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Highlight Tech Corp.

2025 Annual Report

(Translation)

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THE TRANSLATION IS FOR REFERENCE ONLY. IF THERE IS ANY DISCREPANCY
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SHALL PREVAIL.

Spokesperson

Name : Wu, Sheng-Hsien

Title : President

Tel : +886 3 597 3325

E-mail : spokesperson@high-light.com.tw

Acting spokesperson

Name : Lo, Hsiao-Chiu

Title : Corporate Governance Officer

Tel : +886 3 597 3325

E-mail : spokesperson@high-light.com.tw

Contact Information of Headquarters, Branches and Plant

Head Quarters :

No. 8, Huoshui Rd.,Xinshi Dist., Tainan City 744092,Taiwan(R.O.C) +886 6 246 0296

Hsinchu Operations Center :

No. 32 Guangfu Rd.,Hukou Township, Hsinchu County 303036, Taiwan(R.O.C) +886 3 597 3325

Taichung Office :

No. 958, Zhongke Rd., Daya Dist., Taichung City 428014, Taiwan(R.O.C) +886 4 2560 6357

Kaohsiung Office :

No. 26, Zhuye Lane, Renwu Dist., Kaohsiung City 814010, Taiwan(R.O.C) +886 7 372 9606

Stock Transfer Agency

Name : IBF Financial Holdings Co., Ltd.

Address : 15F., No.188, Sec. 5, Nanjing E. Rd., Songshan Dist., Taipei City 105, Taiwan (R.O.C.)

Website : <https://www.ibfs.com.tw>

Tel : +886 2 2528 8988

Auditors

Accountant : Wang, Ming-Yi, 、 Lin, Yung-Chih

CPA firm : PwC Taiwan

Address : 27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City 110208, Taiwan

Website : <https://www.pwc.tw>

Tel : +886 2 2729 6666

Overseas Listings and Access to the Listing Information : None.

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

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Chapter I. Report to Shareholders

Ladies and gentlemen, Dear Shareholders:

Thank you for your long-term attention, support, love, and guidance to the Company. I would like to share with you our business results for 2025 and briefly introduce our business plan for 2026, future development strategy, as well as the impact of the external competitive environment, regulatory environment, and the overall business environment:

I. Results of the Company's business performance in the Year 2025

(I) Results of enforcement of the Business Plan

In 2025, Htc's annual consolidated revenue was NT\$3,753,653 thousand (same as below), a decrease of NT\$180,614 thousand or 5% over 2024; the operating gross profit was NT\$1,251,242 thousand with a gross profit margin of 33%, a decrease of NT\$108,562 thousand or 8% over 2024; the after-tax net income was NT\$296,160 thousand, a decrease of 23% over 2024 and the after-tax basic earnings per share (EPS) was NT\$2.52, a decrease of NT\$0.49 over 2024 with the ROE of 8%.

(II) Budget execution

The Company has not published financial forecasts information, so there is no budget achievement.

(III) Financial and Profitability Analysis

Unit: NTD thousand

Items	2025	2024	Amount in increase/decrease	Percentage of changes (%)
Net operating revenues	3,753,653	3,934,267	(180,614)	(5%)
Net operating income	351,388	454,276	(102,888)	(23%)
Non-operating income and expense	(5,132)	(5,384)	252	5%
Net income before tax	346,256	448,892	(102,636)	(23%)
Income tax expense	50,096	63,018	(12,922)	(21%)
Net income of the current year	296,160	385,874	(89,714)	(23%)

Items	2025	2024
Return rate on assets (%)	4	6
Return rate on shareholders, equity (%)	8	11
Ratio of net income before tax to paid-in capital (%)	37	47
Net profit margin (%)	8	10
Earnings per share (EPS) (NT\$)	2.52	3.01

(IV) Performance in research & development

The semiconductor market is highly competitive and technological challenges continue to escalate. The Innovation Research & Development Center focuses on the integration of semiconductor Fab and Sub-fab demands, and combines cross-divisional technology and human resources within the group to drive innovation and development, implement research and development (R&D) achievements, and strengthen brand value and market positioning to ensure that the Company maintains a leading competitive edge in the global semiconductor industry.

1. Main technologies and applications:

Development of core technologies: Mechanism design and simulation analysis, system control and mechatronics integration, firmware development, and imaging AI analytics.

Expand technology areas: Valves, pump rotor technology, non-destructive testing (NDT) systems, semiconductor process optimization, and sub-fab solutions.

2. Solution and technology development process:

We gain in-depth insights into market needs, and provide appropriate technical solutions. Through simulation analysis, testing, and on-site validation with customers, we ensure R&D achievements meet market requirements. We also master cutting-edge technology, and continue to expand the technology fields.

3. Market analysis and development strategy:

Through systematic analysis of market demand, we formulate annual goals and development plans, balance R&D innovation and customer relationship maintenance through project management, ensure traceability of technology development, and provide a basis for future optimization.

II. Summary of the business plan 2026

(I) Business strategies

The Company takes talent cultivation, innovation culture, excellent management, and professional services as the foundation and promotes business model transformation to enhance industry positioning and product value. The main strategies are as follows:

1. Developing an integrated service and component platform for semiconductor equipment.
2. Strengthening the supply chain for third-generation semiconductor equipment and materials.

(II) Estimated sales and basis

As the Company did not voluntarily publish financial forecast information, relevant forecast data is not provided.

(III) Important production and sales policies

Sales policy

1. Global promotion programs for overseas markets

(1) Market development focus

Target regions: United States, Japan, Singapore, Malaysia.

Strategic planning:

- Cooperating with local agents and trading companies to conduct product introductions, after-sales services, and exhibition promotion activities to increase brand market share.
- Expanding agent and distributor incentive measures in North America and Europe to develop new customer resources and increase revenue.

A. U.S. market

- a. To address key customer needs, the Company has established a presence in Phoenix, Arizona. Since inaugurating its service center in 2025, the Company has relied on existing sales channels and engineering partners to find equipment manufacturers, provide technical services, engage in CIP enhancements, and promote vacuum components and valves. With the commencement of mass production at key customer P2 and P3 facilities in 2027 and 2028, the U.S. is poised to become the Company's largest overseas market.
- b. To complement our overseas growth, the Company is forming an alliance with Taiwan's supply chain partners to explore the U.S. market. Enhancing localized engagement and collaboration will enable us to capitalize on commercial opportunities and minimize risks.

B. Japan's market

- a. To satisfy our key clients' needs, we are proactively expanding our footprint across global semiconductor hubs. Alongside our Phoenix operations, the Kumamoto Service Center in Japan was inaugurated in Feb. 2025. Through collaborations with local trading houses, the Company is enhancing service localization to support growth and capture additional market share in the Japanese semiconductor industry.
- b. Japan ranks 4th globally in semiconductor manufacturing capacity, behind Taiwan, South Korea, and China. Highlight Tech Corp. (Htc) is capitalizing on this market potential by expanding its footprint with key clients such as Kioxia, Micron, and Sony. Through collaborative engagement with Japanese trading houses, Htc provides competitive pricing and on-demand technical services, fostering client trust and maximizing synergistic effects to drive growth in the Japanese semiconductor sector.

- C. Singapore and Malaysia markets
 - a. Global semiconductor supply chains are undergoing structural transformation, driven by “de-China” and “de-risking” strategies, geopolitical considerations, and the need for diversified sourcing. Meanwhile, rising demand for mature processes and specialty chips in AI and automotive applications, coupled with government incentives, is accelerating overseas expansion. Within this context, the Singapore–Malaysia region has emerged as a key growth hub. Major semiconductor companies, including GlobalFoundries, Micron Singapore, and UMC Singapore, are vigorously expanding capacity, while VIS has also established a manufacturing facility in Singapore, positioning the region as an important.
 - b. Htc is currently engaging local wafer fabrication customers via distributor networks while consolidating local resources to scale its sales and expand market reach. Looking ahead, and depending on customer demand, the Company may pursue a more direct operational model (such as setting up local manufacturing or service centers) to enhance market proximity and customer service.

(2) Htc’s brand market share and promotion

- A. Market promotion focus
 - a. Strengthening the penetration rate of the Htc brand in construction and engineering projects, especially in Singapore and Malaysia.
 - b. Engaging professional public relations firms to enhance brand awareness through websites, media, and exhibitions, and entering the supply chains of first-tier semiconductor vendors.
- B. Revenue growth from equipment manufacturers
 - a. Continuously developing vacuum valves and chamber-related products for Tier 1 equipment manufacturers in the United States and Japan to expand the influence of the Htc brand.
- C. Internet marketing and promotion
 - a. Implementing and optimizing keyword advertising to increase new customer conversion rates and brand exposure.
- D. New product layout and promotion
 - a. Aluminum alloy welded chambers: Addressing the demand of the quantum technology market.
 - b. All-metal gate valves: Meeting ultra-high vacuum application demands.
 - c. Large forged gate valves: Promoting semiconductor equipment certification.
 - d. Participation in international exhibitions: Showcasing new products and attracting potential customers.

2. Increase of domestic industry market share
 - (1) Providing sales services for complete solutions
 - A. Focusing on semiconductors, international equipment manufacturers, etc., and providing chamber, valve, and various vacuum components.
 - B. Fortify our position in the vacuum industry value chain by partaking in vacuum system contracts from academic and governmental organizations.
 - (2) Cooperating with system integrators and engineering companies
 - A. Jointly receiving orders and expanding new product application fields according to semiconductor market demands.
 - (3) Agency/distribution of products
 - A. 3M carrier tape: Serving the packaging industry and developing new applications.
 - B. Antifreeze: In response to changing EU regulations and the discontinuation of 3M antifreeze, the Company is promoting the distribution of new coolants currently undergoing testing in the semiconductor packaging and testing market.
3. New product and service promotion
 - (1) Environmental protection and energy-saving technology applications

Combining ozone technology with clean equipment to reduce chemical usage and waste gas emissions.
 - (2) High value-added services

Providing parts cleaning, plasma spraying, and consumable production for semiconductor and optoelectronic companies.
 - (3) High-end equipment market promotion

Promoting XRT/SAM wafer inspection equipment and ozone crystal wafer cleaning technology to expand relevant market demands.

Production policy: Emphasis should be placed on “smart transformation”, “green sustainability,” and “high value-added services” in 2026

1. Smart manufacturing and digital transformation
 - (1) Talent management optimization: The Company is streamlining specialized workflows and utilizing digital learning platforms to boost productivity while minimizing operational risk.
 - (2) System integration and digital management: Data integration, real-time collection of monitoring data, and the integration of the manufacturing execution system (MES) to ensure smooth data flow. Implement a smart maintenance system to automate parts forecasting, inventory tracking, and technician dispatching various damaged models.
 - (3) Smart manufacturing and shop floor visualization: By integrating machine networking, OEE electronic displays, and barcode tracking, we perform statistical analysis on equipment uptime and provide real-time production monitoring to optimize manufacturing performance.

2. Productivity improvement

- (1) CIP continuous improvement: Adopting lean production concepts and using ECRS methods to optimize processes, reduce waste, and improve efficiency.
- (2) Automated production: Promoting the introduction of automated equipment to reduce costs, improve performance, and increase production capacity.
- (3) Production site management: Implement a management system incorporating storage location indicator lights, real-time monitoring, and data analytics to improve inventory turnover and overall production efficiency.
- (4) Technology application: Using orbital welding machines and evaluating collaborative robots to improve the accuracy and efficiency of welding operations.
- (5) Personnel training: Conducting regular cross-training to create multi-skilled workers to enhance flexible support capabilities. Establishing a systematic knowledge management platform to support knowledge storage, sharing, and application.

3. Quality control

- (1) Quality-oriented: Adhering to international standards to ensure that products meet customer needs.
- (2) Continuous improvement: Using failure mode analysis and statistical process control to regularly review risks and propose preventive measures.
- (3) Participation of all employees: Implementing an online self-inspection system to reduce defect rates and ensure the rigor of production processes.
- (4) AI vision assistance: Utilizing AI vision to improve diagnostic accuracy and establish standardized maintenance and repair workflows.

4. Cost control

Precise analysis: Taking measures, such as saving materials, improving efficiency, and avoiding rework, through the analysis of material, labor, and cost structure, to achieve comprehensive cost control.

5. Production form

Flexible response to demand: Adopting a mixed production model according to product line characteristics.

Item	Engineer to order (ETO)	Make to order (MTO)	Assemble to order (ATO)	Make to stock (MTS)
Vacuum parts		50%		50%
Vacuum modules		100%		
Vacuum valves	15%	10%	55%	20%
Vacuum chambers	15%	75%		10%

6. Adoption of Product Lifecycle Management (PLM) System

(1) Digital transformation and integration

Integrating with the ERP system to optimize production processes and achieving cost reduction and efficiency improvement goals.

(2) Core functions

Document management: Realizing full document and part number search with data linking.

Material management: Accurately controlling inventory and versions to ensure optimal resource utilization.

Design change: Closely associating attachments, BOMs, and drawings to improve change efficiency.

Project management: Systematic notification and tracking to significantly improve project execution performance.

III. Future Company Development Strategy

1. R&D/technology capability upgrade:

Developing systematic simulation and analysis capabilities for vacuum valves and pump rotors to accelerate time-to-market and ensure superior structural reliability. Integrating AI, IoT, and big data analytics to provide real-time monitoring and early warning services, thereby minimizing unplanned equipment downtime.

2. Focus on key technologies:

Introducing AI-driven analysis and classification capabilities for various defect inspection images to enhance the practicality and value of the inspection platform.

3. Customer relationship transformation:

The Company is transitioning from a pure component repair provider to an integral partner within its major clients' supply chains. As a "co-development" strategic partner, we offer customized products, process optimization initiatives, and comprehensive equipment integration solutions.

4. Strengthen sustainable management:

Implementing ESG goals, developing energy-saving and environmentally friendly solutions, and enhancing product and service value.

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

1. Global economy

The World Bank estimates that by 2025, global GDP growth will slow to approximately 2.3%, lower than in 2024, accompanied by a significant decline in trade growth. In 2025, the global economy exhibited slowing growth, increasing regional divergence, and ongoing risks. While geopolitical tensions, high tariff barriers, inflation, and climate-related

challenges weighed on performance, advancements in AI and high-end manufacturing have introduced technological innovation.

The global economy is projected to remain resilient in 2026, but growth may soften amid trade policy shifts (such as tariffs) and geopolitical instability. The U.S. and other major economies are expected to experience a slowdown to the 1.5%–1.7% range. The main reasons include the high-tariff measures, labor force contractions (due to immigration policies), and mounting fiscal deficit pressures. Impacted by a sluggish property market and weak domestic demand, China's growth is forecast to continue decline to a range of 4.3%–4.4%. The Eurozone growth is projected to remain sluggish at approximately 1.2%, though it may find support in a rebound of domestic demand and loosening credit conditions.

2. Taiwan economy

Affected by the AI surge and global trade volatility, Taiwan's 2025 economic outlook remained robust. Forecasts from various agencies point to GDP growth of over 7%, the highest level in 15 years. AI-led tech exports and investments (in chips and servers) provide the main growth momentum, driving both external demand and capital expenditure.

In 2026, global trade remains affected by the U.S.–China trade war, shifting U.S. tariffs, and geopolitical conflicts. Ongoing growth in AI-related industries and the global shift toward a cycle of interest rate reductions are expected to sustain Taiwan's external demand and investment appetite. Nonetheless, due to the elevated base effect from 2025, growth momentum is projected to ease off slightly. The overall GDP growth for 2026 is projected at 3.71%. The contributions of domestic and net foreign demand to GDP growth stood at 2.11% and 1.60%, respectively.

3. Legal compliance and risk control

Export control: Strictly complying with the latest regulations of the US Bureau of Industry and Security (BIS) for Taiwan's manufacturers.

For product projects with doubts, applying for written identification from the Ministry of Economic Affairs to ensure compliance.

4. Industry challenges and strategies

Opportunity: As the semiconductor "supercycle" hits full swing in 2026, the foundry, memory, and packaging and testing sectors are all expected to benefit. Industry output in Taiwan is forecast to exceed NT\$7 trillion. TSMC's advanced process technologies remain central to the global semiconductor industry. The competitive focus is expected to expand from chip design to physical production capacity and advanced packaging capabilities.

Challenge: The U.S. tariff policy continues to pose a significant risk. At the same time, a tightening labor market and the financial demands of the global net-zero transition have increased the urgency for transformation. Furthermore, the challenges posed by extreme weather to water and power supplies, alongside the ongoing energy transition, will continue to influence the long-term competitiveness of energy-intensive sectors, particularly the semiconductor industry.

Strategy: Coordinate market-driven initiatives with customers' overseas expansion efforts to build supply chain ecosystems and mitigate geopolitical risks. At the same time, enhance core competitiveness by incorporating sustainability risks and adopting energy-saving technologies.

5. 2026 Outlook

Driven by AI and EV demand, Taiwan's 2026 economic outlook remains optimistic. Equipment maintenance needs are set to increase in tandem with capacity utilization (averaging approximately 80%+), ensuring a steady growth trajectory. Key challenges include the uncertainty surrounding global trade policies (especially U.S. tariffs) and economic pressures originating from China. Nevertheless, robust demand in AI-related industries offers structural growth opportunities for relevant supply chains and serves as a central factor supporting Taiwan's economic expansion in 2026.

