol style="list-style-type: none"> 1. Item 1~5: after consulting by the chairman, the directors and independent directors passed the proposal without any objections; Item 6: the directors each have explained their own conflict of interests and avoid participating in the voting. Remaining attending directors and independent directors passed the proposal without any objections 2. Item 4: declaration and implementation has been announced in accordance to laws and regulations. 3. Other items are implemented in accordance with the resolution
2025.02.27	BOD Meeting	<ol style="list-style-type: none"> 1. Distribution of remuneration for employees and directors for 2024 2. Reportation of business report and financial report for 2024 3. 2023 Annual earnings distribution proposal 4. 2024 Cash dividends issued on annual earnings 5. Revision on Articles of Association 6. Convening the Annual Shareholders Meetings for 2025 7. Explanation of the efficiency of the Internal Control System for 2024 8. Annual operation plan for 2025 9. Endorsement guarantee for bank financing limit for Everplus Material Co., Ltd 10. Revision on General Policies on Non-assurance Services 	<ol style="list-style-type: none"> 1. Approved by the chairman, attending directors and independent directors without any objections 2. Item 1~5: listed in the reportation, commitment, discussion and election; approved by the AGM of 2025. 3. Item 6: scheduled to be held on 2025.05.28, various convocation procedures are currently being implemented. 4. Item 7: declaration and has been announced in accordance to laws and regulations, published in the Annual Report of 2024. 5. Other items are implemented in accordance with the resolution.

10. Directors or supervisors who have different opinions to major resolutions passed by the board of directors with records or written declaration during the most recent fiscal year and as of the printing date of this annual report: None

IV. Information on the Certified Public Accountant Fees

Audit Fee

Unit: thousands of NT\$

Accounting Firm	Name of Accountant	Audit Range	Audit Fee	Non-Audit Fee	Total	Note
KPMG	Ming-Fang Hsu	2024.01.01 ~	2,800	200	3,000	Other Declarations and Publishing Fees
	Chi-Long Yu	2024.12.31				

Note: if the company changes accountants or accounting firms in the year, the audit period and reasons of the change should be listed separately in the note column; information such as audit and non-audit public fees paid should be listed. Non-audit public fees should be explained in note regarding its service content.

- (1)The amount of the audit fee paid to the accounting firm is less than the amount before the accounting firm was changed: None
- (2)Audit fees are reduced by more than 10% comparing to the previous year: None

V. Information on the Replacement of Certified Public Accountants

None.

1. Information regarding the successor CPA
None.
2. The reply letter from the former CPA regarding the company's disclosures regarding the matters under Article 10.6.A and 10.6.B(c) of the regulations.
None.

VI. The company's chairman, general manager or managers in charge of finance or accounting has been under current accounting firm or its affiliates' employment

None.

VII. Net change in Shareholding and Net Change in Shares Pledged by Directors, Management and Shareholders with 10% Shareholdings or More

1. Status of net change in shares pledged by directors, supervisors, managers and prime shareholders during the most recent fiscal year and as of the printed date of the annual report:

Unit: Shares

Title (Note1)	Name	2024		As of 2025.03.30	
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
Chairman and General Manager	Jing-Rong Tang	2,000,000	0	0	0
Director	Lin Tan Investment Co., Ltd. Representative: Fang-Ming Lo (Date of assumption of office: 2024.05.30)	0	0	0	0
Director and Executive Vice General Manager	Shih-Yun Shen	0 (331,000)	0	0	0
Director and Vice General Manager	Shao-Kuo Huang	0	0	0	0
Director	Tang-Ming Wu	0	0	0	0
Independent Director	Ken-Yi Cheng	0	0	0	0
Independent Director	Chu-Yang Chien	0	0	0	0
Independent Director	Jen-Wei Ko	0	0	0	0
Independent Director	Jui-Chu Li (Date of assumption of office: 2024.05.30)	0	0	0	0
Vice General Manager	I-Ta Lee	0	0	0	0
Vice General Manager	Hui-Bang Yeh	0	0	0	0
Chief Accounting Officer and and Corporate Governance Officer	Shu-Ying Chang	0	0	0	0
Director	Lin Tan Investment Co., Ltd. Representative: Chyang Lo (Date of dismissal: 2024.05.30)	0	0	0	0
Independent Director	Nei-Hua Wu (Date of dismissal: 2024.05.30)	0	0	0	0

Note1: shareholders holding more than 10% of the company's total shares shall be noted as major shareholders and should be listed separately.

Note2: if the counterparty of the equity transfer or equity pledge is a related person, the following table shall be filled.

2. Information on Share Transfer: None
3. Information on Pledged Shares: None

VIII. Information on the Ten Largest Shareholders whose a Related Party or a Relative within the Second Degree of Kinship of Another

Unit: shares / % as of 2025.03.30

Name (Note 1)	Current Shareholding		Spouse & Children of Minor Age Shareholding		Shareholding by Nominees		Names and Relationship of Any of the Top Ten Shareholders being a Related Party as Defined in Statement of Financial Accounting Standards No. 6 or spouse or relatives within 2nd degree of relationship (Note 3)		Note
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Lung Ko Investment Co., Ltd. Representative: Hsin-I Yang	7,929,043	4.78%	N/A	N/A	N/A	N/A	Lin Tan Investment Co., Ltd. Representative: Hsin-I Yang	Same person as the chairman	-
Lin Tan Investment Co., Ltd. Representative: Hsin-I Yang	7,567,071	4.56%	N/A	N/A	N/A	N/A	Lung Ko Investment Co., Ltd. Representative: Hsin-I Yang	Same person as the chairman	-
Jing-Rong Tang	5,864,365	3.54%	386,296	0.23%	-	-	Cheng Ya Investment Co., Ltd. Representative: Chi-Hao Tang	Second degree of kinship	-
Fang Hao Investment Co., Ltd. Representative: Ching-Lin Lo	3,924,108	2.37%	N/A	N/A	N/A	N/A	-	-	-
Shun-Tien Yang	3,250,000	1.96%	-	-	3,200,000	1.93%	All-Logic International Co., Ltd.	The chairman	-
All-Logic International Co., Ltd. Representative: Shun-Tien Yang	2,500,000	1.51%	N/A	N/A	N/A	N/A	Shun-Tien Yang	Himself	-
JPMorgan Chase Bank N.A., Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1,936,982	1.17%	N/A	N/A	N/A	N/A	-	-	-
Cheng Ya Investment Co., Ltd. Representative: Chi-Hao Tang	1,767,076	1.07%	N/A	N/A	N/A	N/A	Jing-Rong Tang	Second degree of kinship	-
Mei-Yu Lin	1,735,447	1.05%	1,163,253	0.70%	-	-	Lung Ko Investment Co., Ltd. Representative: Hsin-I Yang	Spouse	-
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	1,609,262	0.97%	N/A	N/A	N/A	N/A	-	-	-

Note 1: The top ten shareholders should all be listed. For corporate shareholders, the names of the corporate shareholders and the names of their representatives should be listed separately.

Note 2: The calculation of shareholding ratio refers to the computation based on shares held under one's own name, the name of spouse, minor children, or through the use of another person's name.

Note 3: Including the aforementioned shareholders, both legal entities and natural persons; the relationship between each party should be disclosed in accordance with the issuer's financial reporting preparation standards.

IX. The Total Number of Shares and Total Equity Stock Held in any Single Enterprise by the Company, its Directors and Supervisors, Managers and Any Companies Controlled Either Directly or Indirectly by the Company

Unit: Shares / % as of 2024.12.31

Reinvestment Business	Investment by Holy Stone		Direct and or Indirect Ownership of Directors, Supervisors and Managers		Total Investment	
	Shares	%	Shares	%	Shares	%
Holy Stone Enterprise (Hong Kong) Co., Ltd.	11,500,000	100.00%	-	-	11,500,000	100.00%
Holy Stone Holdings Co., Ltd.	30,000,000	100.00%	-	-	30,000,000	100.00%
Uholy Investment Co., Ltd	54,000,000	100.00%	-	-	54,000,000	100.00%
Martek Co., Ltd.	8,500,000	100.00%	-	-	8,500,000	100.00%
Rong Jhan Investment Co., Ltd.	36,000,000	100.00%	-	-	36,000,000	100.00%
Holy Stone Industry India Private Limited	7,400,000	100.00%	-	-	7,400,000	100.00%

III. Status of Fund Raising

I. Capital and Shares

1. Capitalization

(1).Process of Capitalization :