Lastly, I would like to wish all shareholders

Good health and good luck

Chairman: Ma, Chien-Yung

Chapter II. Corporate Governance

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

(I) Profile of directors

Mar. 28, 2026; Unit: shares; %

Title (Note 1)	Nationality and registry	Name	Gender / Age	Date elected	Term	Date first elected	Shares at election		Current number of shares held		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as department heads or directors			Remark (Note 2)
							Quantity	Ratio of shareholding	Quantity	Ratio of shareholding	Quantity	Ratio of shareholding	Quantity	Ratio of shareholding			Title	Name	Relation	
Chairman	Republic of China	Ma, Chien-Yung	Male Age 61-70	Jun. 7, 2024	3 years	Jun. 24, 2011	52,716	0.05	57,172	0.06	0	-	0	-	Ph. D. in Materials Science, University of Stuttgart	Heyi Special-Purpose Materials Co., Ltd./ Chairman Sino-American Silicon Products Inc./ Independent Director Gallant Precision Machining Co., Ltd./ Independent Director Forcera Materials Co., Ltd./ Director Easy Field Corporation/ Director MobiWebX Co./ Director	None	None	None	None (Note 3)
Director	Republic of China	Sherng Tar Industrial Co., Ltd.	--	Jun. 7, 2024	3 years	Jun. 28, 2006	6,540,728	5.53	5,452,582	5.77	0	-	0	-	Master of Mechanical Engineering, Yuan Ze University	Highlight Tech Corp./ President Highlight Tech International Corp./ Director (representative of juristic person) Finesse Technology Co., Ltd./ Director (Representative of juristic person) Highlight Tech (Shanghai) Corp./ Supervisor Highlight Tech Japan Co., Ltd./ Chairman (Representative of juristic person) Highlight Tech US LLC/ Chairman (Representative of juristic person) Litho Med Trading Co., Ltd./ Chairman (Representative of juristic person) TetraTrio Tech Co., Ltd./ Director (Representative of juristic person) Sherng Tar Industrial Co., Ltd./ Chairman Htc & Solar Tech Service Limited/ Director iTEST High Tech Corp./ Supervisor	Director	Wu, Ming-Tien	Father and son	None (Note 3)
Director	Republic of China	Sherng Tar Industrial Co., Ltd.	--	Jun. 7, 2024	3 years	Jun. 28, 2006	6,540,728	5.53	5,452,582	5.77	0	-	0	-	Kuang Hua Senior Commercial Vocational Continuation School	Highlight Tech (Shanghai) Corp./ Director ITEST HIGH TECH CORP./ Director (Representative of juristic person) Director, Tester Soft Ltd.	Director President	Wu, Sheng-Hsien	Father and son	None
		Representative: Wu, Ming-Tien	Male Under 60						1,923,192	2.04	558,174	0.59	5,452,582	5.77						
			Male 71 or over						2,840,232	3.01	1,205,000	1.28	0	-						

Title (Note 1)	Nationality and registry	Name	Gender / Age	Date elected	Term	Date first elected	Shares at election		Current number of shares held		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as department heads or directors			Remark (Note 2)
							Quantity	Ratio of shareholding	Quantity	Ratio of shareholding	Quantity	Ratio of shareholding	Quantity	Ratio of shareholding			Title	Name	Relation	
Director	Republic of China	Vic Hon Enterprise Co., Ltd.	--	Jun. 7, 2024	3 years	Jun. 7, 2024	400,000	0.34	320,000	0.34	0	-	0	-	Taipei Municipal Shilin High School of Commerce	Finesse Technology Co., Ltd./ Director Vic Fong Asphalt Co., Ltd./ Chairman Shengfeng Chemical Building Materials Co., Ltd./ Director	None	None	None	None
		Representative: Lai, Cheng-Shih	Male 71 or over						0	-	0	-	0	-						
Director	Republic of China	Shen, Pin-Hsiu	Female Age 61-70	Jun. 7, 2024	3 years	Jun. 8, 2018	3,662,489	3.10	2,641,991	2.80	0	-	0	-	Department of Business Administration, Tamkang University	None	None	None	None	None
Director	Republic of China	Lo, Chun-Hsuan	Male Under 60	Jun. 7, 2024	3 years	Jun. 8, 2018	2,183,911	1.85	1,747,128	1.85	485,377	0.51	0	-	Bachelor of Medicine, National Taiwan University Bachelor of Law, National Taiwan University Passed the physician exam	Ginar Technology Co., Ltd./ Director Caarlogic Biomed Co. Ltd./ Chairman Zoomlaw Attorneys-at-Law/ Consultant	None	None	None	None
Director	Republic of China	Kaiyang Capital Co., Ltd.	--	Jun. 7, 2024	3 years	Jun. 7, 2024	1,080,000	0.91	864,000	0.91	0	-	0	-	Department of Cooperative Economics, National Chung Hsing University	Finesse Technology Co., Ltd./ Director (Representative of juristic person) New Era Electronics Co., Ltd./ Independent Director Kingray Technology Co. Ltd./ Director Kaiyang Capital Co., Ltd./ Chairman Dingshuo Capital Investment Co., Ltd./ Chairman	None	None	None	None
		Representative: Huang, Chun-Yu	Male Age 61-70						416,000	0.44	0	-	1,440,000	1.52						
Director	Republic of China	Wu, Chih-Siang	Male Age 61-70	Jun. 7, 2024	3 years	Jun. 16, 2009	1,228,548	1.04	990,838	1.05	160,000	0.17	0	-	Department of Economics, Chinese Culture University	None	None	None	None	None
Independent Director	Republic of China	Huang, Yung-Chang	Male 71 or over	Jun. 7, 2024	3 years	Jul. 23, 2021	8,000	0.01	12,000	0.01	0	-	0	-	Department of Business Administration, Tamkang University	Tah Tong Textile Co., Ltd./ Director (Representative of juristic person) Tah Tong Textile Co., Ltd./ Consultant and Special Assistant to the Chairman Yunhuang Education Foundation/ Chairman Great Bell Printing & Dyeing Co., Ltd./ Supervisor (Representative of juristic person) Buddhist Sangha Health Care Foundation/ Financial Consultant	None	None	None	None
Independent Director	Republic of China	Hsueh, Ming-Hung	Male Age 61-70	Jun. 7, 2024	3 years	Jun. 8, 2018	36,592	0.03	29,273	0.03	0	-	0	-	Master of Laws, Fu Jen Catholic University Passed the attorney qualification examinations	Zhaoxin Law Firm/ Director (practicing attorney) Jinghong Enterprise Co., Ltd./ Director	None	None	None	None

Title (Note 1)	Nationality and registry	Name	Gender / Age	Date elected	Term	Date first elected	Shares at election		Current number of shares held		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as department heads or directors			Remark (Note 2)
							Quantity	Ratio of shareholding	Quantity	Ratio of shareholding	Quantity	Ratio of shareholding	Quantity	Ratio of shareholding			Title	Name	Relation	
Independent Director	Republic of China	Lai, Ching-Yi	Male Under 60	Jun. 7, 2024	3 years	Jun. 8, 2018	10,456	0.01	9,000	0.01	1,600	0.00	0	-	Master of Accountancy, Taipei University Passed the Senior Professional and Technical Examination for Certified Public Accountants	Ching-Yi, Lai CPA Firm/ Director (practicing CPA)	None	None	None	None

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

Note 2: The Company's chairman and president (or equivalent highest manager) must not be the same individual, and must not be spouses or first-degree relatives.

Note 3: Former Chairman Wu Sheng-Hsien resigned from his position on Mar. 10, 2026, but continued to fulfill his duties as a director. On the same day, the company's Board of Directors re-elected Ma Chien-Yung as chairman.

Table 1: Major Juristic Person Shareholders

Mar. 28, 2026

Corporate Shareholder Name	Major Shareholders and Shareholding %	
Sherng Tar Industrial Co., Ltd.	Wu, Sheng-Hsien	58.9%
	Wu, Chia-Ying	12.5%
	Wu, Min-Hsing	12.5%
	Wu, Chia-Jou	12.5%
	Wang, Wei-Ling	3.6%
Vic Hon Enterprise Co., Ltd.	Lai, Chih-Hung	40.0%
	Lai, Pei-Yu	20.0%
	Lai, Chiao-En	20.0%
	Lai, Yi-En	20.0%
Kaiyang Capital Co., Ltd.	Hsu, Shu-Hui	34.5%
	Huang, Wei-Kai	27.6%
	Huang, Wei-Yang	27.6%
	Huang, Chun-Yu	10.3%

Table 2: Table 1 Major shareholders of those institutions which are major shareholders of Htc institutional shareholders: Not applicable.**1. Disclosure of professional qualification of the directors and independence of directors:**

Qualification Name	Professional qualification and experience (Note 1)	Compliance of independence (Note 2)	Number of positions as an Independent Director in other public listed companies
Ma, Chien-Yung	<p>1. Does not meet any descriptions stated in Article 30 of the Company Act.</p> <p>2. Chien-Yung, Ma was formerly the chairman of Forcera Materials Co., Ltd., has experience as a director and independent director of another publicly listed company, and served as the chairman and CEO of Solar Applied Materials Technology Corp., the president of Touch Micro-System Tech., and the director of the Materials and Electro-Optics Research Division of NCSIST. He possesses rich industrial knowledge and management experience, and has leadership, decision-making, strategic planning, crisis management abilities and perspective of the international market with professional technical expertise and a deep understanding of the industry trend.</p>	Not applicable	2

Qualification Name	Professional qualification and experience (Note 1)	Compliance of independence (Note 2)	Number of positions as an Independent Director in other public listed companies
Sherng Tar Industrial Co., Ltd. Representative: Wu, Sheng-Hsien	<ol style="list-style-type: none"> Does not meet any descriptions stated in Article 30 of the Company Act. Sheng-Hsien, Wu is the President of the Company and concurrently serves as the chairman of a subsidiary. He has experiences in the Company's R&D units and business units and possesses industry experience, business management ability, and perspective of the international market, and coordinates the operation of various departments, integrates and allocates resources, and continues to establish and improve the management system and cost control. 	Not applicable	0
Sherng Tar Industrial Co., Ltd. Representative: Wu, Ming-Tien	<ol style="list-style-type: none"> Does not meet any descriptions stated in Article 30 of the Company Act. Ming-Tien, Wu is the former Chairman of the Company and possesses experience as directors and independent directors of other listed companies with industry experience, leadership and decision making, communication and coordination, financial analysis, operational judgment, and crisis management abilities to supervise the continuous development and business expansion of the Company. 	Not applicable	0
Vic Hon Enterprise Co., Ltd. Representative: Lai, Cheng-Shih	<ol style="list-style-type: none"> Does not meet any descriptions stated in Article 30 of the Company Act. Cheng-Shih, Lai is the former chairman of National Petroleum Co., Ltd. and possesses rich industrial knowledge and management experience, leadership, communication and coordination, risk management, industry analysis and market strategic plannings abilities with excellent insight, judgment, and highly praised reputation. 	Not applicable	0
Shen, Pin-Hsiu	<ol style="list-style-type: none"> Does not meet any descriptions stated in Article 30 of the Company Act. Pin-Hsiu, Shen has served as the Company's supervisor and director for many years and is familiar with the operation, provides valuable guidance and contributions to the Company's operations. As a female director of the, she provides timely diversified opinions on operation and management, so that the corporate operations can be more diversified in the aspects of and management strategies. 	Not applicable	0

Qualification Name	Professional qualification and experience (Note 1)	Compliance of independence (Note 2)	Number of positions as an Independent Director in other public listed companies
Lo, Chun-Hsuan	<ol style="list-style-type: none"> 1. Does not meet any descriptions stated in Article 30 of the Company Act. 2. Chun-Hsuan, Lo possesses legal and medical professional knowledge, and currently serve as a consultant in a legal firm, a clinical practitioner, and a manager in the medical and biotechnology industry; through the integration of cross-field skills, he provides guidance in industrial management and innovative development. He has been actively promoting ESG and possess the ability of decision-making, judgment, communication and coordination, and strategic analysis. He also has extensive perspective of the international market and social trend. He provides industry strategy and development suggestions for the Company to maintain its industrial competitive advantage. 	Not applicable	0
Kaiyang Capital Co., Ltd. Representative: Huang, Chun-Yu	<ol style="list-style-type: none"> 1. Does not meet any descriptions stated in Article 30 of the Company Act. 2. Chun-Yu, Huang is the chairman of Triple H Capital Co., Ltd. and has experience as a director and independent director of another publicly listed company, while possessing accounting and financial analysis, business judgment and management abilities with industrial knowledge. He has served as the Company's supervisor and director for many years and is familiar with the operation, provides professional and constructive opinions, enhances the Company' operating value and fulfills his supervision responsibility. 	Not applicable	1
Wu, Chih-Siang	<ol style="list-style-type: none"> 1. Does not meet any descriptions stated in Article 30 of the Company Act. 2. Chih-Siang, Wu has extensive experience as an independent director of a listed company and has served as a director of the Company for several terms and concurrently as a director of a subsidiary. He is familiar with Company operations, and possesses industry analysis and financial analysis abilities, with extensive experience in industry development and investment decision-making. 	Not applicable	0

Qualification Name	Professional qualification and experience (Note 1)	Compliance of independence (Note 2)	Number of positions as an Independent Director in other public listed companies
Huang, Yung-Chang	<ol style="list-style-type: none"> 1. Does not meet any descriptions stated in Article 30 of the Company Act. 2. Professional financial expertise: serves as a senior manager and director in the financial industry and possesses extensive experience in financial industry. 3. Major career achievements: <ol style="list-style-type: none"> (1) Yuanta Bank/ Senior Vice President (2) Yuanta International Leasing Co., Ltd./ Director (3) Yuanta Life Insurance Agent Co., Ltd./ Director (4) Yuanta Property Insurance Agent Ltd./ Director (5) Qingyin Wealth Management Co., Ltd./ Chairman (6) Buddhist Sangha Health Care Foundation/ Director and Financial consultant (7) Legal Finance Department, Cathay United Bank/ Senior Business Assistant Manager (8) Cathay United Bank/ Manager 	The three independent directors listed on the left all comply with the relevant provisions of Article 14-2 of the Securities and Exchange Act issued by the FSC and the	0
Hsueh, Ming-Hung	<ol style="list-style-type: none"> 1. Does not meet any descriptions stated in Article 30 of the Company Act. 2. Professional legal expertise: passed the attorney qualification examinations and possesses professional and extensive legal experience (practicing lawyers). 3. Major career achievements: <ol style="list-style-type: none"> (1) Zhaoxin Law Firm/ Director (practicing attorney) (2) Member of the Criminal Procedure Law Committee of the Taiwan Bar Associations (3) Member of Taipei City Election Commission (4) Judgment Practice Research Committee of the Taipei Bar Association/ Chairman (5) Fu Jen University, Department of Law/ Visiting Lecturer 	“Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” (Note 3).	0

Qualification Name	Professional qualification and experience (Note 1)	Compliance of independence (Note 2)	Number of positions as an Independent Director in other public listed companies
Lai, Ching-Yi	1. Does not meet any descriptions stated in Article 30 of the Company Act. 2. Professional accounting ability: Passed the senior professional and technical examination for CPA and possess professional and extensive CPA experience 3. Major career achievements: (1) Ching-Yi, Lai CPA Firm/ Director (practicing CPA) (2) Lai Mingfu Accounting Firm/ Accountant (3) Extension Education Center, National Open University/ Lecturer (4) Extension Education Center, Hsing Wu University/ Lecturer (5) Department of Financial and Tax Planning, JinWen University of Science and Technology/ Lecturer		0

Note 1: Professional Qualifications and Experience: The professional qualifications and experience of individual directors shall be described. If a member of the Audit Committee with accounting or financial expertise, the accounting or financial background and work experience shall be described, and where there are circumstances under the provisions of Article 30 of the Company Act shall be stated.

Note 2: Describe the independence of the independent director, including but not limited to whether the person, spouse, and lineal relatives within the second degree are the directors, supervisors or employees of the Company or its affiliated companies; shares and shareholding percentage of a natural-person shareholder who holds shares, together with those held by the person's spouse or held by the person under others' names; whether the person is a director, supervisor or employee of a company that has a specific relationship with the Company (refer to Subparagraph 5-8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); the amount of remuneration obtained for providing commercial, legal, financial, accounting or related services to the Company or any affiliate of the company in the last two years.

Note 3: 1. Not elected as a government agency, a juristic person or the representative as stipulated in Article 27 of the Company Act.
 2. During the two years before the election and during the term of office, there are no circumstances listed in Subparagraph 1-9, Paragraph 1, Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". (For the number and percentage of shares held by them, their spouses, their relatives within 2nd degree of kinship (or by using the names of others), please refer to the Shares Held by the Directors)
 3. The number of positions as an Independent Director in other public listed companies has not exceeded 3.

2. Diversity and Independence of Board of Directors:

(1) Diversity of Board of Directors

A. Diversity Policy

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

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

- a. Less than 1/3 of directors concurrently serve as managers in the Company.
- b. Respect for gender equality: There is at least one female director on the Board of Directors.
- c. Professional knowledge and skills: The Board possesses professional knowledge and skills in law, finance and accounting, and industry experience.

C. The 11th Board of Directors is composed of 11 directors and the diversity is shown below:

Name of director	Gender	Current positions in our company	Age			Tenure of Independent Director		Profession	Professional knowledge and skills							
			Under 60	61-70	71 or over	4-6 years	7-9 years		Manufacturing	Finance and accounting	Fuel energy	Information technology	Legal	Medicine	Construction	
Ma, Chien-Yung	Male			✓					✓		✓					
Wu, Sheng-Hsien	Male	✓	✓						✓							
Wu, Ming-Tien	Male				✓				✓							
Lai, Cheng-Shih	Male				✓						✓					
Shen, Pin-Hsiu	Female			✓												✓
Lo, Chun-Hsuan	Male		✓					Physician						✓	✓	
Huang, Chun-Yu	Male			✓						✓						

Name of director	Gender	Current positions in our company	Age			Tenure of Independent Director		Profession	Professional knowledge and skills						
			Under 60	61-70	71 or over	4-6 years	7-9 years		Manufacturing	Finance and accounting	Fuel energy	Information technology	Legal	Medicine	Construction
Wu, Chih-Siang	Male			✓					✓						
Huang, Yung-Chang (Independent Director)	Male				✓	✓			✓						
Hsueh, Ming-Hung (Independent Director)	Male			✓			✓	Lawyer					✓		
Lai, Ching-Yi (Independent Director)	Male		✓				✓	CPA	✓		✓				

Diversity:

- a. The number of directors who are also employees of the Company is 1, accounting for 9% and less than 1/3 of the number of directors. (Meets the management goals)
- b. The gender composition is diversified, with 1 female director, accounting for 9% of the directors. (Meets the management goals)
- c. The age distribution is diversified, with 3 members of the Board of Directors under the age of 60 (27.3%), 5 (45.4%) between the ages of 61 and 70, and 3 (27.3%) over the age of 71.
- d. The tenure of independent directors has not exceeded three terms, and one of them has a seniority of 4 to 6 years, while two of them have a seniority of 7 to 9 years.
- e. Professional knowledge and skills are diversified. The professional background of the Board members includes law, accounting, finance, machining and manufacturing, electronic materials, fuel energy, medical care, construction, management and other expertise in various fields. Thus, all the Board of Directors have the necessary knowledge and skills with diversified industry experience to perform their duties. (Meets the management goals)
- f. The Board members generally possess diversified skills and experiences including operational judgment, accounting and financial analysis, business administration, crisis management, industry knowledge, international market perspective, leadership, and decision-making skills.

D. Reasons for the Board of Directors' failure to achieve at least a third of female directors and measures planned to enhance gender diversity:

a. Reasons:

The Company's industry predominantly features male professionals, with a relatively lower proportion of women. Additionally, the current Board of Directors' terms are ongoing, making immediate adjustments to the gender ratio difficult in the short term.

b. Measures planned to enhance gender diversity:

Before the Board of Directors' term expires and a new election is held, we will seek professional talent through various channels to facilitate the implementation of the Board of Directors' gender diversity policy.

(2) Independence of Board of Directors

The Company currently has 11 members of the Board of Directors (including 3 independent directors), and the number of independent director accounts for 27% of all directors where no more than two directors have spouses or relatives within the second degree or closer, and there is no circumstance stipulated in Paragraph 3 of Article 26-3 of Securities and Exchange Act.

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

Mar. 28, 2026; Unit: shares; %

Title	Nationality	Name	Gender	Date elected	Shareholding		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current positions in the company and other companies	Spouse or relatives of second degree or closer acting as managerial officers			Remark (Note)
					Quantity	Ratio of shareholding	Quantity	Ratio of shareholding	Quantity	Ratio of shareholding			Title	Name	Relation	
President (CEO)	Republic of China	Wu, Sheng-Hsien	Male	Mar. 10, 2026	1,923,192	2.04	558,174	0.59	5,452,582	5.77	Master of Mechanical Engineering, Yuan Ze University	Highlight Tech Corp./ Director (Representative of juristic person) Highlight Tech International Corp./ Director (representative of juristic person) Finesse Technology Co., Ltd./ Director (Representative of juristic person) Highlight Tech (Shanghai) Corp./ Supervisor Highlight Tech Japan Co., Ltd./ Chairman (Representative of juristic person) Highlight Tech US LLC/ Chairman (Representative of juristic person) Litho Med Trading Co., Ltd./ Chairman (Representative of juristic person) TetraTrio Tech Co., Ltd./ Director (Representative of juristic person) Sherng Tar Industrial Co., Ltd./ Chairman Htc & Solar Tech Service Limited/ Director iTEST High Tech Corp./ Supervisor	None	None	None	None
President of Vacuum Manufacturing	Republic of China	Wang, Yen-Sheng	Male	Jan. 1, 2021	38,340	0.04	16	0.00	0	-	Master of Mechanical Engineering, National Cheng Kung University	None	None	None	None	
President of System Integration	Republic of China	Lai, Wen-Cheng	Male	Sep. 1, 2024	0	-	0	-	0	-	Master of Institute of Management of Technology, National Yang Ming Chiao Tung University	Shanorm Tech Co., Ltd./ Chairman (Representative of juristic person)	None	None	None	None
Highlight Tech (Shanghai) Corp./ President	Republic of China	Wang, Chih-Hung	Male	Jan. 1, 2021	11,747	0.01	0	-	0	-	Department of Bio-Industrial Mechatronics Engineering, National Chung Hsing University	None	None	None	None	
CTO (Head of R&D)	Republic of China	Yeh, Wen-Yung	Male	Jan. 1, 2024	0	-	0	-	0	-	Ph.D. in Materials Science and Engineering, National Tsing Hua University	Schmidt Scientific Taiwan Ltd./ Chairman (Representative of juristic person)	None	None	None	None
Vice President of Business	Republic of China	Huang, Hui-Jen	Male	Jan. 1, 2025	3	0.00	0	-	0	-	Department of Accounting, Tunghai University	None	None	None	None	
Senior Vice President	Republic of China	Huang, Wei-Lien	Male	Sep. 1, 2025	0	-	0	-	0	-	Master of Civil Engineering, NC State University	None	None	None	None	
Vice President	Republic of China	Hsu, Yuan-Hua	Male	Jan. 1, 2025	80,719	0.09	0	-	0	-	Master of Biomedical Engineering, National Taiwan University	TetraTrio Tech Co., Ltd./ Chairman (Representative of juristic person)	None	None	None	None
Vice President	Republic of China	Yang, Hung-Chin	Male	Feb. 1, 2011	232,000	0.25	0	-	0	-	Department of Business Administration, Chung Yuan Christian University	None	None	None	None	
Finance and Accounting Manager	Republic of China	Huang, Hsiang-Chun	Female	Sep. 1, 2023	0	-	0	-	0	-	Department of Accounting, National Cheng Kung University	None	None	None	None	
Corporate Governance Officer	Republic of China	Lo, Hsiao-Chiu	Female	May 5, 2023	0	-	0	-	0	-	Master of Business Administration, National Cheng Kung University	None	None	None	None	

Note: The Company's president (or equivalent highest manager) and chairman must not be the same individual, and must not be spouses or first-degree relatives.

Table of salaries scale

Remunerations to individual directors in respective brackets along the salaries scale	Name of director			
	Total of the aforementioned 4 items (A+B+C+D)		Total of the aforementioned 7 items (A+B+C+D+E+F+G)	
	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report
> NTD1,000,000	Ma, Chien-Yung; Sherng Tar Industrial Co., Ltd._Wu, Ming-Tien; Vic Hon Enterprise Co., Ltd._Lai, Cheng-Shih; Shen, Pin-Hsiu; Lo, Chun-Hsuan; Kaiyang Capital Co., Ltd._Huang, Chun-Yu; Wu, Chih-Siang; Huang, Yung-Chang; Hsueh, Ming-Hung; Lai, Ching-Yi	Ma, Chien-Yung; Sherng Tar Industrial Co., Ltd._Wu, Ming-Tien; Shen, Pin-Hsiu; Lo, Chun-Hsuan; Wu, Chih-Siang; Huang, Yung-Chang; Hsueh, Ming-Hung; Lai, Ching-Yi	Ma, Chien-Yung; Sherng Tar Industrial Co., Ltd._Wu, Ming-Tien; Vic Hon Enterprise Co., Ltd._Lai, Cheng-Shih; Shen, Pin-Hsiu; Lo, Chun-Hsuan; Kaiyang Capital Co., Ltd._Huang, Chun-Yu; Wu, Chih-Siang; Huang, Yung-Chang; Hsueh, Ming-Hung; Lai, Ching-Yi	Ma, Chien-Yung; Shen, Pin-Hsiu; Lo, Chun-Hsuan; Wu, Chih-Siang; Huang, Yung-Chang; Hsueh, Ming-Hung; Lai, Ching-Yi
NTD1,000,000 - NTD2,000,000 (exclusive)	—	Vic Hon Enterprise Co., Ltd._Lai, Cheng-Shih; Kaiyang Capital Co., Ltd._Huang, Chun-Yu	—	Sherng Tar Industrial Co., Ltd._Wu, Ming-Tien; Vic Hon Enterprise Co., Ltd._Lai, Cheng-Shih; Kaiyang Capital Co., Ltd._Huang, Chun-Yu
NTD2,000,000 - NTD3,500,000 (exclusive)	Sherng Tar Industrial Co., Ltd._Wu, Sheng-Hsien	Sherng Tar Industrial Co., Ltd._Wu, Sheng-Hsien	—	—
NTD3,500,000 - NTD5,000,000 (exclusive)	—	—	—	—
NTD5,000,000 - NTD10,000,000 (exclusive)	—	—	Sherng Tar Industrial Co., Ltd._Wu, Sheng-Hsien	Sherng Tar Industrial Co., Ltd._Wu, Sheng-Hsien
NTD10,000,000 - NTD15,000,000 (exclusive)	—	—	—	—
NTD15,000,000 - NTD30,000,000 (exclusive)	—	—	—	—
NTD30,000,000 - NTD50,000,000 (exclusive)	—	—	—	—
NTD50,000,000 - NTD100,000,000 (exclusive)	—	—	—	—
> NTD100,000,000	—	—	—	—
Total	11	11	11	11

(II) President's and Vice Presidents' remuneration

Unit: NTD thousand

Title (Note)	Name	Salary (A)		Pension (B)		Bonuses and allowances etc. (C)		Remuneration to employees (D)				The sum of A, B, C and D as a percentage of after-tax profit (%)		Remuneration received from the invested companies other than the subsidiaries and the parent company	
		The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company	All companies shown in the financial report	The Company		All companies shown in the financial report		The Company	All companies shown in the financial report		
								Cash amount	Stock amount	Cash amount	Stock amount				
CEO (Note)	Kou, Chung-Shan														
President (CEO)	Wu, Sheng-Hsien														
CFO (Note)	Chiang, Ching-Wei														
Executive Vice President (Note)	Chang, Po-Chang														
President of Vacuum Manufacturing	Wang, Yen-Sheng														
President of System Integration	Lai, Wen-Cheng	39,702	42,751	1,062	1,062	4,894	4,894	4,634	-	5,020	-	50,292 21.11%	53,727 22.55%	439	
Highlight Tech (Shanghai) Corp./ President	Wang, Chih-Hung														
CTO (Head of R&D)	Yeh, Wen-Yung														
Vice President of Business	Huang, Hui-Jen														
Senior Vice President (Note)	Huang, Wei-Lien														
Vice President	Hsu, Yuan-Hua														
Vice President	Yang, Hung-Chin														

Note: Kou, Chung-Shan retired in Jan. 2026; Chiang, Ching-Wei and Chang, Po-Chang resigned in Mar. 2026; Huang, Wei-Lien was newly appointed in Sep. 2025.

Table of salaries scale

The brackets of remunerations to all Presidents and Vice Presidents of the Company	Names of the Presidents and the Vice Presidents	
	The Company	All companies shown in the financial report
> NTD1,000,000	—	—
NTD1,000,000 - NTD2,000,000 (exclusive)	Yang, Hung-Chin; Huang, Wei-Lien	Yang, Hung-Chin; Huang, Wei-Lien
NTD2,000,000 - NTD3,500,000 (exclusive)	Wang, Chih-Hung; Huang, Hui-Jen	Huang, Hui-Jen
NTD3,500,000 - NTD5,000,000 (exclusive)	Yeh, Wen-Yung; Lai, Wen-Cheng; Wu, Sheng-Hsien; Chiang, Ching-Wei	Yeh, Wen-Yung; Lai, Wen-Cheng; Wu, Sheng-Hsien; Chiang, Ching-Wei; Wang, Chih-Hung
NTD5,000,000 - NTD10,000,000 (exclusive)	Hsu, Yuan-Hua; Chang, Po-Chang; Wang, Yen-Sheng; Kou, Chung-Shan	Hsu, Yuan-Hua; Chang, Po-Chang; Wang, Yen-Sheng; Kou, Chung-Shan
NTD10,000,000 - NTD15,000,000 (exclusive)	—	—
NTD15,000,000 - NTD30,000,000 (exclusive)	—	—
NTD30,000,000 - NTD50,000,000 (exclusive)	—	—
NTD50,000,000 - NTD100,000,000 (exclusive)	—	—
> NTD100,000,000	—	—
Total	12	12

Note: Kou, Chung-Shan retired in Jan. 2026; Chiang, Ching-Wei and Chang, Po-Chang resigned in Mar. 2026; Huang, Wei-Lien was newly appointed in Sep. 2025.

(III) Name of the managers received remuneration and the distribution of remuneration

Mar. 28, 2026; Unit: NTD thousand

	Title	Name	Stock amount	Cash amount	Total	As a percentage of net profit after tax (%)
Manager	CEO	Kou, Chung-Shan	0	4,834	4,834	2.03
	President (CEO)	Wu, Sheng-Hsien				
	CFO	Chiang, Ching-Wei				
	Executive Vice President	Chang, Po-Chang				
	President of Vacuum Manufacturing	Wang, Yen-Sheng				
	President of System Integration	Lai, Wen-Cheng				
	Highlight Tech (Shanghai) Corp./ President	Wang, Chih-Hung				
	CTO (Head of R&D)	Yeh, Wen-Yung				
	Vice President of Business	Huang, Hui-Jen				
	Senior Vice President	Huang, Wei-Lien				
	Vice President	Hsu, Yuan-Hua				
	Vice President	Yang, Hung-Chin				
	Finance and Accounting Manager	Huang, Hsiang-Chun				
	Corporate Governance Officer	Lo, Hsiao-Chiu				

Note: As of the publication date of the annual report, the employee compensation list for 2025 has not yet been formulated, so the proposed distribution for this year is temporarily calculated based on last year's percentage of actual distribution. The proposal for the 2025 employee compensation distribution was approved by the Board of Directors, with a proposed cash distribution of NT\$25,862 thousand.

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

1. Total remuneration, as a percentage of net income paid by this company during the last two years to directors, president, and vice president:

Unit: NTD thousand

Title	2024				2025			
	The Company		Consolidated financial statements		The Company		Consolidated financial statements	
	Remuneration	As a percentage of net income after tax	Remuneration	As a percentage of net income after tax	Remuneration	As a percentage of net income after tax	Remuneration	As a percentage of net income after tax
Director	12,288	3.80%	13,937	4.31%	10,414	4.37%	11,567	4.85%
Presidents and the Vice Presidents	57,721	17.85%	61,978	19.17%	50,292	21.11%	53,727	22.55%

Note: The directors' remuneration includes remuneration, pension, director's remuneration and expenses for conducting the business; the remuneration of the President and Vice President includes salary, pension, bonus and special disbursement, and employee remuneration.

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

(1) Policy, Standard and Packages of Remuneration

- A. The Company established the "Regulations Governing the Remuneration of Directors and Managerial Officers" on Aug. 9, 2024. Directors' remuneration includes compensation, bonuses, and expenses related to the performance of their duties.
 1. Compensation is determined in accordance with Article 18 of the Articles of Incorporation, based on each director's level of involvement and contribution, with reference to industry standards.
 2. Under Article 26 of the Articles of Incorporation, the Board may allocate up to 2% of annual profits as directors' bonuses if the Company is profitable.
 3. Expenses related to the performing of duties include transportation costs and other allowances.
- B. The remuneration of the Company's managerial personnel and employees is paid in accordance with the relevant provisions of the "Salary Management Regulation". Among them, the managerial personnel's remuneration is stipulated in accordance with Article 24 of the Articles of Incorporation, and its appointment, dismissal and remuneration are handled in accordance with the provisions of Article 29 of the Company Act. The remuneration are evaluated and determined by the Remuneration Committee and submitted to the Board of Directors for resolution.

Remuneration consists of compensation (including monthly salary and year-end bonuses), bonuses (appropriated from annual profits in accordance with the Company's Articles of Incorporation), and expenses related to the performance of duties. Remuneration design takes into account industry practices, performance targets (tied to profitability), and recent trends (such as ESG evaluations). Year-end bonuses are calculated based on the growth rate of operating targets, and an ESG performance-linked mechanism is also applied (allowing the bonus to be adjusted by $\pm 10\%$ depending on ESG performance).

Under Article 26 of the Articles of Incorporation, the Company shall allocate at least 8% of annual profits as remuneration to employees when profitable, to be distributed in shares or cash as determined by the Board. The allocation of compensation for managers is reviewed by the Remuneration Committee and approved by the Board of Directors.

(2) Procedures for determining remuneration

The Company's directors and managerial officers' remuneration determination and remuneration distribution are handled in accordance with the Articles of Association, and are discussed by the Remuneration Committee and the Board of Directors in accordance with regulations.

The Company regularly conducts directors performance evaluations in accordance with the "Rules for Performance Evaluation of Board of Directors", and uses the performance evaluation results of individual directors as a reference for determining their individual remuneration. The items for the directors performance evaluation of the Company include the following six aspects: director's awareness toward the Company's goals and missions, director's responsibilities cognition, level of participation in the Company's operations, management and communication of internal relations, professionalism and ongoing education of directors, and internal control. The Remuneration Committee has formulated the 2025 directors performance evaluation indicators on Jan. 26, 2026, including understanding strategic goals, knowledge of the industry and risks, complying with confidentiality obligations, understanding meeting materials before the meeting, understanding the Company's management team and the industry, interaction with the management team, communication with the CPAs, possessing the expertise required for decision execution, continuous education on professional knowledge and skills, supervision of the Company's financial accounting and audit reports. The evaluation results have been discussed on Mar. 9, 2026, where a Board report was submitted on Mar. 10, 2026. Under the circumstances with excellent individual evaluation results, the remuneration is to be distributed equally.

The Company conducts annual performance reviews of its professional managers. On Mar. 10, 2026, a President was appointed, and a remuneration structure with defined performance indicators was established. These include financial indicators (profitability and operating growth) and ESG metrics (21% environmental, 31% social, and 48% governance). Performance is evaluated based on actual results and achievement levels, with an annual report submitted to the Remuneration Committee and the Board for review. After evaluation by the Remuneration Committee, the results are submitted to the Board of Directors for approval and implementation.

(3) Linkage to operating performance and future risk exposure

For the directors' and managerial personnel's remuneration policy related payment standards and system review, in addition to referring to the industry's standards, the Company takes the overall operating performance as the main consideration. The material decisions of the Company's management are made after balancing various risk factors where the outcome of said decisions is reflected in the Company's profit. The directors' and managerial personnel's remuneration is related to the performance on risk control. The Company also sets up an Employee Stock Ownership Trust Plan according to their grades (the voluntarily contribution is allocated from the employee's salary every month, and the Company allocates the same amount of incentives). In addition to rewarding employees to invest in Company stocks at a lower cost, it encourages employees to share future business risks with the Company and to accumulate long-term stock savings and retirement assets, where the actual value is related to future stock prices.

III. Corporate governance

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

The Board of Directors convened 6 meetings (A) in 2025 and the participation of the directors are shown below:

Title	Name	Actual attendance (B)	Proxy attendance	Actual attendance (%) (B/A)	Remark
Chairman	Sherng Tar Industrial Co., Ltd. Representative: Wu, Sheng-Hsien	6	0	100%	None
Director	Sherng Tar Industrial Co., Ltd. Representative: Wu, Ming-Tien	6	0	100%	None
Director	Vic Hon Enterprise Co., Ltd. Representative: Lai, Cheng-Shih	6	0	100%	None
Director	Shen, Pin-Hsiu	5	1	83%	None
Director	Lo, Chun-Hsuan	6	0	100%	None
Director	Kaiyang Capital Co., Ltd. Representative: Huang, Chun-Yu	6	0	100%	None
Director	Wu, Chih-Siang	6	0	100%	None
Director	Ma, Chien-Yung	5	1	83%	None
Independent Director	Huang, Yung-Chang	6	0	100%	None
Independent Director	Hsueh, Ming-Hung	6	0	100%	None
Independent Director	Lai, Ching-Yi	5	1	83%	None

Other remarks:

- I. For the operation of the Board of Directors in any of the following circumstances, please specify the date, term, the contents of the proposals, the opinions of all independent directors, and the process of the opinions proposed by the independent directors:
- (I) Issues required under Article 14-3 of the Securities and Exchange Act: Not applicable.
- (II) Other than the aforementioned issues, the issue objected by an independent director or where an independent director maintain a qualified opinion with record or documented declaration in a decision resolved by the Board of Directors: None.
- II. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

Date of Meeting (Term of Board of Directors)	Discussion	Name of director	Reasons to act on recusal due to	Participation in voting
2025/1/7 (4th meeting of the 11th Board Meeting)	Proposal for cancellation of the non- competition restriction on the Company's directors	Wu, Sheng- Hsien Wu, Ming-Tien	The parties involved in this case and relatives within the first degree of kinship	The parties involved recused themselves from participating in discussions and voting. (This proposal was resolved at the shareholders' meeting on May 27, 2025)

2025/1/7 (4th meeting of the 11th Board Meeting)	Proposal for the Company to sign a Technical Cooperation Development Contract with subsidiary, Finesse Technology Co., Ltd.	Wu, Sheng-Hsien Huang, Chun-Yu Lai, Cheng-Shih Wu, Ming-Tien	Parties involved in this case (serving as the director of Finesse Technology Co., Ltd.) and relatives within the first degree of kinship	Did not participate in discussion and voting
2025/4/8 (6th meeting of the 11th Board Meeting)	Proposal for cancellation of the non-competition restriction on the directors	Ma, Chien-Yung	Parties involved in this case:	Did not participate in discussion and voting
2025/8/5 (8th meeting of the 11th Board Meeting)	Proposal for disposal of shares of Htc & Solar Tech Service Limited	Wu, Sheng-Hsien Wu, Ming-Tien	Parties involved in this case (serving as the supervisor of Htc & Solar Tech Service Limited) and relatives within the first degree of kinship	Did not participate in discussion and voting

III. Board performance evaluation implementation: The evaluation cycle, period, scope, method, and evaluation content are as follows: (Note)

IV. Targets for strengthening of the functions of the board during the current and immediately preceding fiscal years

- (I) The operation of the Board of Directors is performed in accordance with laws and regulations. All directors possess professional knowledge, skills and experience necessary to perform the duties. In the composition of the current (11th) Board of Directors, directors have diverse professional abilities and experience backgrounds and Audit Committee members have professional backgrounds in accounting, finance and law, which can improve the quality of decision-making.
- (II) To establish a good governance system for the Board of Directors, the Company has amended the “Corporate Governance Best Practice Principles” on Jan. 12, 2023 with reference to the corporate governance guidelines stipulated by the competent authority to maintain the operation of corporate governance.
- (III) The Company has formulated the “Sustainable Development Best Practice Principles” on Aug. 4, 2022, and set up the “Sustainable Development Committee” under the Board of Directors on Jun. 7, 2024 (on Aug. 5, 2025, the functions related to nomination and sustainable development were consolidated to form the "Sustainability and Nomination Committee"), and formulated the “Risk Management Best Practice Principles” on Nov. 10, 2022, and the Audit Committee supervises risk management, and the Company set up the “Risk Management Committee” where the operation of the committees are regularly reported to the Audit Committee and the Board of Directors to strengthen the supervision function.
- (IV) The Company held an operational development strategy meeting on Jan. 7, 2025 where the management team reported the Operation Development Plan to the directors to allow the directors to participate and discuss the strategic development.