Unit: Shares/ NT\$

Year/ Month	Issue Price (NY\$)	Authorized Capital Stock		Paid-In Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Property other than cash offset by the number of shares	Others
1981/6	10,000	200	2,000,000	200	2,000,000	Capital Established	None	None
1984/7	10,000	300	3,000,000	300	3,000,000	Capital Increase (NT\$1 million)	None	None
1987/7	10,000	2,000	20,000,000	2,000	20,000,000	Capital Increase (NT\$17 million)	None	None
1990/10	10,000	2,800	28,000,000	2,800	28,000,000	Capital Increase (NT\$8 million)	None	None
1995/8	10,000	6,000	60,000,000	6,000	60,000,000	Retained Earnings (NT\$3.5 million) and Capital Increase (NT\$28.5 million)	None	None
1997/12	10	19,800,000	198,000,000	19,800,000	198,000,000	Retained Earnings (NT\$72 million) and Capital Increase (NT\$66 million)	None	None
1998/7	10	30,000,000	300,000,000	30,000,000	300,000,000	Retained Earnings (NT\$29.7 million) and Capital Increase (NT\$72.3 million)	None	None
1999/10	10	55,000,000	550,000,000	36,690,000	366,900,000	Retained Earnings (NT\$54.9million) and Additional Paid-In Capital (NT\$12 million)	None	None
2000/7	10	59,500,000	595,000,000	56,174,133	561,741,330	Retained Earnings (NT\$150.17million), Additional Paid-In Capital (NT\$7.39million) and Capital Increase (NT\$37.34million) (Note1)	None	None
2001/7	10	291,600,000	2,916,000,000	112,530,852	1,125,308,520	Retained Earnings (NT\$563.567million) (Note2)	None	None
2002/9	10	291,600,000	2,916,000,000	127,955,555	1,279,555,550	Retained Earnings (NT\$97.99million), Additional Paid-In Capital (NT\$56.27million) (Note3)	None	None

Year/ Month	Issue Price (NY\$)	Authorized Capital Stock		Paid-In Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Property other than cash offset by the number of shares	Others
2003/6	10	291,600,000	2,916,000,000	127,978,095	1,279,780,950	Convertible Bond for Stock (NT\$0.225million) (Note4)	None	None
2003/9	10	291,600,000	2,916,000,000	140,099,983	1,400,999,830	Retained Earnings (NT\$121.22million) (Note5)	None	None
2003/9	10	291,600,000	2,916,000,000	143,520,916	1,435,209,160	Convertible Bond for Stock (NT\$34.21million) (Note4)	None	None
2003/12	10	291,600,000	2,916,000,000	147,065,726	1,470,657,260	Convertible Bond for Stock (NT\$35.45million) (Note4)	None	None
2004/3	10	291,600,000	2,916,000,000	150,700,193	1,507,001,930	Convertible Bond for Stock (NT\$36.35million) (Note4)	None	None
2004/7	10	291,600,000	2,916,000,000	181,483,126	1,814,831,260	Retained Earnings (NT\$120.68million), Additional Paid-In Capital (NT\$59.1million) Convertible Bond for Stock (NT\$9.17million), Merge (NT\$118.88million) (Note4,7,9)	None	None
2004/9	10	291,600,000	2,916,000,000	181,577,222	1,815,772,220	Convertible Bond for Stock (NT\$0.94million)	None	None
2004/12	10	291,600,000	2,916,000,000	182,805,842	1,828,058,420	Convertible Bond for Stock (NT\$1.04million), Exercise of Stock Options (NT\$11.25million) (Note4,6,8)	None	None
2005/03	10	291,600,000	2,916,000,000	183,202,780	1,832,027,800	Convertible Bond for Stock (NT\$1.12million), Exercise of Stock Options (NT\$2.85million) (Note4,8)	None	None
2005/06	10	291,600,000	2,916,000,000	185,987,480	1,859,874,800	Convertible Bond for Stock (NT\$15.79million), Exercise of Stock Options (NT\$12.06million) (Note4,6,8)	None	None
2005/08	10	291,600,000	2,916,000,000	200,211,772	2,002,117,720	Retained Earnings (NT\$142.24million) (Note10)	None	None
2005/09	10	291,600,000	2,916,000,000	203,447,283	2,034,472,830	Convertible Bond for Stock (NT\$24.80million), Exercise of Stock Options (NT\$7.56million) (Note4,6,8)	None	None

Year/ Month	Issue Price (NY\$)	Authorized Capital Stock		Paid-In Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Property other than cash offset by the number of shares	Others
2005/12	10	291,600,000	2,916,000,000	210,997,513	2,109,775,130	Convertible Bond for Stock (NT\$62.74million), Exercise of Stock Options (NT\$12.56million) (Note4,6,8)	None	None
2006/03	10	291,600,000	2,916,000,000	221,660,149	2,216,601,490	Convertible Bond for Stock (NT\$87.57million), Exercise of Stock Options (NT\$19.26million) (Note4,6,8)	None	None
2006/06	10	291,600,000	2,916,000,000	223,232,683	2,232,326,830	Convertible Bond for Stock (NT\$8.44million) 、 Exercise of Stock Options (NT\$7.29million) (Note4,6,8)	None	None
2006/08	10	291,600,000	2,916,000,000	240,481,019	2,404,810,190	Retained Earnings (NT\$172.48million) (Note11)	None	None
2006/09	10	291,600,000	2,916,000,000	244,923,762	2,449,237,620	Convertible Bond for Stock (NT\$30.20million), Exercise of Stock Options (NT\$14.23million) (Note4,6,8)	None	None
2006/12	10	291,600,000	2,916,000,000	245,974,190	2,459,741,900	Convertible Bond for Stock (NT\$7.04million), Exercise of Stock Options (NT\$3.46million) (Note6,8)	None	None
2007/03	10	291,600,000	2,916,000,000	249,333,118	2,493,331,180	Convertible Bond for Stock (NT\$30.69million), Exercise of Stock Options (NT\$2.9million) (Note6,8)	None	None
2007/06	10	350,000,000	3,500,000,000	250,882,162	2,508,821,620	Convertible Bond for Stock (NT\$15.30million), Exercise of Stock Options (NT\$0.2million) (Note6,8,15)	None	None
2007/08	10	350,000,000	3,500,000,000	267,232,348	2,672,323,480	Retained Earnings (NT\$139.13million) Additional Paid-In Capital (NT\$24.38million) (Note12)	None	None
2007/09	10	350,000,000	3,500,000,000	269,466,015	2,694,660,150	Convertible Bond for Stock (NT\$22.34million)	None	None
2007/12	10	350,000,000	3,500,000,000	270,327,399	2,703,273,990	Convertible Bond for Stock (NT\$8.61million) (Note6)	None	None
2008/03	10	350,000,000	3,500,000,000	270,360,006	2,703,600,060	Convertible Bond for Stock (NT\$0.33million) (Note6)	None	None

Year/ Month	Issue Price (NY\$)	Authorized Capital Stock		Paid-In Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Property other than cash offset by the number of shares	Others
2008/06	10	350,000,000	3,500,000,000	270,395,331	2,703,953,310	Convertible Bond for Stock (NT\$0.35million) (Note6)	None	None
2008/08	10	350,000,000	3,500,000,000	278,748,849	2,787,488,490	Retained Earnings (NT\$83.54million) (Note13)	None	None
2008/09	10	350,000,000	3,500,000,000	280,645,587	2,806,455,870	Convertible Bond for Stock (NT\$18.97million) (Note6)	None	None
2009/08	10	450,000,000	4,500,000,000	287,217,454	2,872,174,540	Retained Earnings (NT\$65.72million) (Note14)	None	None
2010/08	10	450,000,000	4,500,000,000	320,217,454	3,202,174,540	Capital Increase (NT\$330million) (Note15)	None	None
2013/08	10	450,000,000	4,500,000,000	224,152,218	2,241,522,180	Capital Increase (NT\$960.65million) (Note16)	None	None
2014/05	10	450,000,000	4,500,000,000	223,548,118	2,235,481,180	Treasury Shares Write-Off (NT\$6.04million)	None	None
2015/03	10	450,000,000	4,500,000,000	223,951,267	2,239,512,670	Convertible Bond for Stock (NT\$4.03million) (Note17)	None	None
2015/07	10	450,000,000	4,500,000,000	224,215,398	2,242,153,980	Convertible Bond for Stock (NT\$2.64million) (Note17)	None	None
2017/08	10	450,000,000	4,500,000,000	156,950,779	1,569,507,790	Capital Increase (NT\$672.65million) (Note18)	None	None
2018/01	10	450,000,000	4,500,000,000	157,990,779	1,579,907,790	Exercise of Stock Options (NT\$10.4million) (Note19)	None	None
2023/08	10	450,000,000	4,500,000,000	165,890,318	1,658,903,180	Retained Earnings (NT\$78.995million)	None	None