(Note) The implementation of the Board of Directors evaluation:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Evaluation performed once a year	2025/1/1-2025/12/31	Board of directors	Internal self-evaluation (Assessment performed by chairman, functional committee convener)	<ol style="list-style-type: none"> Level of participation in the Company's operations. Improvement of board's/functional committee's decision quality. Board/functional committee composition. Election and ongoing education of directors. Internal control.
		Individual Board member	Self-assessment (Assessment performed by Board members)	<ol style="list-style-type: none"> Director's awareness toward the Company's goals and missions. Director's awareness to duties. Level of participation in the Company's operations. Management and communication of internal relations. Professionalism and ongoing education of directors. Internal control.
		Audit Committee	Internal self-evaluation (Assessment performed by independent directors)	<ol style="list-style-type: none"> Level of participation in the Company's operations. Awareness of the duties of functional committee. Improve the quality of functional committees' decision-making. Composition of functional committees and election of members. Internal control.
		Remuneration Committee	Internal self-evaluation (Assessment performed by independent directors)	<ol style="list-style-type: none"> Level of participation in the Company's operations. Awareness of the duties of functional committee. Improve the quality of functional committees' decision-making. Composition of functional committees and election of members.
		Sustainability and Nomination Committee	Internal self-evaluation (Assessment performed by the Chairman and Independent Directors)	<ol style="list-style-type: none"> Level of participation in the Company's operations. Awareness of the duties of functional committee. Improve the quality of functional committees' decision-making. Composition of functional committees and election of members.
Evaluation performed once every three years	2024/11/1-2025/10/31	Board of directors	External Evaluation (Taiwan Institute of Ethical Business)	<ol style="list-style-type: none"> Professional skills Decision-making performance Internal control Sustainable development

(II) The state of operations of Audit Committee

The Audit Committee convened 6 meetings (A) in 2025 and the participation of the independent director are shown below:

Title	Name	Actual attendance (B)	Proxy attendance	Actual attendance (%) (B/A)	Remark
Convener	Huang, Yung-Chang	6	0	100%	Independent Director
Committee	Hsueh, Ming-Hung	6	0	100%	Independent Director
Committee	Lai, Ching-Yi	6	0	100%	Independent Director

Other remarks:

I. Where any one among those enumerated below exists as the performance by the Audit Committee, the convention date, term, contents of agenda, outcome of the decision resolved in the Audit Committee as well as the Company's opinions toward the Audit Committee's opinions should be expressly remarked.

(I) Issues required under Article 14-5 of the Securities and Exchange Act:

Dates of meeting (Term of Audit Committee)	Proposal content and follow-up processing	Results of Audit Committee resolutions	The Company's handling of the Audit Committee's opinion
2025/1/6 (4th meeting of the 3rd Audit Committee)	<ul style="list-style-type: none"> ▪ Proposal to invest in the establishment of subsidiary Trio Tech Co., Ltd. ▪ Proposal for the endorsement and guarantee for bank financing of subsidiary Highlight Tech Japan Co., Ltd. ▪ Proposal to amend the Company's internal control policies. ▪ Proposal to assess the Company's scope of entry-level employees 	Approved with the entire committee members present voting in favor	Proposed to the 4th meeting of the 11th Board of Directors and approved by all directors present.
	<ul style="list-style-type: none"> ▪ Proposal for cancellation of the non-competition restriction on the Company's directors ▪ Proposal for the Company to sign a Technical Cooperation Development Contract with subsidiary, Finesse Technology Co., Ltd. 		Submitted to the 4th meeting of the 11th Board of Directors and approved by all attending board members, except for directors with conflicts of interest who recused themselves.
2025/3/3 (5th meeting of the 3rd Audit Committee)	<ul style="list-style-type: none"> ▪ Proposal for the 2024 annual business report and financial statements ▪ Proposal for the 2024 earnings distribution ▪ Proposal for cash distribution from capital reserve ▪ Proposal for the 2024 Internal Control Statement ▪ Proposal to amend the internal control policies ▪ Proposal to provide endorsements/guarantees to subsidiary Trio Tech Co., Ltd ▪ Proposal to assess independence, competency, and fee of CPAs 	Approved with the entire committee members present voting in favor	Proposed to the 5th meeting of the 11th Board of Directors and approved by all directors present.

2025/4/8 (6th meeting of the 3rd Audit Committee)	<ul style="list-style-type: none"> ▪ Proposal for cancellation of the non-competition restriction on the directors 	Approved with the entire committee members present voting in favor	Submitted to the 6th meeting of the 11th Board of Directors and approved by all attending board members, except for directors with conflicts of interest who recused themselves.
	<ul style="list-style-type: none"> ▪ Proposal for SiC wafer process investment 	All attending committee members agreed to postpone the investment and to revisit it when the timing is more appropriate.	Proposed to the 6th meeting of the 11th Board of Directors, where all attending directors approved the Audit Committee's decision to postpone the investment.
2025/5/7 (7th meeting of the 3rd Audit Committee)	<ul style="list-style-type: none"> ▪ Proposal for the Financial Statements for the First Quarter of 2025 ▪ Proposal for the accounts receivable that is significant and have not been collected within 3 months of the normal credit period and are not loaning of funds ▪ Proposal for the disposal of idle land 	Approved with the entire committee members present voting in favor	Proposed to the 7th meeting of the 11th Board of Directors and approved by all directors present.
	<ul style="list-style-type: none"> ▪ Proposal for the buyback of treasury stock 		The proposal was submitted to the 7th meeting of the 11th Board of Directors, where all attending directors approved it except for one who expressed opposition.
2025/8/4 (8th meeting of the 3rd Audit Committee)	<ul style="list-style-type: none"> ▪ Proposal for the Financial Statements for the Second Quarter of 2025 ▪ Proposal for advanced packaging & equipment investment ▪ Proposal for the disposal of idle land ▪ Proposal for capital reduction by retiring treasury stock ▪ Proposal for the establishment of procedures for treasury stock buyback ▪ Proposal for the accounts receivable that is significant and have not been collected within 3 months of the normal credit period and are not loaning of funds ▪ Proposal for the guarantee/endorsement for Subsidiary ▪ Proposal for disposal of shares of Htc & Solar Tech Service Limited 	Approved with the entire committee members present voting in favor	Proposed to the 8th meeting of the 11th Board of Directors and approved by all directors present.
2025/10/27 (9th meeting of the 3rd Audit Committee)	<ul style="list-style-type: none"> ▪ Proposal for the Financial Statements for the Third Quarter of 2025 ▪ Proposal for changing the financial statement auditors ▪ Proposal for the accounts receivable that is 	Approved with the entire committee members present voting in favor	Proposed to the 9th meeting of the 11th Board of Directors and approved by all directors present.

	<p>significant and have not been collected within 3 months of the normal credit period and are not loaning of funds</p> <ul style="list-style-type: none"> ▪ Proposal to amend the internal control policies ▪ Proposal for the amendment to the Advanced Packaging Business and Equipment Investment Project ▪ Proposal for the guarantee/endorsement for Subsidiary 		
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(II) Except the aforementioned issue, other issue not yet resolved in the Audit Committee but has been duly resolved by two-thirds majority of the total number of director seats: None.

II. Independent directors' avoidance of motions in conflict of interest: None.

III. Facts of communications by and between independent directors and internal audit supervisors as well as CPA(s) (should include issues regarding the Company's financial conditions, facts in business operation and such key issues, the method of communications and the outcome thereof).

(I) Communication Policy:

1. Independent directors communicate with the internal audit supervisor at least once a quarter, and communicate with CPA at least twice a year.
2. The audit unit submits the audit report and the audit defect improvement tracking report to the independent directors every month, and the audit supervisor attends every regular board meeting to report the internal audit status.
3. The audit supervisor, CPAs, and independent directors may directly contact independent directors as needed.

(II) Communication between independent directors, internal audit supervisors and CPA in 2025:

The independent director communicated with the internal audit supervisor for 5 times and communicated with the CPA for 3 times each and the communication is as follows:

Date	Meeting type	Communication target	Matters	Results
2025/1/6	Seminar (Virtual)	Audit Supervisor	Implementation of audit business for Oct. - Nov. 2024	No comments at this meeting
2025/3/3	Seminar (Virtual)	Audit Supervisor	Implementation of audit business in Dec. 2024 and Jan. 2025	No comments at this meeting
2025/3/3	Seminar (Virtual)	CPA	2024 Audit Conclusion	No comments at this meeting
2025/5/7	Seminar (Virtual)	Audit Supervisor	Implementation of audit business for Feb. - Mar. 2025	No comments at this meeting
2025/8/4	Seminar (Virtual)	Audit Supervisor	Audit results for Apr.- Jun. 2025	No comments at this meeting
2025/8/4	Seminar (Virtual)	CPA	Completed communication with the governance unit for the review of the 2025 Q2 financial report	No comments at this meeting
2025/10/27	Seminar (Virtual)	Audit Supervisor	Audit results for Jul.- Sep. 2025 2026 audit plan	No comments at this meeting
2025/10/27	Seminar (Virtual)	CPA	Completed communication with the governance unit for the review of the 2025 Q3 financial report	No comments at this meeting

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

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
I. Will the Company based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies set up and disclose the Company's corporate governance best-practice principles?	✓		The Principles were established on Nov. 11, 2021, amended on Jan. 12, 2023, passed by the Board of Directors, and disclosed on the MOPS and the Company's website.	No deviations.
II. Shareholding structure and shareholders' equity (I) Will the Company have the internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters; also, have the procedures implemented accordingly?	✓		The Company has a spokesperson, deputy spokesperson, and stock affairs and legal personnel to handle shareholders' suggestions, questions, disputes, and lawsuits.	No deviations.
(II) Will the Company possess the list of the Company's major shareholders and the list of the ultimate controllers of the major shareholders?	✓		The stock affairs unit is responsible for managing relevant information. It possess the list of the Company's major shareholders and the list of the ultimate controllers of the major shareholders.	No deviations.
(III) Will the Company establish and implement the risk control and firewall mechanisms with the related parties?	✓		An internal control system and management methods have been established to control the risks between the Company and affiliates, and the personnel and financial management responsibilities of each company are clearly defined.	No deviations.

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(IV) Will the Company set up internal norms to prohibit insiders from utilizing the undisclosed information to trade securities?	✓		The Company has established the “Procedures for Preventing Insider Trading”, which prohibits company insiders from trading securities using information not disclosed to the market for illegal profits, and regularly conducts internal education, training and promotion.	No deviations.
III. The constitution and obligations of the board of directors (I) Has the Board of Directors formulated a diversity policy, specific management objectives, and implemented them?	✓		The Board of Directors has formulated a diversity policy, specific management objectives, and implemented them. Please refer to pages 18-20 for detailed information.	No deviations.
(II) Will the Company, in addition to setting the Remuneration Committee and Audit Committee lawfully, have other functional committee set up voluntarily?	✓		The Board of Directors established the Sustainable Development Committee on Jun. 7, 2024, composed of three independent directors and one director. On Aug. 4, 2025, the Company integrated nomination-related functions and renamed the Committee as the Sustainability and Nomination Committee.	No deviations.
(III) Does the company establish a method to evaluate board performance and evaluate board performance every year? Are the performance evaluation results reported to the board and used as a reference for the remuneration and nomination for re-election of directors?	✓		The Procedures for the Performance Evaluation of the Board of Directors (amended Jan. 12, 2023) require annual internal evaluations and external evaluations by an independent professional institution at least once every three years. The latest external performance evaluation of the Board of Directors was carried out in 2025, and the results were submitted to the Board of Directors on Jan. 27, 2026. The 2025 performance evaluation results, together with improvement recommendations and future plans, were presented to the Remuneration Committee on Mar. 9, 2026 and reported to the Board of Directors on Mar. 10, 2026. These results are used as a basis for assessing individual directors’ compensation and re-	No deviations.

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			nomination. Relevant information is disclosed on the Company website.	
(IV) Will the Company have the independence of the public accountant evaluated regularly?	✓		The Company regularly evaluates the independence and competency of the CPA every year and formulates five aspects and 13 Audit Quality Indicators (AQIs) to evaluate the CPAs' professionalism, quality control, independence, supervision and capability of innovation with reference to the AQIs. The CPA and CPA firm are also required to provide relevant information and declaration. The Accounting Department's "Independence Evaluation Checklist" and "Competency Evaluation Checklist" for the appointment of CPA are used to evaluate the independence and competency of the CPA. The latest evaluation was discussed and approved by the Audit Committee on Mar. 9, 2026 and the Board of Directors on Mar. 10, 2026. (Note)	No deviations.
IV. Does a public company equip an appropriate number of eligible governance personnel and assign the governance officer to take charge of company's governance affairs (including, without limitation, providing directors with the data required for business operations, assistance for the legal compliance of directors, handling affairs related to holding a board meeting or a general meeting of shareholders and producing minutes for board meetings and general meetings of shareholders)?	✓		The Board of Directors approved to engage a corporate governance officer on May 5, 2023, and allocated an appropriate number of corporate governance personnel to be responsible for corporate governance-related matters.	No deviations.

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
V. Has the Company established a communication channel with the stakeholders (including but not limited to the shareholders, employees, customers, and suppliers), set up a stakeholder section on the Company's website, and responded appropriately to the important corporate social responsibilities concerned by the stakeholders?	✓		The Company's website has a stakeholder page (https://www.htcvacuum.com/zh-tw/investor/index/ESG/stakeholder) to provide the point of contact and contact methods to respond to material corporate social responsibility issues that stakeholders are concerned about.	No deviations.
VI. Has the Company commissioned a professional stock service agent to handle shareholders affairs?	✓		The Company mandates Transfer Agency Department, IBF Securities Co., Ltd. to be the Company's shareholder services agent, and to handle the affairs related to the shareholders' meeting.	No deviations.
VII. Disclosure of information (I) Does the Company have a website setup and the financial business and corporate governance information disclosed?	✓		The Company has a website setup and the financial business and corporate governance information disclosed. (https://www.htcvacuum.com)	No deviations.
(II) Has the Company adopted other information disclosure methods (such as, establishing an English website, designating a responsible person for collecting and disclosing information of the Company, substantiating the spokesman system, placing the juristic person seminar program on the Company's website, etc.)?	✓		The Company has established an English website, designating a responsible person for collecting, maintaining and disclosing information of the Company, substantiating the spokesman system, and placing the Investor Conference information on the Company's website.	No deviations.

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(III) Does the company announce and report its financial statements within two months after the end of a fiscal year, and publish and declare in advance the financial statements of Q1, Q2 and Q3 as well as status of monthly operations?		✓	The Company's financial report is announced and reported within the prescribed time limit.	The Company is not yet able to announce financial reports before the prescribed time limit
VIII. Are there any other important information (including but not limited to the interests of employees, employee care, investor relations, supplier relations, the rights of stakeholders, the advanced study of directors, the implementation of risk management policies and risk measurement standards, the execution of customer policy, the purchase of liability insurance for the Company's directors) that are helpful in understanding the corporate governance operation of the Company?	✓		<p>(I) Employee rights and employee care: please refer to Labor-management Relations of this annual report.</p> <p>(II) Investor relations: The Company's website has an investor page to provide various information that investors are concerned about, and provide contact information for dedicated personnel.</p> <p>(III) Supplier relations: The Company complies with international standard management systems such as ISO9001, ISO14001, and ISO45001, and has established management procedures for supplier selection, evaluation, and regular audits. Its supply management includes quality, business ethics, labor rights, environmental protection and occupational safety and health, technology and supply capacity, and the absence of harmful substances.</p> <p>(IV) Rights of stakeholders: The Company's website has a stakeholder page, which discloses the identified stakeholders, issues of concern, communication channels and response methods, and publishes sustainability reports every year</p>	No deviations.

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>to disclose relevant information on material issues of concern to stakeholders.</p> <p>(V) Director training status: The Company's directors' training hours are all in compliance with the regulations. In 2025, each director participated more than 6 hours of training.</p> <p>(VI) Implementation of risk management policies and risk evaluation measures: The Audit Committee supervises risk management, and the Company has established a Risk Management Committee internally, which is responsible for formulating risk management policies and establishing qualitative and quantitative management standards. Through the operation of the committee, the operation situation is regularly reported to the Audit Committee and the Board of Directors. See the Company's website for implementation details.</p> <p>(VII) Implementation of customer relations policies: The Company handles customer complaints, tracks and improves the issues raised by customers, and conducts customer satisfaction surveys every year in accordance with the ISO management system and internal process management mechanism.</p> <p>(VIII) Implementation of purchasing insurance for directors: The Company has purchased liability insurance for directors and key employees since 2018.</p>	

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			(IX) In accordance with Article 37-2 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, the Company has established an intellectual property management plan. The management objectives and their achievement status are reported to the Board of Directors annually. The 2025 implementation status was reported to the Board of Directors on Nov. 4, 2025. The Company's intellectual property management plan and its implementation status are disclosed on its website.	
<p>IX. Please describe the improvement performed according to the corporate governance evaluation results published by the Governance Center of Taiwan Stock Exchange in latest year, and propose the matters with priority for improvement and the respective measures and Corporate:</p> <p>(I) Corporate Governance Evaluation Results for 2024: The Company is categorized to the 6% to 20% of the TPEX-listed company group where the 2% to 10% group holds a market value between NT\$5 Billion and NT\$10 Billion. Comparing with the previous year's improvement indicators: We established the Sustainable Development Committee, held two investor conferences, disclosed the TCFD report, assessed community risks and opportunities and adopted corresponding measures, and submitted the sustainability report to the Board of Directors for discussion.</p> <p>(II) In 2025, the Company implemented numerous improvement initiatives, including establishing concrete measures to enhance enterprise value, obtaining third-party assurance for the Sustainability Report, developing an energy management plan, and collecting and disclosing Scope 3 greenhouse gas (GHG) emissions data.</p>				

(Note) The evaluation indicators are shown in the table below and the results are in line with the Audit Quality Indicators (AQIs) and the Company's independence and competency evaluation standards.

AQI Assessment

Item	AQI indicators	Assessment items	Assessment result
Professionalism			
1-1	Auditing experiences	Have the senior auditors possessed adequate auditing experiences to carry out the auditing tasks?	Yes
1-2	Training hours	Have the certified public accountants and senior auditors accepted adequate educational & training programs every year to continually acquire professional expertise and skills?	Yes
1-3	Turnover rate	Has the CPA firm maintained adequate senior human resources?	Yes
1-4	Professional support	Does the CPA firm hold adequate professionals (e.g., evaluating personnel) to back up the auditing team?	Yes
Quality control			
2-1	Workload upon the certified public accountants	Is the workload upon the certified public accountants excessively too heavy?	No
2-2	Dedication into auditing	Is the auditing performance dedicated by the auditing team members in various phases appropriate?	Yes
2-3	EQCR performance in rechecking	Did EQCR certified public accountants devote adequate workhours to recheck the audit cases?	Yes
2-4	Capability to back up quality control	Was the CPA firm staffed with adequate human resources on quality control to back up the auditing team?	Yes
Independence			
3-1	Non-auditing service	Does the percentage of non-auditing service fees adversely affect independence?	Yes
3-2	Customer familiarity level	Did the number of years accumulated in the CPA firm in the auditing cases toward financial statements affect the independence?	Yes
Supervision			
4-1	Faults in the external examinations and the penalty so imposed thereupon	Have the quality control and auditing cases in the CPA firm been duly carried out exactly according to laws and ordinances concerned?	Yes
4-2	Improvements in response to letters issued by the competent authority(ies)	Have the quality control and auditing cases in the CPA firm been duly carried out exactly according to laws and ordinances concerned?	Yes
Capability of innovation			
5-1	Planning and initiatives in innovation	Commitments by the CPA firm to heighten auditing quality: Including the capability and planning of the CPA firm.	Yes

Independence evaluation of the CPAs

Item	Assessment items	Assessment result
1	No direct or indirect substantial financial interest between the CPA and the Company	Yes
2	No borrowing/lending of fund between the CPA and the Company	Yes
3	The CPAs, his (her) spouse, or dependent(s), and members of the audit team have not held or have held any position of directors, managers or significant influence on the audit case of the Company in the last two years.	Yes
4	The CPA has no significant close business relationships or potential employment relationships with the Company.	Yes
5	The non-audit services provided by the CPA to the Company do not directly affect the material items of the audit case.	Yes
6	The CPA does not promote or broker stocks or other securities issued by the Company.	Yes
7	The CPA shall not defend legal cases or other disputes between the Company and a third party, except for the business permitted by law.	Yes

Competency evaluation of the CPAs

Item	Assessment items	Assessment result
1	The CPA possesses extensive professional qualifications and experience.	Yes
2	The CPA has no disciplinary record of the Accounting Committee or FSC in the last two years.	Yes
3	The CPA can provide certified financial and tax reports in a timely manner.	Yes
4	The CPA can provide information and suggestions on updated tax and securities regulations.	Yes

(IV) Remuneration Committee and Sustainability and Nomination Committee's composition and operation

1. Information on the operation of the Remuneration Committee and its members

(1) Information on the members of the Remuneration Committee

Mar. 28, 2026

Identity	Qualification	Professional qualification and experience	Compliance of independence	Number of other public companies where the members are also the members of the remuneration committee of these companies
	Name			
Independent Director (Convener)	Huang, Yung-Chang	The members are composed of 3 independent directors. Please refer to pages 16-17 for the professional qualifications, experience and independence.		0
Independent Director	Hsueh, Ming-Hung			0
Independent Director	Lai, Ching-Yi			0

(2) Information on the operation of the Remuneration Committee

A. The Company's Remuneration Committee has three Committee members in total.

B. The term of office of the current committee members: from Jun. 7, 2024 to Jun. 6, 2027. The Remuneration Committee conducted 3 meetings in 2025 (A) and the qualifications and attendance are as follows:

Title	Name	Actual attendance (B)	Proxy attendance	Actual attendance (%) (B/A)	Remark
Convener	Huang, Yung-Chang	3	0	100%	None
Committee	Hsueh, Ming-Hung	3	0	100%	None
Committee	Lai, Ching-Yi	3	0	100%	None

Other remarks:

The proposals and resolution of the Company's Remuneration Committee in 2025 are as follows:

Date of meeting (Term of Remuneration Committee)	Discussion	Resolution	Handling of the opinions of the Remuneration Committee
2025/1/6 (3rd meeting of the 6th Remuneration Committee)	▪ Proposal for the 2025 Remuneration Committee Work Plan	Approved with the entire committee members present voting in favor	Implemented according to the resolutions.
	▪ Proposal to plan the 2024 Performance Evaluation of Board of Directors		Reported to the 4th meeting of the 11th Board of Directors; implemented according to plan.
	▪ Proposal for the 2024 employees year-end bonus distribution plan		
2025/3/3 (4th meeting of the 6th Remuneration Committee)	▪ Proposal to the result of the 2024 Performance Evaluation of Board of Directors	Approved with the entire committee members present voting in favor	Reported the results to the 5th meeting of the 11th Board of Directors.
	▪ Proposal for the 2024 employee remuneration and director remuneration distribution		Proposed to the 18th meeting of the 10th Board of Directors and approved by all directors present.
2025/5/7 (5th meeting of the 6th Remuneration Committee)	▪ Proposal for the Company's CEO's performance evaluation and remuneration	Approved with the entire committee members present voting in favor	Proposed to the 6th meeting of the 11th Board of Directors and approved by all directors present.

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

II. Where a decision resolved in the Remuneration Committee is found in contravention of rules or in qualified opinion as verified with records or documented declaration, the Company shall expressly elaborate on the date, terms of the meeting convened by the Remuneration Committee, contents of agenda, opinions of all members and acts taken in response to such opinions: None.

2. Information on the operation of the Sustainability and Nomination Committee and its members

(1) Members of the Sustainability and Nomination Committee

The Company established its Sustainability Development Committee on Jun. 7, 2024 as a functional committee under the Board of Directors. To enhance the Board's oversight and governance mechanism, the Company consolidated its sustainability development and nomination functions on Aug. 5, 2025, forming the Sustainability and Nomination Committee. According to the Charter of the Sustainability and Nomination Committee, the Committee shall comprise at least three members, and more than half of the members shall be independent directors. Currently, the Company's Sustainability and Nomination Committee consists of three independent directors and one director.

(2) Professional qualifications, experience, and operations of the Sustainability and Nomination Committee members.

A. The Company's Sustainability and Nomination Committee consists of four members.

B. The term of office of the current committee members: from Jun. 7, 2024 to Jun. 6, 2027. The Nomination Committee conducted two meetings in 2025 (A). The qualifications, experience, and attendance of Committee members, as well as the matters discussed, are as follows:

Title	Name	Professional qualification and experience	Actual attendance (B)	Proxy attendance	Actual attendance (%) (B/A)	Remark
Convener	Huang, Yung-Chang	The Company's Sustainability and Nomination Committee comprises one director and three independent directors. The members' professional qualifications and experience are shown on pages 14-17.	2	0	100%	None
Committee	Hsueh, Ming-Hung		2	0	100%	None
Committee	Lai, Ching-Yi		2	0	100%	None
Committee	Wu, Sheng-Hsien		2	0	100%	None

Other remarks:

The proposals and resolution of the Company's Sustainability and Nomination Committee in 2025 are as follows:

Dates of meeting (Term of Nomination Committee)	Discussion	Resolution	The Company's handling of the Nomination Committee's opinion
2025/1/6 (3rd meeting of the 1st Nomination Committee)	<ul style="list-style-type: none"> ▪ Proposal for TCFD climate risk assessment in 2024 ▪ Proposal to plan sustainable development policies and goals 	Approved with the entire committee members present voting in favor	The Board of Directors accepted the committee's recommendations and approved

<p>2025/8/4 (4th meeting of the 1st Nomination Committee)</p>	<ul style="list-style-type: none"> ▪ Proposal for review of the 2024 Sustainability Report ▪ Proposal to amend the Sustainable Development Committee 	<p>Approved with the entire committee members present voting in favor</p>	<p>the proposal</p>
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Note: On Aug. 5, 2025, the Board approved the integration of nomination and sustainability functions, forming the Sustainability and Nomination Committee. Regarding talent sustainability planning, management succession was discussed on Jan. 26, 2026, and presented to the Board on Jan. 27, 2026.

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

Implementation items	Performance review (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
I. Does the Company have a specific (or part-time) unit set up to promote the sustainable development governance framework, and the Board of Directors authorizing the management to handle matters and report the supervision results to the Board of Directors?	✓		<p>(I) The Board of Directors is the highest governance body for sustainable development, Established on Jun. 7, 2024, the Sustainable Development Committee was reorganized on Aug. 5, 2025, into the “Sustainability and Nomination Committee” through the integration of sustainability and nomination functions (with three independent directors and one director serving as members). The Company established an ESG Promotion Team internally, with the president as the chair, and appointed relevant personnel as members, responsible for promoting the ESG development and ensure the promotion and implementation of related sustainable development operation.</p> <p>(II) The Sustainability and Nomination Committee faithfully fulfills its duties with the authorization of the Board of Directors, and reports the ESG implementation status to the Board of Directors regularly (at least once a year). (The operation of the Sustainability and Nomination Committee and the ESG Promotion Team in 2025 is disclosed on the Company's website)</p> <p>(III) Board of Directors’ supervision of sustainable development: 1. Sustainability Report review (Aug. 5, 2025). 2. Progress of the greenhouse gas inventory plan (Mar. 4, May 8,</p>	No deviations.

Implementation items	Performance review (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>Aug. 5, Nov. 4, 2025).</p> <p>3. Report on the implementation of risk management and corporate governance issues (Nov. 4, 2025).</p> <p>4. Regular arrangement for managers to report the Company's operational development plan to the Board of Directors in every Jan. (Jan. 7, 2025).</p>	
<p>II. Does the company assess the risk of environmental, social, and governance (ESG) issues in relation to corporate operations based on the materiality principles and establish policies or strategies in relation to risk management? (Note 2)</p>	✓		<p>(I) The Company discloses the performance of material topics in ESG aspects in accordance with the GRI Standards. Financial performance is reported based on consolidated financial statements, but all other disclosures exclude subsidiary activities and focus solely on the Taiwan region.</p> <p>(II) The Company refers to the issues listed in the GRI Standards, collects the issues of concern to stakeholders, evaluates material ESG issues based on the “degree of concern of stakeholders” and “degree of impact on the Company”, and formulates relevant risk management policies or mechanisms. (Note 3)</p>	No deviations.
<p>III. Environmental issues</p> <p>(I) Does the company have an appropriate environmental management system established in accordance with its industrial characteristics?</p>	✓		All factories have established an environmental management system in accordance with ISO14001 and have been approved by third-party verification (valid until Apr. 9, 2028).	No deviations.
<p>(II) Is the company committed to enhancing the power efficiency and using renewable materials that are with low impact on the environmental impacts?</p>	✓		The Company continuously take energy conservation actions and evaluate investments in energy conservation or green energy-related equipment. (For energy consumption and waste disposal volume, please refer to the “Energy Management” and “Waste Management” of the Company's Sustainability Report.)	No deviations.

Implementation items	Performance review (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(III) Does the Company assess the present and future potential risks and opportunities of climate change on the Company and take actions to related?	✓		The ESG Promotion Team evaluates climate risks based on the TCFD framework, and summarizes short-, medium-, and long-term climate risks and opportunities through a risk matrix. The evaluation results and related response measures are presented in the “2024 TCFD Climate Risk Assessment Report” at the third promotion meeting on Dec. 12, 2024. After discussion by the Sustainable Development Committee, it was reported to the Board of Directors on Jan. 7, 2025. (For details, please refer to the information on climate-related implementation on pages 56-58)	No deviations.
(IV) Did the Company produce statistics on the GHG emissions, water consumption, and total waste in the last two years? Has the company established policies for GHG reduction, water conservation, and waste management?	✓		The Company uses 2024 as the baseline year to set reduction targets and implement initiatives. Relevant data for 2025 will be disclosed in the 2025 Sustainability Report.	No deviations.
IV. Social issues (I) Does the Company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights?	✓		The Company has formed a human rights governance framework led by the Board of Directors. The Human Rights Policy was approved on Jan. 9, 2019 by the Board, and implementation is overseen by the ESG Promotion Team, led by the CSR Team. In accordance with the Labor Standards Act, the Company has established work rules and developed its human rights policy and management programs based on international human rights standards, including the <i>Universal Declaration of Human Rights</i> , <i>ICCPR & ICESCR</i> , the <i>United Nations Global Compact</i> , and the <i>ILO Declaration on Fundamental Principles and Rights at Work</i> . I. Labor compliance (in support of international conventions on human	No deviations.

Implementation items	Performance review (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>rights): The Company complies with the Labor Standards Act, prohibits forced labor, and does not employ child labor.</p> <p>II. Inclusive and friendly workplace (respect for human rights): The Company promotes non-discrimination, equal employment, sexual harassment prevention, and open communication between labor and management.</p> <p>III. Respect for privacy (implementation of information security): Respect for the data privacy of the Company's employees and customers.</p> <p>IV. Provide a safe and healthy workplace (reasonable working hours and a healthy, safe workplace): Provision of a safe and healthy workplace. (Details and implementation are disclosed on the Company's website)</p>	
(II) Has the company established and implemented reasonable employee welfare measures (including remuneration, leave, and other benefits) and appropriately reflected business performance and achievements in the remuneration for employees?	✓		<p>The Company has formulated work rules and "Salary Management Regulation" in accordance with the Labor Standards Act, covering labor rights, such as compensation, bonuses, working hours, and leave. The Company also uses an employee stock trust to attract and retain outstanding talent, while helping employees build financial support for emergencies and retirement. The Company benchmarks compensation against market levels to ensure competitiveness and allocates no less than 8% of annual profits as employee compensation in accordance with its Articles of Incorporation. According to the Company's salary administration policies and related bonus schemes, in addition to fixed monthly salaries, employees also receive performance bonuses, employee compensation, and year-end bonuses. Compensation is closely linked to revenue and profitability, with operating performance directly impacting salary</p>	No deviations.

Implementation items	Performance review (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			levels. (For details, please refer to “Labor-Management Relations” in this annual report or visit the Company’s website; the Company’s operating performance is reflected in employee compensation, with relevant information disclosed on its website.)	
(III) Does the Company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?	✓		<p>The Company has passed the ISO45001 occupational safety and health management system certification (valid until Apr. 9, 2028). Through systematic management, it promotes various management plans and builds safe and healthy work environment:</p> <ol style="list-style-type: none"> 1. Protection of employees’ safety and working environment: <ol style="list-style-type: none"> (1) Convene a quarterly occupational safety and health committee meeting. (2) Regularly inspect workplace defects every month, and implement corrective improvements and preventive measures. (3) Regularly conduct hazard identification and risk assessment every year, and review accidents to take preventive, improvement, and management measures to reduce risks. (4) Each factory conducts two emergency response and evacuation drills every year to improve response capabilities. (5) New employees receive occupational safety education and training on the day of employment, and health promotion seminars and health education are held regularly every year after employment to improve employee health awareness. 2. Occupational accident survey and 	No deviations.

Implementation items	Performance review (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			<p>statistics:</p> <p>(1) We entrust external parties to monitor particularly hazardous work environments and conduct health examinations every year. The results of 2025 all comply with regulations and are free from abnormalities.</p> <p>(2) There was no major occupational injury in 2025, but there was one occupational injury. Disabling injury frequency rate (FR) is 1.03; disabling injury severity rate (SR) is 2. The injury occurred during a business trip to an external site, when an employee, unfamiliar with the environment, accidentally bumped into a structural steel frame. The case has been reviewed, and preventive measures have been taken, including improved site safety protection and lighting.</p> <p>(3) In 2025, there was no occupational disease case. The Company is equipped with contracted physicians and full-time nurses to provide health consultation, health education, and seminars. Through annual health checks, abnormal workload prevention plans, and semi-annual environmental measurements, medical staff assess occupational disease risks and provide dietary, exercise, and medical advice. Employees identified with chronic conditions (e.g., hyperglycemia, hyperlipidemia, and hypertension) during annual health checks are provided with nursing consultations and health education materials for awareness and management.</p> <p>3. No fire incident occurred in 2025. We</p>	

Implementation items	Performance review (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			conduct automatic fire inspections every month, regularly inspect and repair firefighting facilities every year, and conduct fire drills every six months to prevent fires.	
(IV) Does the Company have an effective career capacity development training program established for the employees?	✓		We provide internal training according to job needs, and encourage employees to improve themselves by participating in external courses. When adding manpower, employees can participate in internal examinations according to their interests and expertise, and supervisors arrange training or job rotations according to their expertise and willingness to ensure that they are suitable for their positions and unleash their potential. (For details, please refer to “Talent Development” of the Company's sustainability report.)	No deviations.
(V) Does the company comply with the related laws and regulations and international standards regarding the customer health and safety, customer privacy, marking communication, and labeling of its products and services and establish policies to protect the rights and interests of customers and procedures for grievances?	✓		The Company complies with relevant laws and regulations and international standards for the products and services it provides, and follows ISO systematic management processes to handle customer issues and protect customer rights.	No deviations.
(VI) Has the company established policies for management to request suppliers to comply with the relevant laws and regulations of environmental protection, occupational safety and health, and labor human rights? Does the company keep track on the implementation of such policies?	✓		Supplier management policies have been established, and certifications, such as ISO 9001, ISO 14001, and ISO 45001 standard management systems have been obtained. Complete management procedures have been established for supplier selection, evaluation, and regular audits, covering quality, business ethics, labor rights, environmental protection, safety and health, technology and supply capacity, and hazardous substance control. The “Supplier Corporate Social Responsibility Code of Conduct” has also been	No deviations.

Implementation items	Performance review (Note 1)			Deviation and causes of deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
			established and continuously promoted to ensure that suppliers meet requirements. (Details and implementation are disclosed in the sustainability report and on the Company's website.)	
V. Did the Company, following internationally recognized guidelines, prepare and publish reports such as its sustainable environment report to disclose non-financial information of the Company? Did the Company apply for assurance or guarantee of such reports to a third-party certification body?	✓		(I) The Company complies with the GRI Standards of the Global Reporting Initiative to prepare the sustainability report, and discloses it according to the SASB indicators for industrial machinery and goods. (II) The 2024 Sustainability Report was independently assured by Ernst & Young on selected indicators, including energy, water resource, waste management, and occupational health and safety, with disclosures provided in the report.	No deviations.
VI. If the Company has established the corporate social responsibility principles based on “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies,” please describe any discrepancy between the principles and their implementation: No deviations.				
VII. Other important information to facilitate better understanding of the company’s sustainable development practices: Details are disclosed on the Company’s website and corporate sustainability report.				

Note1: If “Yes” is selected for the implementation status, please describe in detail the important policies, strategies, measures and implementation status adopted; If “No” is selected for the implementation status, please explain the differences and reasons in the “Deviations from ‘Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies’ and reasons”, and describe the plan to relevant policies, strategies and measures in the future.

Note 2: The materiality principle refers to the relative importance of environmental, social and corporate governance issues on the Company’s investors and other interested parties.

Note 3: ESG risk management policies or mechanisms

Major issues	Risk assessment items	Management policy/Management mechanism
Environmental sustainability	Greenhouse gases	<ul style="list-style-type: none"> ▪ Formulate an inventory plan and report the implementation status to the Board of Directors on a quarterly basis ▪ Formulate management objectives and improvement plans according to the inventory
	Energy management	<ul style="list-style-type: none"> ▪ Introduce energy-saving electric panel system, monitor data, and improve energy consumption.
	Environmental management	<ul style="list-style-type: none"> ▪ Obtained the ISO 14001 environmental management system certification (disclosed on the Company website)
Corporate social responsibility	Occupational health and safety	<ul style="list-style-type: none"> ▪ Obtained ISO 45001 occupational safety and health management system certification (disclosed on the Company website) ▪ Conduct fire drills and industrial safety education and training annually. ▪ Convene quarterly occupational safety and health committee meeting. ▪ Human rights policy and management plan (disclosed on the Company website)
	Salary and benefits	<ul style="list-style-type: none"> ▪ Remuneration Committee regularly reviews the remuneration system ▪ Employee Welfare Committee reviews welfare measures
	Customer privacy	<ul style="list-style-type: none"> ▪ Confidentiality agreement and confidential information management mechanism ▪ Formulate clear information security policy (disclosed on the Company website)
	Supplier management	<ul style="list-style-type: none"> ▪ Formulate clear supplier management policy (disclosed on the Company website)
Corporate governance	Operating performance	<ul style="list-style-type: none"> ▪ Review operating performance monthly ▪ Regularly report business results to the Board of Directors
	Ethical corporate management	<ul style="list-style-type: none"> ▪ Ethical Corporate Management Best Practice Principles specifies the Ethical Corporate Management Policy (disclosed on the Company website) ▪ Formulate Procedures for Ethical Management and Guidelines for Conduct (disclosed on the Company website) ▪ Formulate clear report method (whistleblower system) (disclosed on the Company website)
	Risk management	<ul style="list-style-type: none"> ▪ The Risk Management Best Practice Principles specifies the Risk Management Policy (disclosed on the Company website)

Information on climate-related implementation

Item	Implementation status
<p>I. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</p>	<p>(I) The Board of Directors is the highest authority responsible for addressing climate change, overseeing climate change-related issues and matters. To strengthen the Board of Directors' supervisory responsibilities for sustainable matters, such as climate change, the “Sustainable Development Committee” was established on Jun. 7, 2024 (renamed as the “Sustainability and Nomination Committee” on Aug. 5, 2025), responsible for reviewing sustainable development policies, strategies, and management guidelines, and supervising the promotion of sustainable development-related matters and implementation plans.</p> <p>(II) At the management level, the company has established the ESG Promotion Team, with the President serving as the chair, responsible for formulating and supervising the implementation of the Company's sustainable development strategy; supervisory supervisors are set up and governed by the chair according to the main promotion projects, responsible for promoting the Company's various sustainability tasks and regularly reporting to the Board of Directors on the Company's ESG implementation status.</p> <p>(III) At the working group level, promotion groups are set up according to environmental protection, social responsibility, and corporate governance. Among them, the environmental protection promotion group is responsible for collecting and evaluating climate change-related information, formulating climate change response plans, regularly reviewing and improving, and implementing climate-related tasks, such as energy conservation and emission reduction.</p> <p>(IV) Implementation Status in 2025:</p> <ol style="list-style-type: none"> 1. The greenhouse gas inventory implementation progress is reported to the Board of Directors regularly every quarter. 2. The ESG implementation status is reported to the Board of Directors regularly every year (at least once a year). 3. The Sustainable Development Committee held two meetings. 4. The ESG Promotion Team held 1 meetings.