1. It has been approved and recorded by the Securities and Future Institute, with No. 28097, dated 2000.04.07
It has been approved and recorded by the Securities and Future Institute, with No. 30269, dated 2000.04.12
2. It has been approved and recorded by the Securities and Future Institute, with No. 1344551, dated 2001.07.04
3. It has been approved and recorded by the Securities and Future Institute, with No. 0910147849, dated 2002.08.30
4. It has been approved and recorded by the Securities and Future Institute, with No.116296, dated 2002.05.16
5. It has been approved and recorded by the Securities and Future Institute, with No.0920134915, dated 2003.08.04
6. It has been approved and recorded by the Securities and Future Institute, with No.0930109717, dated 2004.03.29
7. It has been approved and recorded by the Securities and Future Institute, with No.0930125605, date 2004.06.09
8. It has been approved and recorded by the Securities and Future Institute, with No.0910133029, dated 2002.06.25
9. It has been approved and recorded by the Securities and Future Institute, with No.0930121923, dated 2004.05.25
10. It has been approved and recorded by the Financial Supervision Commission, with No.0940125011, dated 2005.06.22
11. It has been approved and recorded by the Financial Supervision Commission, with No.0950128860, dated 2006.07.06
12. It has been approved and recorded by the Financial Supervision Commission, with No.0960032456, dated 2007.06.27
13. It has been approved and recorded by the Financial Supervision Commission, with No.0970030925, dated 2008.06.20
14. It has been approved and recorded by the Financial Supervision Commission, with No.0980032787, dated 2009.07.01
15. It has been approved and recorded by the Financial Supervision Commission, with No.0990025827, dated 2010.05.28
16. It has been approved and recorded by the Financial Supervision Commission, with No.1020026067, dated 2014.07.11

- 17.It has been approved and recorded by the Financial Supervision Commission, with No.09900258271, dated 2010.05.28
- 18.It has been approved and recorded by the Financial Supervision Commission, with No.1060026035, dated2017.07.21
- 19.It has been approved and recorded by the Financial Supervision Commission, with No.960065618, dated 2007.11.21

(2). Types of Stocks :

Unit: Share as of: 2025.03.30

Type of Stocks	Authorized Share Capital			Note
	Outstanding Shares (Listed)	Unissued Shares	Total	
Common Stock	165,890,318	284,109,682	450,000,000	-

2. List of Major Shareholders

As of 2025.03.30

Name	Shares	Total Shares Owned	%
Lung Ko Investment Co., Ltd.		7,929,043	4.78%
Lin Tan Investment Co., Ltd.		7,567,071	4.56%
Jing-Rong Tang		5,864,365	3.54%
Fang Hao Investment Co., Ltd.		3,924,108	2.37%
Shun-Tien Yang		3,250,000	1.96%
All-Logic International Co., Ltd.		2,500,000	1.51%
JPMorgan Chase Bank N.A., Taipei Branch in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds		1,936,982	1.17%
Cheng Ya Investment Co., Ltd.		1,767,076	1.07%
Mei-Yu Lin		1,735,447	1.05%
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds		1,609,262	0.97%

3. Dividend Policy and Implementation

1. Dividend Policy

For the company's mid-term and long-term operating growth and capital need for investing activities, together with the goal of a healthy financial structure, the distribution of profits is proposed to the annual shareholders' meeting by the board. The appropriation of the company's net income may be distributed by ways of cash dividend and or stock dividends taking into consideration the future capital demand and stock dilution. Stock dividends are to be within 0% to 50% of total dividends, while cash dividends are to be within 50% to 100% of total dividends. If during the current fiscal year, the company has no surplus to distribute, or if the surplus is far lower than the actual distribution amount compares to the previous year, or any consideration taken for financial, operational and business matters, the company can distribute, in accordance to relevant laws and regulations, all or part of the provided fund.

2. Dividends Distribution Proposal

Resolutions of the board's meeting on 2025.02.27 are as follow:

- (1) Distribution of dividends and bonuses to shareholders
2024 annual cash dividend is NT\$5.5 per share.
- (2) Cash dividend distribution were distributed up to one dollar, if the distribution is under one dollar, it will be accounted as other revenue.
- (3) If there is a change in the number of ordinary shares outside of the company; or when there is a change in shareholders' dividend rate that requires revision, chairman of the board will take full authority.

4. Effect upon business performance and EPS of any stock dividend distribution proposed or adopted at the most recent shareholders meeting:

In accordance with the Regulations Governing the Publication of Financial Forecasts of Public Companies and Whether a TPEX listed Company is Required to Publish Complete Financial Forecasts, the company is not subjected to 2025 financial forecasts disclosure, therefore is not subjected to the impact of disclosing predictive financial information.

5. Employee Dividends and Remuneration and Remuneration for Directors

A. The percentage or ranges of employee and director's compensation, as set forth in the company's Articles of Association

The company shall deduct the benefits before the distribution of remunerations for employee and directors in the current year (including inappropriate retained earnings), if there is a surplus, the company shall allocate no less than 7% for employees' benefit and no more than 3% for directors' remuneration.

The decision making on the percentage of the distribution of remunerations for employees and directors, as well as the decision making on employee compensation in stock or cash, shall be done via approvals by two-thirds of the members of the board of directors, and reported to the shareholders meeting. The abovementioned remuneration for directors shall only be given via cash.

Remuneration of employees from controlling or subsidiaries can be issued with stocks or cash if certain conditions are met. The board of directors and its authorized personnel is authorized to determine the certain condition.

B. The basis for estimating the amount of remuneration for employees and directors for calculating the number of shares to be distributed as stock bonuses, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

- (1) The calculation basis for employee and director remuneration for 2024 is derived from the pre-tax profits after deducting employee and director remuneration before considering the accumulated deficit (including adjustments to undistributed earnings).
- (2) The issued stock shares will be calculated using the closing price on the day before Annual Shareholders Meeting taking the effect of ex-dividend into consideration.
- (3) If there is a difference between the actual distribution amount and the estimated distribution amount as resolved by the board of directors, it will be regarded as a change in accounting estimates and will be listed as profit or losses in 2024.

C. Status on proposal of distribution of employee remuneration approval by the board of directors

- (1) Distribution of cash bonuses or stock bonuses to employees, and compensation for directors.

If there is any discrepancy between such an amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed:

On 2025.02.27, the board of directors approved on the distribution of employee remuneration of NT\$135.75 million; and directors' remuneration of NT\$25.86 million. Both distributions are completed via cash therefore there is no difference between the estimated amount and the actual distributed amount.

(1)The number of shares in any proposed distribution of employee stock dividends, and the size of such distribution as a percentage of capital increase paid out of earnings:

Not applicable, no stock dividends were distributed.

D.The actual distribution of employee bonuses and directors and supervisor's compensation:

On 2024.02.27, the board meetings approved the resolution of employee remuneration distribution of NT\$119.195 million, and remuneration for directors of NT\$22.70 million; all remunerations are distributed in cash, therefore there is no difference between the estimated number and the actual distributed number.

6. Buyback of Common Stock: None.

II. Issuance of Corporate Bonds

1. Issuance of Corporate Bonds: None.
2. Information on Convert Corporate Bond: None.
3. Information on Corporate Debt Exchange: None.
4. Summarization on the Situation of Reporting and Issuing Corporate Bonds: None.
5. Information on Attached Stock Option Corporate Bond: None.

III. Issuance of Preferred Shares

None.

IV. Issuance of Global Depositary Shares

None.

V. Issuances of Employee Stock Options and Employee Restricted Stock

None.

VI. Mergers and Acquisitions and Status of New Share Issuance in Connection with Acquisitions

None.

VII. Financing Plans and Program Implementation

None.

IV. Operational Highlights

I. Business Activities

1. Business Scope

Under the diverse development of Holystone and its subsidiaries; besides deep cultivation in core electronics business, the company moved forward from electronic component distributor into research and development manufacturer, continuously producing green components and products. Meanwhile, the company has entered the biomedical industry aiming to develop potential medical biotechnology products. The main business content of the company and its subsidiaries include: R&D and manufacture (MLCC, metallization of ceramic substrates, electrical and electronic system modules, other electronic components, medical facilities and medicines), wholesales and retails (electronic components and others).