Item	Implementation status
<p>II. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</p>	<p>The Company referred to the TCFD guidelines to establish climate-related risk management procedures. The Environmental Sustainability Group collects information and identifies and evaluates climate-related risks in operational strategies, identifies short-, medium-, and long-term potential crises and opportunities, and ensures that major climate risks are effectively controlled within the risk appetite. (For details, please refer to “2.1. Identification Process” in the Company's 2024 TCFD Report)</p>
<p>III. Describe the financial impact of extreme weather events and transformative actions.</p>	<p>Risks are classified into low, medium, and high levels according to “estimated timeframe” and “degree of financial impact,” and a matrix is generated to list the Company's major climate risks and opportunities. (For details, please refer to “2.2. Climate Risks and Opportunities” in the Company's 2024 TCFD Report)</p>
<p>IV. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system</p>	<p>Through the cooperation of the ESG Promotion Team and relevant units, relevant response measures and control mechanisms are developed for strategic management. The effectiveness of monitoring is reviewed and monitored through regular meetings to ensure that various risk management guidelines are in line with laws and regulations and external trends. (For details, please refer to “2.1. Identification Process” in the Company's 2024 TCFD Report)</p>
<p>V. 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>(I) The Company refers to the Sixth Assessment Report (AR6-2021) issued by the Intergovernmental Panel on Climate Change (IPCC) of the United Nations to conduct climate simulation and carbon warming simulation. The sea level rise is simulated through the U.S. Climate Central to simulate sea level rise under different warming scenarios to assess the climate risks that may be faced by the Company's factories and assess long-term physical risks. Assuming the RCP 8.5 (high emission) scenario, the probability of flooding was simulated and the trend of change was assessed to assess whether there was an immediate physical risk. The Company referred to the moderately potential area of soil liquefaction to assess indirect risks, and used the Aqueduct Water Risk Atlas of the World Resources Institute to assess drought or water shortage risks. (For details, please refer to “2.3. Climate Scenario Analysis” in the Company's 2024 TCFD Report)</p> <p>(II) The main financial impact has not been specifically assessed.</p>

Item	Implementation status										
<p>VI. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</p>	<p>(I) In response to the management of climate-related risks of transition risks and physical risks, the Company formulates risk management plans based on risk levels, levels/timeframes, and main risks. (For details, please refer to “3. Climate Opportunity Actions” in the Company's 2024 TCFD Report)</p> <p>(II) Various risk management plans are evaluated and indicators and goals are formulated according to international trends.</p>										
<p>VII. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p>	<p>The Company sets an internal carbon price of NT\$300 per ton of CO₂, based on the Ministry of Environment’s Fee-Charging Rates of Carbon Fees, to support investment decisions and strategy development, while continuing to promote energy conservation and carbon reduction measures.</p>										
<p>VIII. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</p>	<p>(I) To achieve global long-term targets, countries have proposed "Nationally Determined Contributions (NDCs)” to demonstrate their greenhouse gas emission reduction commitments to the international community, and update them every five years to enhance carbon reduction ambitions. The Company refers to Taiwan's NDCs net emission reduction target to formulate short-, medium-, and long-term plans:</p> <table border="1" data-bbox="663 1088 1428 1220"> <tr> <td data-bbox="663 1088 815 1178">Carbon reduction target</td> <td data-bbox="815 1088 948 1178">2024</td> <td data-bbox="948 1088 1118 1178">Short term: 2027</td> <td data-bbox="1118 1088 1270 1178">Medium term: 2030</td> <td data-bbox="1270 1088 1428 1178">Long term: 2050</td> </tr> <tr> <td data-bbox="663 1178 815 1220">Carbon density</td> <td data-bbox="815 1178 948 1220">Baseline year</td> <td data-bbox="948 1178 1118 1220">Decrease by 10%</td> <td data-bbox="1118 1178 1270 1220">Decrease by 20%</td> <td data-bbox="1270 1178 1428 1220">Carbon neutral</td> </tr> </table> <p>(For details, please refer to “4. Indicators and Targets” in the Company's 2024 TCFD Report)</p> <p>(II) In 2025, the Company acquired one T-REC (Renewable Energy Certificate) for NT\$3,500, offsetting 1,000 kWh of electricity use. Using the 2024 Taiwan Power Company electricity emission factor of 0.474 kgCO_{2e}/kWh, the estimated carbon reduction is approximately 0.474 metric tons of CO_{2e}.</p>	Carbon reduction target	2024	Short term: 2027	Medium term: 2030	Long term: 2050	Carbon density	Baseline year	Decrease by 10%	Decrease by 20%	Carbon neutral
Carbon reduction target	2024	Short term: 2027	Medium term: 2030	Long term: 2050							
Carbon density	Baseline year	Decrease by 10%	Decrease by 20%	Carbon neutral							
<p>IX. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan.</p>	<p>(I) The greenhouse gas inventory and assurance will be handled in accordance with the schedule set by the order of Article 10, paragraph 2 of the Regulations Governing Information to be Published in Annual Reports of Public Companies.</p> <p>(II) The 2025 greenhouse gas inventory information will be disclosed in the sustainability report.</p>										

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

Assessment items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the reasons
	Yes	No	Summary description	
<p>I. Business Integrity Policy and action plans</p> <p>(I) Has the Company established policies for ethical corporate management approved by the board of directors and stated such policies and practices in its regulations and external documents and in the commitment made by the board of directors and senior management to actively implement such policies?</p>	✓		<p>The Company’s philosophy is “Ethical” at its core where “Facts” are the most important core value. We look for the truth and answers by doing the most valuable things. With reference to the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the “Procedures for Ethical Management and Guidelines for Conduct”, the Company formulated the company’s Ethical Corporate Management Policy, which was approved by the Board of Directors on Nov. 10, 2022, stating the Ethical Corporate Management Policies and practices, and disclosed on the Company website. The Board of Directors and senior management have committed to implement the Ethical Corporate Management Policy, and implement it in internal management and business activities.</p>	No deviations.
<p>(II) Has the Company established an assessment mechanism of risk from unethical behavior to regularly analyze and assess business activities with higher risk of involvement in unethical behavior and preventive programs for unethical behaviors containing at least the preventive measures stated in Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies”?</p>	✓		<p>The Company’s “Ethical Corporate Management Best Practice” formulates a plan to prevent violations of integrity in accordance with the paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” or other business activities with a relatively high risk of violations of integrity, and establish an effective accounting system and internal control policies. Through regular audit by the audit office, the Company ensures the implementation of the system and reviews the effectiveness of the system.</p>	No deviations.

Assessment items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the reasons
	Yes	No	Summary description	
(III) Has the Company established in the preventive programs the operating procedures for unethical behavior prevention, penalties and grievance systems of breaching the guidelines for conduct, and implemented and periodically review them?	✓		The Company has formulated and implemented the “Procedures for Ethical Management and Guidelines for Conduct”, which clearly stipulates the operating procedures, behavior guidelines, punishment and report systems to prevent violations of integrity. If violation is found to be true, it will be punished according to the Company’s regulations, and the Procedures are reviewed and revised regularly.	No deviations.
II. Proper enforcement of business integrity (I) Does the Company have the integrity of the trade counterparty assessed and with the code of integrity expressed in the contract signed?	✓		The Company has assessed the ethical record of the counterparty, and the signed contract clearly stipulates the terms of ethical behavior. If violation of integrity is found, the Company may terminate or rescind the contract at any time.	No deviations.
(II) Has the Company established a dedicated (concurrent) unit to implement ethical corporate management under Board of Directors and report regularly (at least once a year) to BOD the status of implementation and supervision of ethical management policy and preventive programs of unethical behavior?	✓		The Board of Directors approved, on Nov. 10, 2022, the ethical risk team of the Risk Management Committee as the dedicated unit, for promoting corporate ethical management, reporting to the Board of Directors regularly (at least once a year), and disclosing the implementation status on the Company's website. Summary of implementation in 2025 (details are disclosed on the Company's website): 1. Revision of the system: The system is revised in accordance with laws and regulations and in line with practical operations to ensure that ethical management-related measures are appropriate. 2. Education advocacy: Relevant topics are arranged to promote education and training to directors, managerial officers or related personnel.	No deviations.

Assessment items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the reasons
	Yes	No	Summary description	
			3. Event statistics: No violation of integrity occurred in 2025.	
(III) Does the Company have developed policies to prevent conflicts of interest, provided adequate channel for communication, and substantiated the policies?	✓		The Company stipulates the benefit avoidance clause in the “Ethical Corporate Management Best Practice Principles”, which prohibits the offering or acceptance of improper benefits, and formulates the “Procedures for violate Management and Guidelines for Conduct” for handling conflicts of interest and the reporting system for violations of integrity.	No deviations.
(IV) Has the Company established an effective accounting system and an internal control system for the internal audit unit to establish related audit programs based on the results of risk assessment of involvement in unethical behavior to audit and prevent the compliance with the preventive programs of unethical behavior or hire a CPA to perform the audit?	✓		The Company attaches importance to the accuracy and completeness of financial reporting, and establishes effective accounting systems and internal control systems for high-risk unethical conduct. Internal auditors formulate annual audit plans based on risk assessment to conduct audits, and report the results and improvement plans to the Board of Directors and management to ensure audit effectiveness. The Company self-examines the effectiveness of the design and implementation of the internal control system through the annual internal control self-evaluation.	No deviations.
(V) Has the Company organized corporate management internal and external education and training programs on a regular basis?	✓		The Company organizes internal and external education and training on ethical corporate management every year. The implementation status in 2025 is as follow: 1. Internal employee training: From Mar. to Aug. 2025, the legal supervisor conducted training on “Employee Rights and Obligations” and “Trade Secrets” for 291 internal employees (two hours/time). 2. On Aug. 5, 2025, the full Board attended a three-hour session on “Key Considerations for U.S. Investments (Compliance Issues)”	No deviations.

Assessment items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the reasons
	Yes	No	Summary description	
			<p>hosted by the Taiwan Corporate Governance Association.</p> <p>Furthermore, on Nov. 4, 2025, all directors participated in a course titled “Digital Technology and Artificial Intelligence Trends and Sustainability Risk Management (Compliance Issues),” held by the Taiwan Investor Relations Institute.</p> <p>3. Document awareness campaign: In Feb., Apr., and Jul. 2025, briefings were conducted for directors and managers (a total of 23 people) regarding the relevant official documents for shareholding change reporting, in compliance with the Securities and Exchange Act.</p>	
<p>III. The operations of the Company’s Report System</p> <p>(I) Does the Company have a specific report and reward system stipulated, a convenient report channel established and a responsible staff designated to handle the individual being reported?</p>	✓		<p>The Company’s “Reporting Regulation” is publicly disclosed on the Company's website, specifying the specific whistleblower and reward system, and has announced an independent reporting mailbox and dedicated line on the Company website for internal and external personnel. Anyone found any violation on ethical corporate management can report through the following channels:</p> <ol style="list-style-type: none"> 1. Audit Committee mailbox: auditcommittee@high-light.com.tw 2. Report mailbox: Integrity@high-light.com.tw 3. Reporting line: (03)597-3325 ext. 3999 4. Address for written report: Address: No. 32, Guangfu Road, Hukou Township, Hsinchu County Acceptance unit: Corporate governance 	No deviations.

Assessment items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies and the reasons
	Yes	No	Summary description	
(II) Has the Company established standard operating procedures for investigating reported events, follow-up measures to be taken after the investigation was completed, and related confidentiality mechanisms?	✓		The measures in the preceding paragraph clearly stipulate the reporting regulations, the follow-up measures to be taken when the investigation is completed, and the confidentiality measures for relevant personnel.	No deviations.
(III) Has the Company taken proper measures to protect the whistleblowers from suffering any consequence of reporting an incident?	✓		The Company shall keep the identity of the whistleblower and the content of the report confidential, and commit to protect the whistleblower from victimisation due to his/her reporting.	No deviations.
IV. Enhanced information disclosure Does the Company have the contents of corporate management and its implementation disclosed on the website and MOPS?	✓		The Company discloses the “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct” on the MOPS and the Company’s website. The Company reports to the Board of Directors annually on the effectiveness of promotion and discloses it on the Company's website.	No deviations.
V. Where a Company has worked Ethical Corporate Management Guiding Principles in accordance with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX-Listed Companies”, please expressly elaborate on the differential gap between the substantial performance and the Practice Principle: No deviations.				
VI. Other vital information that helps to understand the practice of business integrity of the Company (e.g., the review and revision of the best-practice principles of the Company in business integrity). (I) The Company regards compliance with laws and regulations as the basis for implementing ethical corporate management. (II) The Company’s Ethical Corporate Management Best Practice Principles was established on Oct. 28, 2011 where the first amendment was on Jun. 25, 2015, the second amendment was on Feb. 24, 2020, and the third amendment was on Nov. 10, 2022.				

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

1. The Company timely arranges board members and managerial officers to participate in corporate governance courses, seminars or forums to enhance supervision and governance capabilities.
2. The Company has published the Sustainability Report in accordance with the law, and disclosed it on the Company website with electronic files for download.
(<https://www.htcvacuum.com/zh-tw/investor/index/ESG/sustainability-report>)

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

1. Declaration of Internal Control Policies: Please refer to pages below

<p>Highlight Tech Corp. Declaration of Internal Control Policies</p> <p style="text-align: right;">Date: Mar. 10, 2026</p> <p>The following declaration is based on the 2025 self-audit over the Company's internal control policies:</p> <p>I. The Company is aware that the establishment, execution, and maintenance of its internal control policies are the responsibilities the Company's board of directors and managerial officers. These policies were implemented throughout the Company. The purpose is to provide a reasonable assurance on the achievement of the goals, including the effectiveness and efficiency of operations (including profitability, performance and security of assets, etc.) and the report with effectiveness, timeliness, transparency, and compliance with the relevant requirements and regulations and laws.</p> <p>II. Internal control policies are prone to limitations. No matter how robustly designed, effective internal control policies merely provide reasonable assurance to the achievements of the three goals above. Furthermore, environmental and situational changes may affect the effectiveness of internal control policies. However, self-supervision measures were implemented within the Company's internal control policies to facilitate immediate rectification once procedural flaws have been identified.</p> <p>III. Pursuant to the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "Governing Regulations"), the Company should study and judge whether the Company's internal control system is effective in design and implementation. The criteria introduced by "The Governing Principles" consisted of five major elements, each representing a different stage of internal control: 1. Control environment, 2. Risk evaluation and response, 3. Procedural control, 4. Information and communication, 5. Supervision. Each element further contains several items. Please refer to "The Governing Principles" for details.</p> <p>IV. The Company has adopted the aforementioned judgment items for the internal control system to evaluate the effectiveness of the Company's internal control system in both design and implementation.</p> <p>V. On the grounds of the outcome of evaluation mentioned in the preceding Paragraph, the Company firmly holds that the Company's internal control system as of December 31, 2025 (including supervisory control and management over subsidiaries), notably the effect of the business operation, extent of accomplishment of the target where the report proves trustworthy, transparent in real time, the design and implementation of the Company's internal control system proves effective, capable of assuring accomplishment of the aforementioned targets.</p> <p>VI. This declaration forms part of the main contents of the Company's annual report and prospectus, and shall be disclosed to the public. Any illegal misrepresentation or non-disclosure relating to the public statement above are subject to the legal consequences under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.</p> <p>VII. The present Declaration of Internal Control Policies was granted a pass in the board of directors meeting convened on Mar. 10, 2026. That board of directors meeting was attended by 11 directors among whom 0 director objected. All present directors unanimously responded with consent to the contents of the Declaration. This is the another point duly clarified herewith.</p> <p style="text-align: right;">Highlight Tech Corp. Chairman: Wu, Sheng-Hsien CEO: Wu, Sheng-Hsien</p>
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2. Audit of the internal control system by CPA shall disclose the accountant's review report: None.

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

1. The major resolutions of the shareholders’ meeting on May 27, 2025 are as follows:

Meeting date	Significant decisions resolved	Performance review
2025/5/27	Approved the 2024 business report and financial statements	Recognized the 2024 business reports and financial statements
	Approved the proposal to acknowledge 2024 earnings distribution	Implemented according to the resolutions of the shareholders’ meeting.
	Proposal for amendment to the Articles of Incorporation	Implemented according to the resolutions of the shareholders’ meeting.
	Approved the proposal for cancellation of the non-competition restriction on the new directors	Made a material information announcement on the MOPS on May 27, 2025, in accordance with the shareholders' meeting resolution.

2. Significant decisions resolved in the board meeting:

Date (term)	Decisions resolved
2025/1/7 (4th meeting of the 11th Board Meeting)	Approved. <ol style="list-style-type: none"> 1. Proposal for the 2025 operation plan and budget 2. Proposal to invest in the establishment of subsidiary Trio Tech Co., Ltd. 3. Proposal for the endorsement and guarantee for bank financing of subsidiary Highlight Tech Japan Co., Ltd. 4. Proposal to establish credit lines with financial institutions 5. Proposal to amend the internal control system 6. Proposal to assess the scope of entry-level employees 7. Proposal to plan sustainable development policies and goals 8. Proposal for the 2024 employees year-end bonus distribution plan 9. Proposal for cancellation of the non-competition restriction on the directors 10. Proposal to sign the Technical Cooperation Development Contract with subsidiary, Finesse Technology Co., Ltd.