(1) Operating Percentage of Major Products (2024)

Major Product	Shares of Sales Revenue
Passive Components	39%
Active Components	22%
System & Module	17%
Others	22%
Total	100%

(2) Current Products of the company and its Subsidiaries

- A. Capacitors and Other Passive Components
- B. Integrated Circuit and Other Active Component
- C. System Module
- D. Others

(3) New Products to Develop

- A. Highly reliable and large size new MLCC
- B. High reliable and large size safety-certified MLCC
- C. High reliable low-temperature rise ceramic capacitor for high-power supply applications
- D. Medium-voltage high-capacity new specification multilayer ceramic capacitor for automotive, industrial control and power supply applications
- E. GaN fast charge circuit low loss multilayer ceramic capacitors
- F. Miniaturization and high capacity MLCC

2. Industry Overview: Industry Status and Development; Product Development Trends and Competition

(1) Industry Status and Development:

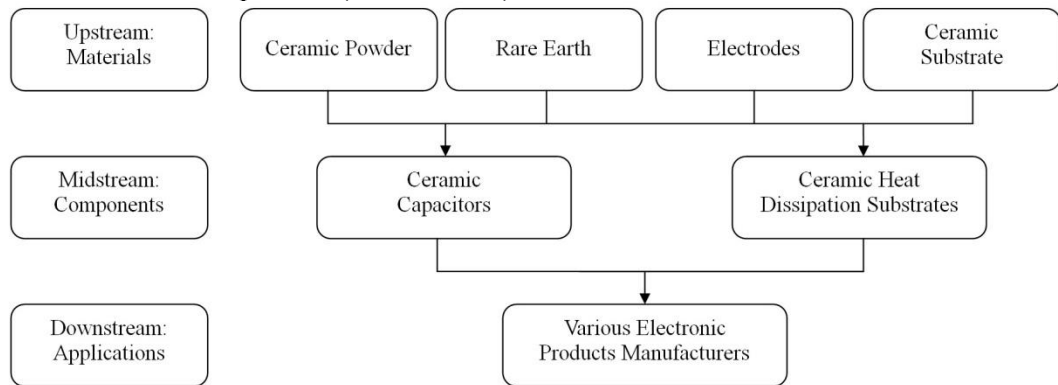
According to the research report from the Industrial Technology Research Institute (ITRI) IEKCQM, global economy has been gradually recovering. With the continuous development of AI, automotive electronics, and satellite communications, making PCB, passive components, the specifications of electronic components, such as sensor modules, are being upgraded; enable the the electronic components industry of our nation thereby enhancing added value, also increase in productivity. The 2025 electric components industry productivity is estimated to reach 2.40 trillion NTD, with a growth rate of growth rate of 7.5%. Only concern would be region conflict leveling, the rise of trade protectionism, central banks adjusting monetary policies at different paces in every nation, overcapacity of China, climate change intensifies, and the global economy uncertainties. Careful attention should be paid to the subsequent development.

Under the impact of Global Net Zero Carbon Emissions Trend, the issue of green and sustainable supply chains is gradually gaining attention. This also brings effect to electronic components suppliers; requiring them to rethink and incorporate ESG sustainability concepts into their product research, development, production, and sales processes. Besides implementing carbon reduction measures, carbon management among supply chain partners also needs to be strengthened, collectively striving for low-carbon transition, prioritizing ESG is essential for seizing business opportunities in low-carbon era.

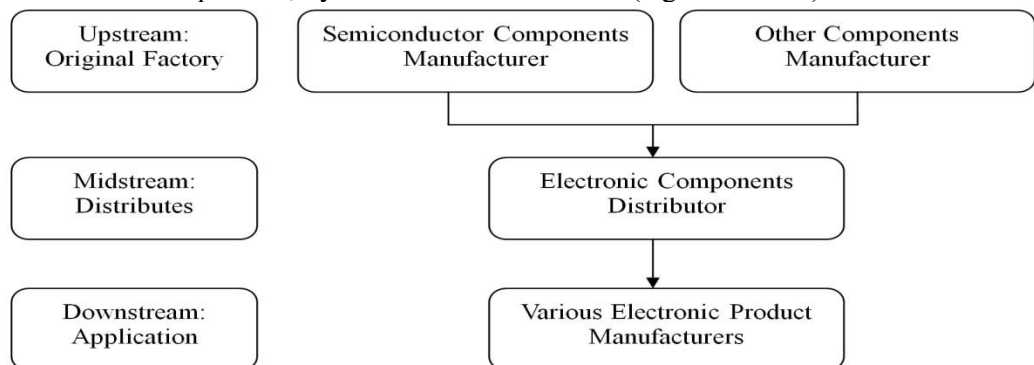
Taiwan's electronic components enjoy a high global market share and are widely used in various applications. Regards to quick response to industry trend, also able to entry rapidly into new product development and design, offering a variety of efficient and energy-saving products to the market. The final purpose would be allow consumers to enjoy safe and convenient smart living.

(2) Relationship between the Up, Mid and Down-stream of the Industry

A. Passive Components (House Brand)



B. Active Components, System Module and Others (Agent Product)



(3) Development Trends and Competition of the Products

A. Passive Component (House Brand Products)

The company's house brand products, the MLCC and ceramic substrate metallization takes up the majority of passive components production; belonging to the mid-to-top-stream raw material of the market chain. The application of MLCC covers a wide variety of electronic products (including mobile phones, network communication equipment, industrial and automotive electronics). Holy Stone devotes in the production of high-end niche products, continuing to improve in material, facilities and production capacities, striving for the customers' penetration in automotive, industrial control, penetration rate of high-end application market customers, etc. In response to the growth of the application of the third-generation semiconductors, the company is working closely currently with customers who uses SiC, GaN MOSFETs fast charging power sources.

In 2024, to adjust the large demand of AI SERVER POWER SUPPLY, has increased the wattage of a single unit from 1KW to more than 5.5KW, as clients have higher demand for low temperature rise of resonant LLC Circuit NP0 MLCC resonant capacitor. Holy Stone have corresponding products, which all of them have been successfully certified and adopted by domestic and foreign power supply manufacturers. Types of High Voltage Resonant MLCC Capacitors NP0 Series, except helping to provide customers to improve power efficiency, low temperature rise could reduce wear and tear, its one of the choice of new generation of parts options. In the future, Holy Stone will continue to develop products that meet the specifications of energy-saving circuit design applications, actively implementing the mindset of ESG, advancing towards sustainable development.

B. Active Component, System Module and Other Products

Active Components: The revenue of active components distributed by the company decreased by 9% in 2024 compared to 2023. This decline was primarily due to macroeconomic factors such as wars and inflation, which led to a slowdown in market demand. Active components are widely used in consumer electronics, IoTs, automotive and smart home devices, and they play a crucial role in the advancement of technology. Despite the current challenges, it is anticipated that demand for active components will continue to grow in the future following the overall economic recovery.

System Modules: With a higher proportion of revenue coming from microcontrollers the company mainly focuses on adding value to components and providing solutions. With the rapid development of 5G, IoT, and automotive electronics, the revenue of system modules in 2024 increased by approximately 1% compared to 2023. The company offers customers with various complete solutions and key components developed over many years. These solutions and components are applied in industries such as consumer electronics, automotive, and industrial control. It is expected that demand for these products will continue to grow once market uncertainties are resolved.

Others: In addition to the abovementioned active and passive components and system modules, the company also distributes a variety of electronic components, such as fans, batteries, and mechanical components. The revenue from other products in 2024 decreased by approximately 6% compared to 2023.

Holy Stone has been cultivating the production and sales of niche passive components for long-term, and its main raw materials are mostly purchased from internationally renowned manufacturers. In recent years, in order to diversify international procurement risks and reduce energy consumption in transportation, the company has also evaluated the use of qualified domestic suppliers and invested resources in developing its own materials to improve its high-end powder production capacity. The main competitors in this market are other domestic and foreign electronic component distributors. Due to the diversified product lines and deep cultivation of niche markets, the company maintains good product competitiveness, also customers have confidence in our services. In the future, Holy Stone will continue to uphold the spirit of sustainable management, strictly control products and services, minimize external operating risks, minimize external operational risk and ensure longterm operational momentum.

3. Research and Development Highlights

1. R&D Expenditures during the most recent fiscal year

Unit: Thousands of NT\$

Item	2024
R&D Expenditures	346,701
Net Sales	12,785,820
Percentage	2.71%

2. Successful Development of New Technology and or Products

- (1) Completed the development of MLCC products with high temperature resistance and high reliability for 5G base station
- (2) Continuous recognition by automotive electronic consumers, marketing and development of high temperature resistant product
- (3) Self-research and development of MLCC power material, applied to fields such as advanced power modules and wireless charging modules
- (4) Continuous development on capacitors such as high-speed computing industrial control and automotive charger
- (5) Developing a new type of surface-mount safety capacitor for use in automotive power modules.
- (6) In response to global carbon reduction trend, developing MLCC products for low-carbon manufacturing.
- (7) Develop high-temperature-resistant and highly reliable MLCC products specifically for data centers in response to the widespread adaptation of AI applications.

3. Future R&D Plans and Expenditures

With the growth of industry and market demand, the company and subsidiaries continue to invest in R&D in products and production process to satisfy customer's requirements and to strengthen corporate competency. 2025 investments in R&D are estimated to be NT\$322 million.