Date (term)	Decisions resolved	
2025/3/4 (5th meeting of the 11th Board Meeting)	Approved.	<ol style="list-style-type: none"> 1. Proposal for the 2024 annual business report and financial statements 2. Proposal for the 2024 earnings distribution table 3. Proposal for cash distribution from capital reserve 4. Proposal for the 2024 employee remuneration and director remuneration distribution 5. Proposal for amendment to the Articles of Incorporation 6. Proposal to convene the 2025 annual shareholders' meeting 7. Proposal for the 2024 Internal Control Statement 8. Proposal to amend the internal control policies 9. Proposal to provide endorsements/guarantees to subsidiary Trio Tech Co., Ltd 10. Proposal for financial institution line of credit 11. Proposal to assess independence, competency, and fee of CPAs
2025/4/8 (6th meeting of the 11th Board Meeting)	Approved.	<ol style="list-style-type: none"> 1. Proposal for cancellation of the non-competition restriction on the directors 2. Proposal to add items to the agenda of the 2025 annual shareholders' meeting 3. Proposal for SiC wafer process investment
2025/5/8 (7th meeting of the 11th Board Meeting)	Approved.	<ol style="list-style-type: none"> 1. Proposal for the Financial Statements for the First Quarter of 2025 2. Proposal for the accounts receivable that is significant and have not been collected within three months of the normal credit period and are not loaning of funds 3. Proposal for the disposal of idle land 4. Proposal for the buyback of treasury stock 5. Proposal for financial institution line of credit 6. Proposal for the Company's CEO's performance evaluation and remuneration
2025/8/4 (8th meeting of the 11th Board Meeting)	Approved.	<ol style="list-style-type: none"> 1. Proposal for the Financial Statements for the Second Quarter of 2025 2. Proposal for advanced packaging & equipment investment 3. Proposal for the disposal of idle land 4. Proposal for capital reduction by retiring treasury stock 5. Proposal for the establishment of procedures for treasury stock buyback 6. Proposal to evaluate the accounts receivable that are significant and have not been collected within 3 months of the normal credit period and are not loaning of funds 7. Proposal for the guarantee/endorsement for Subsidiary 8. Proposal for financial institution line of credit 9. Proposal for review of the 2024 Sustainability Report 10. Proposal to amend the Sustainable Development Committee 11. Proposal for disposal of shares of Htc & Solar Tech Service Limited

Date (term)	Decisions resolved	
2025/11/4 (9th meeting of the 11th Board Meeting)	Approved.	<ol style="list-style-type: none"> 1. Proposal for the Financial Statements for the Third Quarter of 2025 2. Proposal for changing the financial statement auditors 3. Evaluation of the accounts receivable that are significant and have not been collected within three months of the normal credit period and are not loaning of funds 4. Proposal for the guarantee/endorsement for Subsidiary 5. Proposal for financial institution line of credit 6. Proposal to amend the internal control policies 7. Proposal for the 2026 internal audit plan 8. Proposal for the amendment to the Advanced Packaging Business and Equipment Investment Project
2026/1/7 (10th meeting of the 11th Board Meeting)	Approved.	<ol style="list-style-type: none"> 1. Proposal for the 2026 operation plan and budget 2. Proposal for real estate disposal by subsidiary Shanorm Tech Co., Ltd. 3. Evaluation of the accounts receivable that are significant and have not been collected within three months of the normal credit period and are not loaning of funds 4. Proposal for financial institution line of credit 5. Proposal to amend the “Procedures for Ethical Management and Guidelines for Conduct” and “Whistleblowing Regulations” 6. Proposal for the 2025 employees year-end bonus distribution plan 7. Proposal for collaboration between Highlight Tech (Shanghai) Corp. and Fortune Precision 8. Proposal for manager succession planning
2026/3/10 (11th meeting of the 11th Board Meeting)	Approved.	<ol style="list-style-type: none"> 1. Proposal for the 2025 annual business report and financial statements 2. Proposal for the 2025 earnings distribution table 3. Proposal for the 2025 employee remuneration and director remuneration distribution 4. Proposal to amend the endorsements/guarantees regulations 5. Proposal to amend the operating procedures for loaning funds to others 6. Proposal for cancellation of the non-competition restriction on the Company’s directors 7. Proposal to convene the 2026 annual shareholders’ meeting 8. Proposal for the 2025 Internal Control Statement 9. Proposal to assess independence, competency, and fee of CPAs 10. Proposal for financial institution line of credit 11. Proposal for the appointment of the Company’s financial supervisor and determination of their remuneration 12. Proposal for the appointment of the Company’s President and determination of their remuneration 13. Proposal to lift the non-competition restrictions of the managers 14. Proposal for changing the Chairman

Date (term)	Decisions resolved
	15. Proposal for determining the remuneration of Company's Chairman

(X) In the latest year and up to the publication date of the annual report, where supervisor or the directors passed significant decisions with different opinions as backed with records or declarations, the major contents:

Date (term) of board meeting	Significant decisions resolved and resolution
2025/5/8 (7th meeting of the 11th Board Meeting)	Proposal 11 Proposal: Treasury stock buyback. Resolution: All attending directors approved the proposal, except for Director Ma, Chien-Yung, who expressed dissent. The proposal was therefore passed.

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

Amount Unit: NTD Thousand

Auditor's firm	Name of CPA	CPA auditing period	Audit remuneration	Non-audit remuneration	Total	Remark
PwC Taiwan	Lin, Yung-Chih Yu, Chih-Fan	2025/01/01- 2025/09/30	3,020	270	3,290	Non-audited remuneration include transfer pricing, direct deduction method tax filing, etc.
	Wang, Ming-Yi Lin, Yung-Chih	2025/10/01- 2025/12/31				

- (I) When the firm changes its accounting firm and the audit fees paid for the financial year in which the change took place are lower than those paid for the financial year immediately preceding the change, the amount of the audit fees before and after the change and the reason shall be disclosed: None.
- (II) When the audit fees paid for the current financial year are lower than those paid for the immediately preceding financial year by 10 percent or more, the amount and percentage of and reason for the reduction in audit fees shall be disclosed: None.

V. Changes in CPA

(I) Regarding the former CPA:

Replacement Date	Approved by the Board of Directors on Nov. 4, 2025		
Replacement reasons and explanations	Due to internal restructuring of the accounting firm, the Company's signing CPAs changed from Lin, Yung-Chih and Yu, Chih-Fan to Wang, Ming-Yi and Lin, Yung-Chih, effective from the fourth quarter of 2025.		
Describe whether the Company terminated or the CPA did not accept the appointment	Participants		CPA
	Status		Consignor
	Termination of appointment No longer accepted (continued) appointment		Not applicable
Other issues (except for unqualified issues) in the audit reports within the last two years	Not applicable		
Differences with the company	Yes		Accounting principles or practices
			Disclosure of Financial Statements
			Audit scope or steps
			Other
	None	V	
Description			
Other disclosures (Those that shall be disclosed from Item 1-4 to Item 1-7, Paragraph 6, Article 10 of this Code)	Not applicable		

(II) Regarding the former CPA:

CPA firm	PwC Taiwan
Name of CPA	Wang, Ming-Yi; Lin, Yung-Chih
Date of appointment	Approved by the Board of Directors on Nov. 4, 2025
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement	Not applicable
Succeeding CPA's written opinion of disagreement toward the former CPA	Not applicable

(III) Reply from the former CPA on matters Item 1 and 2-3, Paragraph 6, Article 10 of this Code: Not applicable.

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

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

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

Unit: shares

Title	Name	2025		From Jan. 1, 2026 to Mar. 28, 2026	
		Increase (decrease) in shares held	Increase (decrease) in shares collateralized	Increase (decrease) in shares held	Increase (decrease) in shares collateralized
Chairman	Ma, Chien-Yung	0	None	15,000	None
Director	Sherng Tar Industrial Co., Ltd.	0	None	2,000	None
	Representative: Wu, Sheng-Hsien	0	None	0	None
Director	Sherng Tar Industrial Co., Ltd.	-	-	-	-
	Representative: Wu, Ming-Tien	(2,445,250)	None	130,000	None
Director	Vic Hon Enterprise Co., Ltd.	0	None	0	None
	Lai, Cheng-Shih	0	None	0	None
Director	Shen, Pin-Hsiu	(130,000)	None	0	None
Director	Lo, Chun-Hsuan	0	None	0	None
Director	Kaiyang Capital Co., Ltd.	0	None	0	None
	Huang, Chun-Yu	0	None	0	None
Director	Wu, Chih-Siang	0	None	0	None
Independent Director	Huang, Yung-Chang	0	None	0	None
Independent Director	Hsueh, Ming-Hung	0	None	0	None
Independent Director	Lai, Ching-Yi	0	None	636	None
CEO	Kou, Chung-Shan (Retired in Jan. 2026)	0	None	-	-

Title	Name	2025		From Jan. 1, 2026 to Mar. 28, 2026	
		Increase (decrease) in shares held	Increase (decrease) in shares collateralized	Increase (decrease) in shares held	Increase (decrease) in shares collateralized
President (CEO)	Wu, Sheng-Hsien (Note)	0	None	0	None
CFO	Chiang, Ching-Wei (Resigned in Mar. 2026)	4,000	None	0	None
Executive Vice President	Chang, Po-Chang (Resigned in Mar. 2026)	0	None	0	None
President of Vacuum Manufacturing	Wang, Yen-Sheng	0	None	0	None
President of System Integration	Lai, Wen-Cheng	0	None	0	None
Highlight Tech (Shanghai) Corp./ President	Wang, Chih-Hung	0	None	0	None
CTO (Head of R&D)	Yeh, Wen-Yung	0	None	0	None
Vice President of Business	Huang, Hui-Jen (Newly appointed in Jan. 2025)	3	None	0	None
Senior Vice President	Huang, Wei-Lien (Newly appointed in Sep. 2025)	0	None	0	None
Vice President	Hsu, Yuan-Hua	76,719	None	0	None
Vice President	Yang, Hung-Chin	24,000	None	6,000	None
Finance and Accounting Manager	Huang, Hsiang-Chun	0	None	0	None
Corporate Governance Officer	Lo, Hsiao-Chiu	0	None	0	None

Note: The representative of Sherng Tar Industrial Co., Ltd.

(II) Equity transfer information: None.

(III) Equity pledge information: None.

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

Mar. 28, 2026; Unit: shares 、 %

NAME	SHARES HELD IN OWN NAME		Shareholdings of spouse and underage children		Shares held in the names of others		Among the top 10 shareholders, there are related parties, spouse to each other, and kindred within the 2nd tier under the civil code, and the name and affiliation, if applicable.		Remark
	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Name	Relation	
Sherng Tar Industrial Co., Ltd. Representative of juristic person: Wu, Sheng-Hsien	5,452,582	5.77	N/A	N/A	N/A	N/A	Wu, Ming-Tien	Father and son	None
	1,923,192	2.04	558,174	0.59	5,452,582	5.77	Tienmei Investment Management Consultants Ltd. Representative of juristic person: Wu, Chia-Jou	Kindred within the 2nd tier	
Ko Yao Co., Ltd Representative of juristic person: Lin, Yu-Yen	3,864,000	4.09	N/A	N/A	N/A	N/A	None	None	None
	Data Unavailable								None
CTBC Bank Trust Account	3,169,080	3.35	N/A	N/A	N/A	N/A	None	None	None
Wu, Ming-Tien	2,840,232	3.01	1,205,000	1.28	0	-	Sherng Tar Industrial Co., Ltd. Representative of juristic person: Wu, Sheng-Hsien	Father and son	None
							Tienmei Investment Management Consultants Ltd. Representative of juristic person: Wu, Chia-Jou	Father and daughter	

NAME	SHARES HELD IN OWN NAME		Shareholdings of spouse and underage children		Shares held in the names of others		Among the top 10 shareholders, there are related parties, spouse to each other, and kindred within the 2nd tier under the civil code, and the name and affiliation, if applicable.		Remark
	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Name	Relation	
Tienmei Investment Management Consultants Ltd. Representative of juristic person: Wu, Chia-Jou	2,707,642	2.87	N/A	N/A	N/A	N/A	Wu, Ming-Tien Sherng Tar Industrial Co., Ltd.	Father and daughter	None
	1,234,522	1.31	0	-	0	-	Representative of juristic person: Wu, Sheng-Hsien Data Unavailable	Kindred within the 2nd tier	None
Shen, Pin-Hsiu	2,641,991	2.80	0						None
Huide Enterprise Co., Ltd. Representative of juristic person: Lai, Chih-Hung	2,586,000	2.74	N/A	N/A	N/A	N/A	None	None	None
Lai, Chih-Hung	2,413,838	2.56	Data Unavailable						None
Kao, Fu-Lai	2,239,913	2.37	Data Unavailable						None
Lai, Pei-Yu	2,229,630	2.36	Data Unavailable						None

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

Dec. 31, 2025; Unit: shares 、%

Investees (Note)	Invested by the Company		Investment held by directors, supervisors, managerial officers, and directly or indirectly controlled enterprises		Aggregate investment	
	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding	Quantity	Ratio of Shareholding
Highlight Tech International Corp.	18,414,695	100	0	-	18,414,695	100
Highlight Tech Japan Co., Ltd.	19,900	100	0	-	19,900	100
Shanorm Tech Co., Ltd.	8,600,000	100	0	-	8,600,000	100
Finesse Technology Co., Ltd.	10,189,353	30.17	3,487,149	10.33	13,676,502	40.5
Schmidt Scientific Taiwan Ltd.	2,558,046	61.12	635,270	15.18	3,193,316	76.3
Htc & Solar Tech Service Limited	11,805,552	34.31	0	-	11,805,552	34.31
Litho Med Trading Co., Ltd.	5,000,000	100	0	-	5,000,000	100
TetraTrio Tech Co., Ltd.	2,250,000	75	0	-	2,250,000	75
Highlight Tech US LLC	-	100	-	-	-	100

Note: It is a long-term investment company recognized using the equity method.

Chapter III. Funding Status

I. Share capital and shares

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

Mar. 28, 2026; Unit: thousand shares; NTD thousand

Year / month	Price of issue	Authorized capital		Paid-up capital		Remark		
		Quantity	Amount	Quantity	Amount	Sources of share capital	Paid in properties other than cash	Other
Jun. 2020	10	250,000	2,500,000	103,994	1,039,936	Cash capital increase	—	(Note 1)
Feb. 2021	28.3	250,000	2,500,000	115,418	1,154,175	Convertible bonds into common shares	—	(Note 2)
May. 2021	28.3	250,000	2,500,000	116,791	1,167,906	Convertible bonds into common shares	—	(Note 3)
	27							
Sep. 2021	27	250,000	2,500,000	117,128	1,171,276	Convertible bonds into common shares	—	(Note 4)
Nov. 2021	27	250,000	2,500,000	117,191	1,171,906	Convertible bonds into common shares	—	(Note 5)
Feb. 2022	27	250,000	2,500,000	118,202	1,182,017	Convertible bonds into common shares	—	(Note 6)
Aug. 2024	10	250,000	2,500,000	94,561	945,613	Cash capital decrease	—	(Note 7)
Sep. 2025	10	250,000	2,500,000	94,462	944,623	Cancellation of treasury shares decrease	—	(Note 8)

Note 1: The Department of Commerce, MOEA approved a cash capital increase of NT\$50,000 thousand through Official Letter Ching-Shou-Shang-Tzu No. 10901081810 On May 29, 2020.

Note 2: The Department of Commerce, MOEA approved the conversion of convertible bonds into common shares of NT\$114,239 thousand through Official Letter Ching-Shou-Shang-Tzu No. 11001016110 On Feb. 2, 2021.

Note 3: The Department of Commerce, MOEA approved the conversion of convertible bonds into common shares of NT\$13,731 thousand through Official Letter Ching-Shou-Shang-Tzu No. 11001075250 On May 3, 2021.

Note 4: The Department of Commerce, MOEA approved the conversion of convertible bonds into common shares of NT\$3,370 thousand through Official Letter Ching-Shou-Shang-Tzu No. 11001148550 On Sep. 1, 2021.

Note 5: The Department of Commerce, MOEA approved the conversion of convertible bonds into common shares of NT\$630 thousand through Official Letter Ching-Shou-Shang-Tzu No. 11001217770 On Nov 26, 2021.

Note 6: The Department of Commerce, MOEA approved the conversion of convertible bonds into common shares of NT\$10,111 thousand through Official Letter Ching-Shou-Shang-Tzu

No. 11101011750 On Feb. 9, 2022.

Note 7: The Department of Commerce, MOEA approved a cash capital decrease of NT\$236,404 thousand through Official Letter Ching-Shou-Shang-Tzu No. 11330142150 On Aug 12, 2024.

Note 8: The Department of Commerce, MOEA approved a cancellation of treasury shares decrease of NT\$990 thousand through Official Letter Ching-Shou-Shang-Tzu No. 11430146710 On Sep 30, 2025.

Mar. 28, 2026

Share category	Authorized capital			Remark
	Outstanding shares (Note)	Unissued shares	Total	
Ordinary shares	94,462,343 shares	155,537,657 shares	250,000,000 shares	OTC-listed company stocks

Note: Circulating shares are OTC common shares.

Information on self-registration system: Not applicable.

(II) List of major shareholders

Mar. 28, 2026; Unit: shares

Shareholding	Quantity of shareholding	Ratio of Shareholding
Name of major shareholders:		
Sherng Tar Industrial Co., Ltd.	5,452,582	5.77%
Koyao Co., Ltd.	3,864,000	4.09%
CTBC Bank Trust Account	3,169,080	3.35%
Wu, Ming-Tien	2,840,232	3.01%
Tienmei Investment Management Consultants Ltd.	2,707,642	2.87%
Shen, Pin-Hsiu	2,641,991	2.80%
Huide Enterprise Co., Ltd.	2,586,000	2.74%
Lai, Chih-Hung	2,413,838	2.56%
Kao, Fu-Lai	2,239,913	2.37%
Lai, Pei-Yu	2,229,630	2.36%

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

1. Dividend policy

Article 27 :

If the Company has a profit in its annual final accounts, after all taxes and dues have been paid and losses for previous years have been covered, the Company will set aside ten percent of such profits as a legal reserve. However, when the legal reserve reaches the amount stipulated by laws and regulations, this shall not apply. In addition, the special reserve shall be set aside or reversed in accordance with laws and regulations, and the balance shall be added to the accumulated undistributed surplus of previous years as dividends and bonuses available for distribution. The amount of distribution shall be prepared by the board of directors with a surplus distribution plan and when the distribution is made in cash, it shall be resolved by the board of directors; when the

distribution is made by issuing new shares, the distribution shall be submitted to the shareholders' meeting for resolution.

The Company authorizes the Board of Directors, with more than two-thirds of the directors present, and a resolution of more than half of the directors present, to distribute all or part of the dividends and bonuses or the legal reserve and capital reserve stipulated in Paragraph 1, Article 241 of the Company Act in cash and report to the shareholders' meeting.

The Company belongs to the technology industry, which is currently in a period of high growth. Research and development and production capacity enhancement are the keys to competitiveness and sustainable operation, which require continuous capital investment. Therefore, the Company's dividend policy at this stage shall be determined by the Board of Directors based on the Company's current and future investment environment, capital requirements, domestic and international competition, and capital budget, as well as the interests of shareholders, balanced dividends, and the Company's long-term financial planning. Dividends to shareholders may be distributed in cash or stock, with cash dividends accounting for at least 20% of the total dividends.

2. Status of dividend distribution proposed at the shareholders meeting

According to the resolution of the Company's Board of Directors on Mar. 10, 2026, cash dividends of NT\$ 188,925 thousand will be appropriated from the 2025 earnings with a cash dividend of NT\$2 per share.

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

(V) Remuneration to the employees, directors and supervisors

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

According to the Company Act and the Company's Articles of Association, if the Company makes a profit in a year (profit is defined as pre-tax profit before deduction of employee and director's remuneration), it shall allocate no less than 8% of the balance as employee compensation (including no less than 30% of the total amount of employee compensation for junior employees) and no more than 2% as directors' remuneration, provided that the Company shall reserve an amount to compensate for the cumulative deficit (if any) in advance.

The aforementioned employee compensation may be distributed in stock or cash, the recipients may include employees at the controlling company or subsidiaries who meet certain criteria, and the Board of Directors is authorized to determine the conditions and method of payment.

The first two matters shall be resolved by the Board of Directors and

reported to the shareholders' meeting.

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

- (1) The estimated basis for employee and director remuneration is based on the range of percentages stated in the Company's Articles of Association and the amount that may be distributed based on past experience.
- (2) The accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure: If the Board of Directors decides for a distribution amount differs from the estimated amount next year, it will be handled according to the change in accounting estimates, and the profit and loss will be adjusted in Board of Directors resolution.