4. Short-Term and Long-Term Development Strategies

1. Marketing Strategies

(1) Short-Term Plan

- A. React promptly to different applications in the market and provide customer development in LED, power supply and network communication
- B. Expand products for main customers in the United States and Europe, offer one-stop shopping
- C. Enhance marketing strategies on high temperature and high reliability MLCC
- D. Due to the continued growth of electric car industry, providing customer with high-end automotive MLCC
- E. Strengthen the development of the AI server resistor market

(2) Long-Term Plan

- A. Accelerate setup for dealer and agent in Pan-Asian Region
- B. Strengthen dealer, agent services and product support in Greater China Region
- C. Develop industrial client group for medical industry
- D. Strengthen the development of client group for automotive electronics
- E. Development of 5G base station application client group
- F. Establish long-term partnership with foreign industrial control and power supply factory
- G. Focus on obtaining upstream approval from major brands to expand MLCC orders

2. Production Policies

(1) Short-Term Plan

- A. Adjust product portfolio and lower production cost
- B. Improve processes technology and product yield to reach maximum production efficiency
- C. Establish flexible order system, fast response to emergent customer demands, creating the greatest order benefits
- D. In response to industry upgrades, developing production process operation parameters to meet the specific needs of customers.

(2) Long-Term Plan

- A. Optimize production line by increasing automatic equipment, debottlenecked station detection and workflow efficiency
- B. Determine production and quality by annual plan, fulfill KPI management and staff training, reduce management costs
- C. Eliminate or transform worn producing machines to enhance production and lower staff costs
- D. Electronize process condition, lower staff load and chances of errors
- E. Import advanced production equipment, moving forward to the position of niche products
- F. Construct a smart factory with equipment networking, critical data collection, and real-time anomaly alerts, moving toward high efficiency with reduced labor
- G. Enhancing the recycle of resources, lowering industrial waste while increasing energy efficiency
- H. Responded to the escalating awareness of ESG globalization, the company operates full review on the carbon emission of the production supply chain and set future goals in accordance
- I. Localizing the supply chain for MLCC equipment and materials, reducing carbon emission during transportation
- J. Reviewing energy-consuming equipment in the factory, decommissioning old facilities, and improving the overall energy efficiency of the factory.

II. Market and Sales Overview

1. Market Analysis

(1) Sales and Provision of Major Products and Services

The company and its subsidiaries mainly serve telecommunication, consumer electronics, automotive electronics and industrial electronics. The company actively expands into the European and American markets to strengthen the export capabilities. Medical biotechnology products are mainly in the European market.

Sales by the Territory in the Recent Years

Unit: Thousands of NT\$

Area \ Year	2023		2024	
	Gross Revenue	%	Gross Revenue	%
Taiwan	3,113,516	23.52	2,789,244	21.81
China	8,413,311	63.54	8,483,006	66.35
U.S.A.	225,681	1.70	191,228	1.50
Others	1,487,792	11.24	1,322,342	10.34
Total	13,240,300	100.00	12,785,820	100.00

Note: statistics on the consolidated revenue.

(2) Market Share

The company and the subsidiaries mainly sell passive and active components as well as system model; the consolidated revenue of 2024 was NT\$12.79 billion. Products of the company and its subsidiaries occupy a certain market shares in the market.

(3) Supply-Demand Situation and Growth Potential of the Market

Market Analysis of the Major Products of Holy Stone and its Subsidiaries are as Follows:

A. Passive Component

Passive component production line of the company majors in capacitors; with the house brand MLCC taking up the highest proportion, metallization of ceramic substrate and other distributing aluminum capacitors coming after. Downstream application industries include: information and communication industry, industrial electronics, automotive electronics, optoelectronics industry and consumers electronics. Due to the increasing demand in automotive, industrial control, server, solar energy, internet communication and power supply, the company has, coping with the new product development progress and production capacity improvement plan, has anticipated further focus on the production of niche products in 2025, meeting customers' demands for specific industries.

B. Active Component

Including but not limited to: power management IC, filter, switches, diode, MOSFET、Sensor、Motor Microcontroller and touching IC; major application filed include: mobile phone, network communication, energy saving (BBU/ESS) and other smart home device. 5G applications not just provide faster mobile phone or data computing and analysis capabilities, but also connect various devices such as cars, machines, goods and home devices to the IoT. Demand for relevant electronic components is expected to grow continuously.

C. System Module

The system module products of the company and its subsidiaries are mainly value-added microcontrollers, the agent products ranged from 8-bit to 32-bit. The company has successfully launched innovative products, not only provide products of various specification, but also complete solutions to meet customers' demands and requests. With the rapid development on electronic industry, safety verification, voice/image recognition, and automotive electronics gradually becomes the future development trends. The company and its subsidiaries will also cooperate with the market trends, timely provides our customers with relevant solutions, products and services.

D. Others

Electronic components that includes: fans, batteries and mechanical components. Due to the increase in demand of the electronic components, the above mentioned products will focus more on niche application market to improve operational efficiency.

(4) Core competences, advantages and disadvantages of future prospects and responsive strategies

(1) Core Competences and Advantages

- A. Cultivated in the market for years, penetrated sales channels and services.
- B. Dominate in technologies for developing niche MLCCs.
- C. Strengthen agency products; invest in system integration, laying solid direction for product business diversification.
- D. Fully grasp the pulse of the industry, in line with rapid development of electric vehicles, timely launches special application products such as battery management and car chargers.
- E. Seizing data center construction opportunities in response to the widespread adoption of AI applications

(2) Disadvantages and Responsive Strategies

A. Sources of Main Materials rely on Importation

Coping Strategies:

- i. Invests in the R&D of raw materials; elevating the ability of material testing and improving MLCC capabilities.
- ii. Maintaining good relationship with existing suppliers while exploring new suppliers to reduce possible risks of raw material shortage.
- iii. Due to severe global inflation, close monitor in supply status as well as price volatility is necessary.

B. Significant increase in market competition

Coping Strategies:

- i. Develops in new application market, produce products that are higher level, higher unit price and more competitive.
- ii. Distributes competitive products while expanding new agency lines; providing customers with various procurement solutions for steady and diversified sales performance.

C. Inventory pressure due to significant market changes

Coping Strategies:

- i. Expands customers and application field in different markets.
- ii. Strictly controls purchases and sales inventory via BI management system.
- iii. In response to the downturn in the consumer electronics market, product portfolio has been adjusted, inventory levels of various raw materials have been adjust.

2. Application and Production Process of Major Products

(1) Applications of Major Products

MLCC:

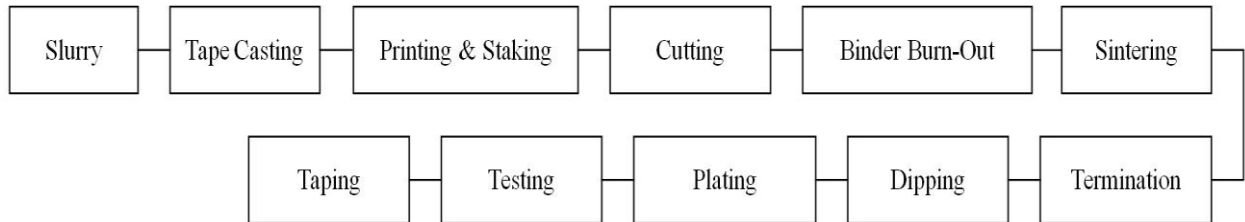
The most used electrical energy storage components used on the circuit board of coupling and coordination functions. Due to its physical properties of high resistance in high voltage, high heat with wide operating temperature range and low loss rate during high frequency use, very suitable for high-tech, automotive, precision medical, energy-saving and green energy electronic products.

Ceramic Substrate Metallization:

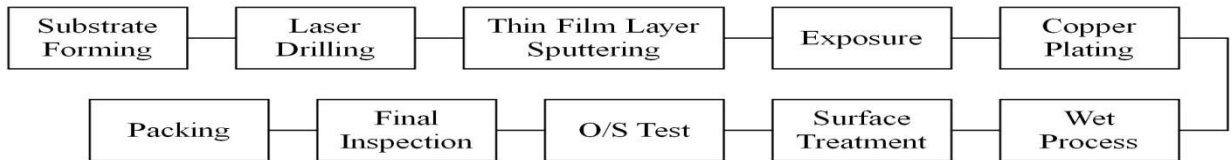
The circuit is fabricated by metalizing on the ceramic substrate through difference to perform the solid bonding between the ceramic and the metal. It is applied to the packaging of the products that required high thermal conductivity such as IC, visible/ invisible light source packaging, or products that required extreme miniaturization, high temperature resistance, humidity and other harsh environments.

(2) Production Process

Surface-Mounted MLCC



Thin Film Ceramic Thermal Substrate



3. Suppliers of Major Materials

In order to ensure steady supply of electronic components, the company not only maintains good relationship with existing vendors but also actively develops new vendors to increase supply sources and cut down costs. Current list of major agency products and its suppliers are listed below:

Major Products	Name of Major Supplier
Capacitor	AIC、Nichicon
Integrated Circuit	Microchip
Electronic Component	Panasonic
Transistor	Nuvoton

4. Major Suppliers and Customers List

(1)Major Suppliers List (Suppliers making up 10% of total purchases)

Unit: Thousands of NT\$/ %

Item	2023				2024			
	Name	Amount	Percentage of total Net Purchases (%)	Relationship	Name	Amount	Percentage of total Net Purchases (%)	Relationship
1	I	1,787,637	22.90	None	I	2,156,826	30.00	None
2	A	1,317,820	16.88	None	A	1,032,206	14.36	None
3	B	1,188,582	15.22	None				
	Others	3,513,884	45.00	-	Others	4,000,713	47.31	-
	Total	7,807,923	100.00	-	Total	7,189,745	100.00	-

Note1: List the names of the suppliers who have purchased more than 10% of total purchases in the last two years and their purchase amounts and proportions. However, due to the stipulated contracts that the name of the supplier cannot be disclosed or the transaction object is an individual and not a related person, it may be noted as a coded name.

Note2: Before the publication date of the annual report, Companies listed or whose shares are traded on the stock exchange that have had their financial information most recently certified or reviewed by a certified public accountant, must be disclosed.

(2)Major Customers List (customers making up over 10% of total sales)

For the most recent two years there are no customers making up over 10% of total sales.

III. Employee Demographic Data

Year		2023	2024	2025.03.31
Numbers of Employees	Direct	511	528	528
	Indirect	470	469	464
	Total	981	997	992
Average Age		41.81	42.13	42.35
Average Years of Employment		11.41	11.63	11.81
Level of Education (%)	Ph.D.	0.31	0.30	0.30
	Master's Degree	7.75	7.42	6.96
	Bachelor's & Associate Degree	51.88	51.96	52.22
	Senior High School	37.82	37.61	37.50
	Others	2.24	2.71	3.02

Note: Information above is from the parent company

IV. Environmental Protection Costs

As of the printing date of this annual report, the total amount of loss and disciplinary action from environmental pollution were as follows, along with the description of future responsive strategies and possible expenditures:

1. Total loss and fines for environmental pollution for recent years and as of the printing date of this Annual Report:

There were 2 cases of violation of environmental laws and regulations that were penalized by the competent authorities before 2024 annual report publication date.

2. Countermeasures

Date of Disposition Disposition Number	Violation of statutory provisions Violation of Contents of statute	Discipline	Improved Description
2024/10/15 20-113-100012	Violation: Air Pollution Control Act- Aritlee 20-1 Matter: The plant has approved by the government on Capacitor Manufacturing Program(M01), and Stationary Pollution Source Operating Permit (No.H7090-00). This case has been processed by municipality's Environmental Protection dispatch personnel to conduct an inspection Bureau on 2024.07.15. Through the inspection, municipality's Environmental Protection Bureau conducted sampling of P107 flue gas air pollutants (pipeline odor), the results indicate that the concentration of odor pollutants is (5500), which does not comply with the stationary pollution source air pollutant emission standard (4000).	A fine of NT\$100,000 and a 2-hour lecture on the environment.	Improvement completed.
2025/02/19 20-114-020011	Violation: Air Pollution Control Act- Aritlee 20-1 Matter: The plant has approved by the government on Capacitor Manufacturing Program(M01), and Stationary Pollution Source Operating Permit (No.H7090-00).	A fine of NT\$810,000 and a 2-hour lecture on the environment.	Expected to complete improvements by October 31, 2025.

	<p>This case has been processed by municipality's Environmental Protection Bureau on 2024.12.19. Through the inspection, municipality's Environmental Protection Bureau conducted sampling of P107 flue gas air pollutants (pipeline odor), the results indicate that the concentration of odor pollutants is (13,200), which does not comply with the stationary pollution source air pollutant emission standard (4000).</p>		
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2. Response Measures:

- (1) Continue to Exercise Environmental Protection Policies:
Comply with legal requirements and fulfill corporate social responsibility; establish a green corporation and develop green products; protect the environment and reduce processed wastes; continue to improve the environment and prevent environmental pollution; exercise environmental education and foster quality of life.
- (2) Disposal of Waste:
The company entrusts certified waste management organization to process waste and disposals, therefore there are no environmental pollution made by the company.
- (3) Disposal of Polluted Wastewater:
The company conducts periodic examinations on the disposal of polluted water as well as periodically renews water disposal system. The "Discharge Permit" was acquired.
- (4) Disposal of Exhausted Gas:
The company is equipped with a complete exhaust system. With new acquisitions on production equipment, the company also strengthens its pollution prevention projects accordingly. The "Stationary Pollution Source Installation Permit" was acquired.
- (5) The company and its subsidiaries are committed to environmental protection and plan to invest NT\$15.35 million to optimize and improve wastewater treatment and air pollution control equipment. The key initiatives include: installing ventilation equipment in the wastewater operation area, upgrading and optimizing electrical equipment, replacing energy-intensive air flotation turbine blowers in wastewater treatment facilities, implementing a corrosion repair and life extension plan for wastewater treatment equipment, adding air pollution control equipment (electrostatic precipitators, activated carbon adsorption units, and expanded baghouse dust collectors), also optimizing exhaust pipelines, among others.
Additionally, to reduce greenhouse gas emissions, implement energy conservation and carbon reduction initiatives, the company plan to invest NT\$65.02 million. This includes participating in the Energy Administration, Ministry of Economic Affairs (Longtan Plant Energy Efficiency Project) and install the second phase of the Holy Stone solar photovoltaic system. Through concrete actions, we aim to promote energy conservation, carbon reduction, and electricity savings while enhancing and optimizing wastewater and air pollution treatment efficiency and standards, fostering an environmentally friendly and sustainable business
- (6) The company is attentive to environmental protection. Designated personnel were hired to supervise and improve the software and hardware systems. Currently, the company is in conformity to government regulations; therefore, there are limited influence on the company's net income and competitiveness. Please refer to the company's online CSR Report for more details at: <https://www.holystone.com.tw>

3. Expenditures on Environmental Protection in the Next Three Years

		Unit: Thousands of NT\$	
Item	Environmental Expenditure	Estimated Funds	
1	Exhausted and polluted water disposal equipment	\$	15,350
2	Environmental testing fee		2,583
3	Wastewater disposal fee		16,077
4	Environmental equipment maintenance fee		3,368
5	Waste disposal fee		37,630
6	Consumptive material replacement fee		3,000
7	Energy Saving and Green Energy Equipment		65,020
8	Others		6,828
		<u>\$</u>	<u>149,856</u>

V. Labor Relationships

1. List of the company's employee benefits, further education, training and pension policies and its implementation status, as well as labor agreements and measures for protecting employee rights and interests:

(1)Diverse Employee Compensation Plan:

The company offers regular health checks, childcare grant, hands out cash gifts and vouchers for holidays, birthdays, weddings, childbirths, hospitalizes as well as subsidies for employee trips, social club activities and special discount stores. The company also works with charity groups to carbon ffcharity events for the employees to relax and reinforce their relationships with other employees while enhancing employee cohesion.

(2)Employee Education and Trainings:

The company identifies its employees as valuable assets. An active learning environment is developed for employees to take important roles in the top teams. From a single course to serious of courses, the company continuously raises employee' overall competitiveness. These includes but not limited to: developmental courses and channels for diversified learning experiences and corporative education system.

(3)Retirement Plan:

In accordance with the Labor Standards Act of Republic of China Taiwan, the company arranged the "Employee Pension Plan" that monthly distributes pension funds to the Bank of Taiwan to ensure the retirement life of employees. From July 1st 2005, the company, if accepted or agreed by the employee, distributes 6% percentage of an employee's total salary to the Individual Pension Account offered by the Bureau of Labor Insurance of Republic of China Taiwan as a further protection to the employees' retirement life. For further information regarding the company's retirement policy, please refer to the company's CSR report.

Retirement System and Implementation in 2024:

Retirement Pension System	Old System	New System
Applicable Law	Labor Standards Act	Labor Retirement Pension Regulations
Allocation Method	Allocate 2% of employees' monthly expenses and deposit into a Bank of Taiwan special account	Allocate 6% of each employees' monthly salary into individual accounts manage by the Labor Insurance Bureau
Amount Allocated	Accumulated amount of Labor Retirement Reserve Fund: NT\$143,995 thousands	Allocated in 2024: NT\$38,500 thousands

(4)Agreement Between Labor and Management:

Company relies on the efforts and contributions of each and every employee to achieve corporation goals. Therefore, the relationship between labor and management team plays an important role in the company at all times. As of today, there have not been any disputes between labor and management, nor is the company expecting to encounter one in the future.

2. Losses occurred as a result of labor disputes in the recent years and up to the printing date of this Annual Report and disclosure of potential present and future losses regarding labor disputes: Up to the printing date of this Annual Report, there were no losses or labor disputes.

VI. Information Security Management

1. Information Security Risk Management Framework

The responsible unit for information security of the company is the Information Center and Information Security Office, the unit has designated information security supervisor and professional staff responsible for stipulating, planning, promoting and enforcing information security policy for the company. The unit supervisor is also responsible for regularly reporting the implementation status of information security policy to the Board of directors at least once annually. The actual implementation of information security management for 2024 has been reported to the board of directors on May 7th, 2024 and December 18th, 2024.
2. Information Security Policy
 - (1) All employees of the company must adhere to the company's information security policy management regulations to ensure the confidentiality, integrity, and availability of the company's information assets, achieving the goal of sustainable operation.
 - (2) The company's information security policy content includes: device usage, traditional document, media storage device, access control, software usage, wireless networks, physical environment and security, account password and keys, system development and maintenance, email and communication software, supplier and personnel appointment, information security incident management and information security penalties.
3. Specific Management Plan
 - (1) Compliance with laws and adoption of international information security certification standards to implement information security management regulations, strengthen the handling capabilities of information security incidents, and protect the assets of the company and customers.
 - (2) Joining information security collaborative organizations to share information security intelligence and engage in "cybersecurity collaboration".
 - (3) Deploying new-generation firewalls to provide high-threat protection and effectively blocking hackers from illegal intrusion.
 - (4) Installing intelligent antivirus software on server and endpoint computer equipment, with virus definitions updated automatically by the system to effectively block the intrusion of the latest viruses.
 - (5) Setting up email server antivirus and spam filtering mechanisms to prevent viruses or spam emails from reaching users' computers.
 - (6) Establishing a complete backup mechanism for systems in the computer room, with important core systems also implementing off-site backup mechanisms to ensure the company's sustainable operation.
 - (7) Deploying next-generation cybersecurity systems for factory production line equipment to ensure the security of OT operations.
 - (8) Implementing a VPN system with two-factor authentication mechanisms to ensure the accurate authentication of remote login personnel, with complete entry and exit records for all remote logins for future audits.
 - (9) Conducting regular vulnerability scans and patching for servers in the computer room to prevent hackers from exploiting vulnerabilities and reduce information security risks.
 - (10) Conducting annual disaster recovery drills for each application system to ensure uninterrupted business operation.
 - (11) Regular implementation of information security education and training for company employees and social engineering drills to enhance employees' awareness of information security.
4. Allocation of Information Security Resources
 - (1) Dedicated personnel: One information Security Supervisor and one Information Security staff member were assigned. In 2024, they completed a total of 20 hours of professional information security training and obtained the Intermediate Information Security Engineer Certification issued by the Ministry of Economic Affairs.
 - (2) Information security collaborative organization: Joined the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) as a member, sharing information security intelligence with relevant colleagues daily to strengthen the company's information security protection.
 - (3) Information Security Certification: In 2023, the organization obtained ISO 27001 Information Security Management System certification. In 2024, the company successfully passed the renewal audit without any non-conformities identified, maintaining the validity of the certificate (valid until October 31st, 2025). No major deficiencies were found in

- relevant information security audits.
- (4) Customer satisfaction: No major security incidents reported.
 - (5) Disaster recovery drills: Conducted disaster recovery drills for core systems annually, with a total of 4 drills conducted in 2024, including ERP, MES, WMS, PORTAL, etc.
 - (6) Education and training:
 - i. Information security education and training:
Annual physical/online information security training is conducted for all employees of the company. In 2024, the parent company held a total of 15 in-person sessions with 493 participants, while the subsidiary held 5 in-person sessions with a total of 118 participants.
 - ii. Social engineering drills:
Conducted quarterly social engineering drills for all company employees, with a total of four drills conducted in 2024, involving a total of 2,493 phishing emails.
 - iii. Information security announcements:
Issued information security announcements to company colleagues irregularly to reinforce information security policies and awareness, with a total of 4 information security announcements issued in 2024.
5. For the most recent year and up to date publication of the annual report; losses incurred due to a major cybersecurity incident, potential impacts and countermeasures, if cannot be estimate reasonably, should state the facts that cannot be estimate reasonably: None

VII. Contracts

2024.12.31

Contract Classification	Company	Contract Duration	Main Contents	Term Limits
Distribution and Agent Agreement	SIMCom	2018.04.11-2026.03.10	Electronic Components Sales	-
Distribution and Agent Agreement	AIC	2020.04.01-2026.03.31	Electronic Components Sales	-
Distribution and Agent Agreement	Nichicon	2018.08.01-2026.07.31	Electronic Components Sales	-
Distribution and Agent Agreement	Nuvoton	2021.04.01-2026.03.31	Electronic Components Sales	-

V. Financial Status and Financial Results Analysis and Risk Events

I. Financial Status

Financial Status Analysis Table

Unit: Thousands NT\$

Item	Year	2024	2023	Difference	
				Amount	%
Current Asset		10,911,852	9,477,570	1,434,282	15.13
Financial Assets non-current		100,730	137,050	(36,320)	(26.50)
Property, Plant and Equipment		4,230,542	4,691,840	(461,298)	(9.83)
Other Assets		582,596	727,892	(145,296)	(19.96)
Total Assets		15,825,720	15,034,352	791,368	5.26
Current Liabilities		3,790,945	3,269,417	521,528	15.95
Long-Term Liabilities		1,510,833	1,568,333	(57,500)	(3.67)
Other Liabilities		144,571	161,158	(16,587)	(10.29)
Total Liabilities		5,446,349	4,998,908	447,441	8.95
Capital Stocks		1,658,903	1,658,903	0	0.00
Capital Surplus		3,160,144	3,209,892	(49,748)	(1.55)
Retained Earnings		5,258,807	5,109,665	149,142	2.92
The Translation of Financial Statements for Foreign Operations		(12,734)	(67,289)	54,555	81.08
Unrealized Valuation Gains and Losses on Financial Assets at Fair Value Through Profit or Loss		(82,034)	(76,335)	(5,699)	(7.47)
Non Controlling Interests		396,285	200,608	195,677	97.54
Total Shareholders' Equity		10,379,371	10,035,444	343,927	3.43

Note : Analysis of significant changes in assets, liabilities and stockholders' equity accounts (the difference exceeds 20% and NT\$10million):

1. Financial Assets non-current decreased by NT\$36,320 thousand primarily due to decrease in financial assets measured at fair value through profit or loss.
2. The increase of NT\$54,555 thousand in exchange differences on the financial statements of overseas operating entities mainly due to exchange rate fluctuations.
3. Uncontrollable Equity increase NT\$195,677 thousand due to changes in ownership equity of subsidiaries.

II. Financial Operating Results

Financial Operating Results Analysis Table

Unit: Thousands of NT\$

Item \ Year	2024	2023	Amount Increased and or Decreased	Changing Ratio (%)
Net Sales	12,785,820	13,240,300	(454,480)	(3.43)
Cost of Goods Sold	10,696,809	10,948,628	(251,819)	(2.30)
Gross Profit	2,089,011	2,291,672	(202,661)	(8.84)
Operating Expense	(1,468,270)	(1,580,170)	(111,900)	(7.08)
Operating Income	620,741	711,502	(90,761)	(12.76)
Non-Operating Expense and Income	482,307	121,340	360,967	297.48
Income Before Income Tax from Continuing Operations	1,103,048	832,842	270,206	32.44
Income Tax Expense	(176,693)	(174,382)	2,311	1.33
Net Income from Continuing Operations	926,355	658,460	267,895	40.69
Other Comprehensive Income (Net Value After Tax)	54,166	(3,564)	57,730	1,619.90
Total Comprehensive Income for Current Period	980,521	654,896	325,625	49.72

Note1: Analysis of changes in the most recent two years (the differences exceed 20% and NT\$10million):

1. Operating income increased by NT\$360,967 thousand primarily due to the valuation gains on financial assets
2. Pre-tax and after-tax net profit from continuing operations increased by NT\$270,206 thousand and NT\$267,895 thousand, respectively, mainly due to increases in sales and gross income.
3. Other comprehensive income increased by NT\$57,730 thousand, mainly due to an increase in exchange losses from the financial reports of overseas operating entities.
4. Total comprehensive income for the period decreased by NT\$325,625 thousand, mainly due to increase in net profit for the period.

Note2: Possible impacts on the company's future financial business: None

Note3: Expected sales volume and basis in the coming year: no financial predictions were made therefore it is not applicable

III. Cash Flow Analysis

Cash Flow Analysis

Units: Thousands of NT\$

Beginning Cash Balance	Net Cash Provided by Operating Activities	Net Cash Outflow	Ending Cash Balance	Remedy for Cash Shortfall	
				Investment Plan	Financing Plan
3,080,249	1,610,626	(188,697)	4,502,178	-	-
<p>1. Analysis of cash flow changes in the current year:</p> <p>(1) Net cash flow from operating activities throughout the year: The stable profitability of pre-tax net income and a slowdown in inventory purchases in the current year resulted in a net cash inflow from operating activities.</p> <p>(2) Annual Cash Flow: Mainly investment activities and financing activities, details are as below:</p> <p>i. Investment activities: generating cash outflow mainly due to the acquiring of plants and equipment</p> <p>ii. Financing activities: generating cash outflow due to the distribution of cash dividends</p> <p>2. Liquidity Analysis: In 2024, net cash inflow from operating activities increased by NT\$6,524 thousand. Cash Flow Ratio: 42.49%; Cash Flow Fair Ratio: 63.72%; Cash Reinvestment Ratio: 4.34%</p> <p>3. Analysis of Cash Flow in the Coming Year: No financial prediction was made; therefore it is not applicable.</p>					

IV. Major Capital Expenditure

None

V. Recent annual reinvestment policy; the main reasons for profit or loss, improvement plans, and the investment plan for the coming year

Item	Information	Amount (Thousands of NT\$)	Policy	Root Causes of Profit or Loss	Improvement Action	Investment Plan
Holy Stone Holdings Co., Ltd.		Recognition of Loss NT\$18.794 million	Deploy other industries by reinvesting in Companies	Recognized loss of the reinvested company	Evaluation of the effectiveness for reinvestment in subsidiaries	The necessity of increasing investment in line with the assessment of the operation scale
Uholy Investment Co., Ltd.		Recognition of Loss NT\$9.468 million	Deploy other industries by reinvesting in Companies	Recognized loss of the reinvested company	Evaluation of the effectiveness for reinvestment in subsidiaries	The necessity of increasing investment in line with the assessment of the operation scale
Rong Jhan Investment Co., Ltd.		Recognition of Gain NT\$200.518million	Deploy other industries by reinvesting in Companies	Recognized gain of the reinvested company	N/A	The necessity of increasing investment in line with the assessment of the operation scale

Note: The investment amount of the year exceeds 10% of the capital collected.

VI. Risk Management and Analysis

1. Impact Associated with Interest Rate Fluctuation, Foreign Exchange Volatility and Inflation on Corporate Net Income and Responsive Actions

Holy Stone's interest expense and loss on foreign exchange in 2024:

Unit: Thousands of NT\$	
Item	2024
Interest Expense	70,209
Gains on Foreign Exchange	54,277

Due to the lowness of the money market interest rate, the company and the subsidiaries regularly evaluates the estimated borrowing rate, and keep close contact with banks to get between interest rates; the company and the subsidiaries' ratio of annual interest expense to total operating income of 2024 is 0.55%, therefore the possible impact that might be brought to the company and the subsidiaries by the changes in interest rates is not significant. The company and its subsidiaries monitor closely to the interest rates, exchange rate and inflations, and the following action will be taken if necessary:

A. Specialized personnel are assigned for Foreign Exchange Risks

B. Hedging Strategies for Foreign Exchange Risk:

- (1) Forecast foreign exchange rates trends and purchase or sell foreign currencies in advance through currency forward contracts
 - (2) Increase strong currencies held in the assets account (accounts receivable and bank deposits) and weak currencies held in the liabilities account (accounts payable and bank debt payable)
 - (3) Procurement department negotiates to purchases from suppliers with lower foreign exchange rate
 - (4) Consult foreign exchange rate hedging strategies irregularly eth international financial institutions
 - (5) Application of several real time quotation system systems for foreign exchange rate; such as, SysJust and XQ
2. Policies for high-risk, high-leverage investments, loan to others, endorsements, guarantees, and derivatives transaction, main reasons for the profits or losses generated thereby, and countermeasures:
1. The company and its subsidiaries have not engaged in any high-risk, high-leverage investment transactions in 2024. Endorsement guarantee balance at the end of 2024 is NT\$41,980 thousand, which is far lower than the regulated amount stated in the company and its subsidiaries' Guidelines for Lending Capitals and Guidelines for Endorsements and Guarantee.
 2. Engaged in derivative financial product transactions to enter into foreign exchange option contracts and pre-sale forward foreign exchange contracts, mainly to avoid the risk of exchange rate fluctuations of foreign currency creditor's rights and debts.
 3. In addition to prudent evaluation, regular reporting and monthly control, the implementation of relevant policies is in accordance to the company and its subsidiaries' Guidelines for Handling Acquisition and Disposal of Assets, Guidelines for Lending Capitals and Guidelines for Endorsements and Guarantees.

3. Research and Development (R&D) projects and estimated R&D expenditures:

The company and its subsidiaries continuously invest in the research and development of new products in hopes to meet the changes and the requests of the customers while enhance the market competitiveness of the company and its subsidiaries. The estimated investments to be put into research and development is NT\$322 million.

4. Impacts of changes in domestic and foreign government policies and laws on the company's financial operations and future countermeasures:

Recent changes in domestic and foreign government policies and laws have not impacted the

company's financial operation. If encountered any possible risks, necessary countermeasures will be taken under careful monitor in the market change.

5. Impacts of industry and technology changes to the company's financial operations and future countermeasures:

The company and its subsidiaries will maintain a high degree of sensitivity to changes in industrial technology in order to reduce market risks and to respond quickly to meet customers' needs.

6. Impacts of changes in corporate image on the company's crisis management and future countermeasures:

The company and its subsidiaries uphold the principle of ethical operation as well as a conservative and prudent as the basic business direction, committed to enhancing the overall competitiveness of the company and pursuing the sustainable management of the company, therefore, no impacts were encountered due to the risks in changes of the image of the company and its subsidiaries.

7. Expected benefits and potential risks related to mergers and acquisitions:

For the most recent years and as of the printing date of this annual report, the company and its subsidiaries have no merge and acquisitions, if encountered in the future, merger benefits will be carefully assessed to ensure rights of the shareholders.

8. Expected benefits and potential risks of capacity expansion:

For the most recent year up to date publication of the annual report, our company and its subsidiaries currently have no plans to expand the plant capacity.

9. Risk of procurement and sales concentration and future countermeasures:

To ensure the security of the source of supply and to efficiently spread out possible risks of product supply, the company and its subsidiaries procure raw materials from various companies; furthermore, the company's sales targets are well-known domestic manufacturers, and the customer base will be dispersed with the increase in sales, therefore, there is no potential risk of sales concentration.

10. Impacts and risks arising from major transfer or replacement of shares by directors, supervisors or shareholders with shareholdings more than 10% in the company:

For the most recent years and as of the printing date of this annual report, the company and its subsidiaries have not encountered cases alike.

11. Impact of changes in company management and associated risks:

There are no risks alike for the company and its subsidiaries for the most recent years and as of the printing date of this annual report.

12. Litigation and or Non-Litigation Event

The directors, supervisors, general managers, substantive persons in charge and major shareholders with a shareholding ratio of more than 10% for the company and the subsidiaries. There are no other significant risks involving litigation, non-litigation and administrative disputes in recent years up until the printing date of this annual report.

13. Other Important Matters:

In the most recent years and as of the printing date of this annual report, the company and its subsidiaries had no other important risk matters.

VII. Others

None.

VI. Other Recorded Matters

I. Affiliated Companies Information

(1) The consolidated business report of affiliated companies: Please refer to the Market Observation Post System / Announcement of Affiliate Forms

Website: (https://mopsov.twse.com.tw/mops/web/t57sb01_q10).

Index Path: MOPS>Company Profile>E-Document Download>Announcement of Affiliate Forms

(2) Consolidated financial statements of affiliated companies: Please refer to the Market Observation Post System / Financial Report Announcement

Website: (https://mops.twse.com.tw/mops/#/web/t57sb01_q1).

Index Path: MOPS>Company Profile>E-Document Download>Financial Reports>Consolidated Report of 2024 Q4

II. Status of private placement of securities in the most recent fiscal year and up to date of the annual report publication

None.

III. Other necessary supplementary explanations

None.

IV. Events occur as specified in Article 36, Paragraph 3, Subparagraph 2 of the Securities Exchange Act that have a significant impact on shareholder rights or securities prices, during the most recent fiscal year and up to the date of the annual report publication:

None.