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

- (1) **The amount of remuneration to employee and directors distributed in cash or shares:** The company's employee remuneration and directors' remuneration distribution in 2025 was approved by the board of directors on Mar. 10, 2026, and it is planned to allocate employee remuneration of NT\$25,862 thousand and directors' remuneration of NT\$5,747 thousand. There is no difference between the aforementioned employee remuneration and director's remuneration and the expenses recognized in the 2025 financial statements.
- (2) **The percentage of amount of remuneration to employees to be distributed in shares to the aggregate total of the net profit after tax as shown through the individual financial statements or respective financial statements and the aggregate total of remuneration to employees:** None.

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

On Mar. 4, 2025, the Board of Directors resolved to distribute NT\$8,197 thousand as directors' remuneration, and NT\$40,985 thousand as employees' remuneration in cash. There is no difference between the remuneration distributed by the Board of Directors and recognized in the 2024 financial statements.

(VI) Repurchase of Company stock:

1. Repurchases already completed

Mar. 28, 2026

Treasury stocks: Batch Order	Fourth
Purpose of repurchased	To safeguard the Company's credit and protect shareholders' equity
Period of repurchase (actual)	2025/06/24~2025/07/04
Price range of repurchase	NT\$32 to NT\$65
Class, quantity of shares repurchased	99,000 common shares
Value of shares repurchased	NT\$4,340,610
Quantity of repurchased shares as a percentage of total shares to be repurchased (%)	4.95%
Shares sold/transferred	99,000 shares
Accumulated number of company shares held	0 shares
Percentage of total company shares held (%)	0 %

2. Any repurchase still in progress: None.

II. Status of issue corporate bonds: Up to the publication date of the annual report, the Company has not issued any corporate bonds.

III. Status of issue and private placement of preferred shares: As of the publication date of the annual report, the Company has no status of issue preferred shares.

IV. Status of any private placement of overseas depositary receipts: As of the publication date of the annual report, the Company has no status of any overseas depositary receipts.

V. Status of issue and private placement of employee stock warrants and “new restricted employee shares”: As of the publication date of the annual report, the Company has no employee stock option certificates and handling of new shares with restricted employee rights.

VI. Status on issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: As of the publication date of the annual report, the Company has not dealt with mergers or transfers of shares from other companies to issue new shares.

VII. Progress on the use of funds: For the period as of the quarter preceding the publication date of the annual report, with respect to each uncompleted public issue or private placement of securities, and to such issues and placements that were completed in the latest 3 years but have not yet fully yielded the planned benefits.

Chapter IV Business Performance

I. Content of business

(I) Scope of business operation

1. Major contents of the business operation undertaken:

- Design, manufacture and sales of standard vacuum components and vacuum valves.
- ODM, processing, precision welding, assembly and testing of semiconductor, optoelectronic and coating equipment.
- Customized vacuum coating chambers, modules and systems design and manufacture or contract manufacture.
- Design and manufacture of high vacuum and ultra-high vacuum chambers and modules for research institutions.
- Distribution of 3M electronic carrier tapes, antifreeze, and related integration services.
- Sales and maintenance of vacuum pumps.
- CIP pipe modification engineering and sales of ESG Heater Jacket, etc.
- Comprehensive physical cleaning (including laser cleaning, magnetic grinding, etc.).
- Y2O3, Al2O3, SiO2, WEH® (Fluoride) coating.
- Aluminum alloy hard anodizing and chemical cleaning services.
- Development, manufacturing, sales and maintenance services for micro-bubble wet scrubber energy-saving and waste reduction equipment and key components.

2. Operation proportion

Product \ Year	2025
Merchandise sales revenue	61%
Service income	38%
Other	1%
Total	100%

Note: Other refers to rental and commission income.

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

Htc is engaged in the professional manufacture of vacuum components, design, manufacture and sales of vacuum valves, key components, development, manufacturing, sales and maintenance services for micro-bubble wet scrubber energy-saving and waste reduction equipment, sales and maintenance for vacuum pumps, CIP pipe modification engineering, WEH Coating and sales of ESG Heater Jacket for high-tech equipment

manufacturer customers in semiconductors, optoelectronics, biochemical technology, medical, food, research, academic units both domestically and internationally. Htc provides the most comprehensive technical services, chemical surface treatment, key components sales and repair of wet scrubbing equipment.

4. New products (services) under development

- Continue to develop new dry pump rotors to improve the self-sufficiency of key components.
- Continue to develop turbo pump and other key components (shaft, base) to enhance our control over key components.
- Develop corrosion-resistant coating technology to extend the lifespan of pumps.
- Develop high-temperature-resistant, metal-sealed vacuum valves designed for ultra-high vacuum environments, enabling entry into scientific research application markets (such as nuclear fusion).
- Develop new APC valve technologies, including: By incorporating DeviceNet communication, G4 control board ADC, and adaptive algorithms, the Company is able to better meet customer requirements. These advancements support complex manufacturing processes and improve pressure control precision.
- Develop new scrubber (such as miniaturized models) to provide customers with the best choice in waste gas treatment with compliance with relevant domestic and foreign regulations.
- Develop non-destructive testing technologies for semiconductor applications, including XRT and SAM, to provide defect detection solutions for processes and products.
- Deliver integrated ingot-to-wafer foundry capabilities, providing support for R&D teams requiring small-batch production, while also acting as a scalable capacity buffer for mass production operations.

(II) Industrial profiles

1. The status quo and development of the industry

Vacuum system refers to a system that exists in a vacuum state. With the physical characteristics of vacuum, the vacuum chamber pressure is reduced to the pressure range required to obtain a system for the process environment, especially in applications of cutting-edge technology which is the development trend of the industry. Related applications such as ion implant technology, very large-scale integration production, nuclear fusion power generation, accelerators, optical disk storage, and flat panel displays all require higher vacuum demand or cleanliness to manufacture products with higher quality.

The components of a general vacuum system include vacuum pump, vacuum valve, vacuum gauge, vacuum chamber, flange, connector, vacuum feedtrough, window, trap, baffle, and other components.

The semiconductor, flat panel display, gallium arsenide, and LED industries related to the business of Htc are closely related to global economic development, industrial technology changes, and market demand. Thus, the development of the relevant industries will be further discussed.

Global Semiconductor Industry Trends and Outlook

International Data Corporation (IDC) reports that accelerating artificial intelligence (AI) infrastructure deployment and evolving edge computing requirements will drive the global semiconductor market to achieve 11% YoY growth in 2026, maintaining strong double-digit momentum.

Global semiconductor revenues are forecast to hit US\$890 billion in 2026. With an 11% YoY increase, the industry is rapidly approaching the US\$1 trillion mark. There are three main growth drivers: Ongoing investment in AI infrastructure, which is fueling a surge in data center chip revenue; an accelerating hardware replacement cycle as enterprises upgrade devices to integrate AI features, driving a steady recovery in the client device market; and a boom in the memory market, where strong demand for HBM and tight supply-demand dynamics for DRAM and NAND Flash serve as a key catalyst, boosting growth in total semiconductor production. The AI investment cycle will partially counter macroeconomic uncertainties, ushering in a new wave of industry-wide expansion.

Foundry market share is shifting, with IDC projecting that sub-4nm advanced nodes will drive growth in 2026, boosting overall production value by 20%. As demand for AI computing power grows exponentially, the increasing requirements for transistor density and energy efficiency will drive the adoption rates of 3nm and 2nm technologies. Leading foundries are proactively development next-generation nodes. TSMC is set to increase its market share to 73% through increased capital expenditure (CAPEX) and capacity expansion, while Samsung and Intel shift toward more disciplined investments, concentrating on renewed momentum in 2nm expansion and 1.4nm R&D.

In 2026, capacity utilization is expected to stay above 80%, driven by sustained demand for high-speed transmission chips such as Silicon Photonics (SiPho) and Silicon Germanium (SiGe), as well as high-performance Power Management ICs (PMICs), fueled mainly by AI data centers.

IDC proposed ten major Global Semiconductor Market Trends of 2026:

- (1) The semiconductor market is expected maintain a strong growth momentum, reaching 11% in 2026.
- (2) Surging demand for AI chips. The computing application sector leads the market with an 18% annual growth rate.
- (3) Asia-Pacific IC design grows by 11%. China's market share expands to 45%, cementing its leadership position.
- (4) Advanced processes drive a 20% foundry market growth. TSMC (2330) reaches a 73% market share.
- (5) Mature process market recovers, with capacity utilization stabilizing at 80%.

- (6) Geopolitical developments accelerate semiconductor supply chain restructuring, boosting wafer foundry capacity in the U.S., China, and Japan.
- (7) OSAT (Outsourced Semiconductor Assembly and Test) markets increases by 11% in 2026, with Taiwan and the U.S. seeing continued growth in AI chip packaging.
- (8) CoWoS advanced packaging capacity surges by 72% YoY, but there are still supply shortages.
- (9) Intensifying cloud infrastructure competition fuels a 78% spike in AI server accelerator production.
- (10) Concurrent growth in foundry, non-memory IDM, OSAT, and photomask sectors positions the Foundry 2.0 market for 14% expansion.

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

The price of the main raw materials such as stainless steel in the upstream of the vacuum industry is steadily increasing, although the increases remain moderate. Domestic manufacturers can already supply some high-grade steel products such as 316LN ESR, which helps to obtain high unit price products. However, there is still a minimum batch limit for steel procurement, and there are various sizes and specifications of steel requirements for different products. For processing plants, steel inventory will cause considerable financial burden.

The upstream of the vacuum industry are material and parts manufacturers, among which high-end materials and key parts such as high vacuum pumps or vacuum gauges are still controlled by advanced countries, while the industry midstream are equipment manufacturers concentrated in Japan, Europe, and the United States. Though major international equipment manufacturers have successively set up assembly plants in Asia in recent years, the design and R&D is still mainly conducted at the original factory where the downstream electronics manufacturers are mostly concentrated in Asia.

Research institutions are also the main application for vacuums. In addition to universities, synchrotron radiation accelerators use the most ultra-high vacuum products because of their large structure and extremely high requirements for vacuum and cleanliness and only a few suppliers have the capability to contract its equipment and engineering projects. For the vacuum system cavity components required for the construction of multiple synchrotron advanced light source facilities (New Light Source or Upgrade) around the world in the next 10 years, Htc strives to be contracted by Taiwan's vacuum manufacturer under the guidance of the Taiwan Synchrotron Radiation Center. Through vacuum technology transfer and education and training, accelerator vacuum system design consultants, assistance in contacting and visiting foreign accelerator institutions, and participation in international conferences, exhibitions, and promotions, Htc assists manufacturers with division of labor and collaboration to obtain manufacturing orders for international accelerator vacuum system components.

3. Product development trends and market competition

Vacuum technology is the foundation of the modern technology industry such as semiconductors, optoelectronics, biotechnology, medical care, energy, food, etc. and each holds great importance to the vacuum industry. Among them, as the semiconductor foundry and TFT-LCD panel production region are concentrated in Asia, it not only brings considerable business opportunities for vacuum equipment, but on the other hand, the semiconductor/flat panel display market demand is closely linked with global economic fluctuations. While manufacturers invest in equipment or implement inventory adjustments, they also determine the market demand for vacuum equipment and machines.

Advanced materials and key components such as high-vacuum pumps or vacuum gauges are still in the hands of advanced countries such as Europe, America and Japan, and major vacuum factories tend to operate in a group. For example, the Swedish Atlas Copco Group has successively acquired Edwards in the United Kingdom and Leybold and Brooks cryo pump departments in Germany. Germany's Pfeiffer also acquired France's Adixen and America's NorCal where the original branding still maintains in the market. China is also actively developing key vacuum components such as dry vacuum pumps, and even researching and developing front-end semiconductor vacuum equipment, which may help them to clinch a spot in the vacuum market in the next 10 years.

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

1. R&D expenses for the most recent year

Unit: NTD thousand

Year	2024	2025
R&D expenditure	221,261	206,573
Net operating revenue	3,934,267	3,753,653
R&D expenditure ratio	6%	6%

2. Successfully developed technology or product

Year	Product	Description and function
2025	Dry Pump Rotor Development	<ol style="list-style-type: none"> 1. It was to solve the material shortage problem and improve the rate of the self-sufficiency of key components. 2. We prioritized the development of the required rotors for the 7 types of Dry Pumps with the largest maintenance volume.
	Tubor Pump Rotor Development	<ol style="list-style-type: none"> 1. We self-developed key components for Turbo Pumps. 2. We prioritized the development of the required rotors for the 3 types of Tubor Pumps with the largest maintenance volume.

Year	Product	Description and function
2025	Customized Butterfly Valve Development	<ol style="list-style-type: none"> 1. We developed non-seal and isolation ball valves according to customer requirements. 2. Low-conductance non-seal ball valve could improve pressure control accuracy. 3. Eccentric-shaft isolation ball valve could extend seal life.
	Development of forging processes for Al Gate valve bodies	<ol style="list-style-type: none"> 1. To enhance cost competitiveness, we reviewed and adjusted the valve design and manufacturing process. 2. The upper and lower valve bodies were manufactured using A6061-T6 forging to reduce CNC machining workload.
	Development of Casting Process for Fast Shutdown Gate Valve Disc	<ol style="list-style-type: none"> 1. To enhance cost competitiveness, we reviewed and adjusted the valve design and manufacturing process. 2. The valve disc is manufactured using precision SUS304 casting to reduce CNC machining workload.
	Agile APC Butterfly Valve	<ol style="list-style-type: none"> 1. Through motor resizing and driver module optimization, we have successfully reduced the valve switching time by approximately 18%. 2. Simultaneously, we reduced the driver module heat generation, and enhanced system stability and long-term operational reliability to support high-frequency process requirements.
	High-Temperature APC Butterfly Valve	<ol style="list-style-type: none"> 1. We adopted PEEK connector material to improve thermal isolation and heat resistance, enabling the valve to operate stably at 150 °C, a common temperature in semiconductor processes. 2. We expanded the application range of APC systems to high-temperature processes such as ALD.

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

1. Short-term business development programs

- Integrate the upstream, midstream, and downstream industry chains, develop exhaust gas treatment equipment for semiconductor and optoelectronic factory systems, and become a complete solution provider in the vacuum industry.
- Strengthen the extension of the value chain of the vacuum industry, enter the pipeline design/piping market, expand sales of Micro-bubble wet scrubbers, and provide customers with one-stop services for Valve, Chamber, Dry pump, Turbo pump, Piping, Scrubber and so on.
- Evaluate adding regional agents to promote our own brand of valves.
- Collaborate with system integrators and engineering companies to integrate resources and enhance order-taking capabilities.
- Expand Micro-bubble wet scrubber sales and provide subfab integration solutions.
- Provide vacuum-related technical services and professional technical support at the early design stage and become an irreplaceable partner for the customers.
- Promote comprehensive physical cleaning and implement ESG sustainability plans.
- Promote environmentally friendly and energy-saving heating jackets to meet customer needs for energy-saving products.

2. Long-term business development programs

- Follow customers' overseas expansions to promote international business.
- Penetrate domestic and international equipment manufacturers to become their Tier 1 vacuum valve supplier.
- Develop key components, create high added value products, and provide customer sales/OEM/maintenance and repair/consulting services.
- Extend key component technologies to broaden applications in other industries.
- Assess overseas market agents/distributors to promote our own brand in new markets.
- Integrate the services and products with the most customer demand, such as parts clean, pump maintenance and repair, exhaust gas treatment, vacuum parts, and expand the market and upgrade the services to create a win-win situation.
- Cultivate professional engineers to establish aluminum alloy welding technology to undertake orders for ultra-high vacuum or ultra-high clean aluminum alloy components.
- Participate in university-industry collaboration projects, establish ultra-high vacuum related technologies through technology assistance, technology transfer, etc., and seek out opportunities to contract vacuum system components for international accelerators.
- Continuously evaluate market and technical information, and find suitable targets for investment, mergers and acquisitions or technology transfer.

II. Markets, production and marketing in summary

(I) Market analyses

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

Unit: NTD thousand; %

Region \ Year	2024		2025	
	Sales	%	Sales	%
Domestic sales	3,324,920	85%	3,141,693	84%
Export	609,347	15%	611,960	16%
Total	3,934,267	100%	3,753,653	100%

2. Market share

The Company's proprietary brand of vacuum components and valves is marketed globally, serving leading enterprises in the semiconductor, optoelectronics, and academic research industries. The market share of Edwards turbomolecular vacuum pumps represented by Htc is higher than that of its competitors in Taiwan market. It is the largest repairer for vacuum valves and currently the top 3 for dry pump repairs. It is also the top company for third party repairs. On the other hand, as the scale of Taiwan's semiconductor factories is the largest in the world with the most advanced manufacturing processes, the number of semiconductor subsystems repaired by Htc has gradually increases every year.

3. The future market supply and demand and growth potential

The significant expansion of China's mature process capacity has impacted Taiwan's major foundries in recent two years, indirectly affecting repair and maintenance service orders. However, stricter U.S. regulations on U.S. companies sourcing from China's wafer foundries are expected to gradually mitigate the impact of China's excess capacity on Taiwan's mature process wafer foundries. In advanced processes, as TSMC expands capacity in the U.S., Japan, and Germany, market demand has gradually recovered. Between 2025 and 2028, TSMC's advanced process capacity (sub-5nm) is expected to enter a period of rapid expansion, with a Compound Annual Growth Rate (CAGR) projected to exceed 30%.

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

(1) Competitive niche

A. Meet industrial standards and high-quality requirements for the international market

Manufacture and sales of vacuum components and equipment. Every step in the production of vacuum components from the design will impact the success of the product, such as the correct selection of materials, appropriate size fitting, special weld bead design, and precision welding, while keeping the workpiece clean with a damage-free surface and raw material quality control.

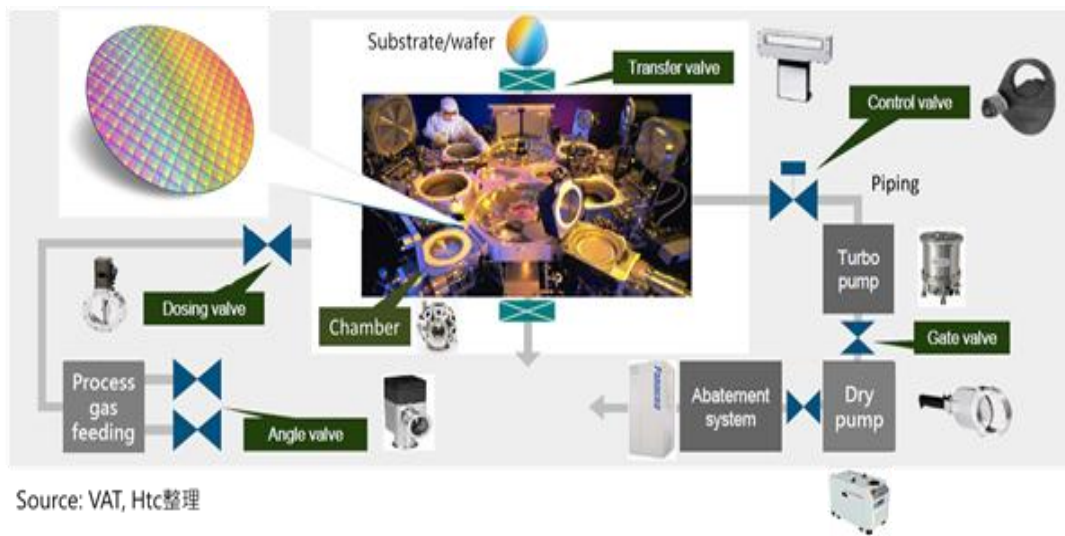
After the product is completed, it is inspected carefully to check whether the welding is complete or empty. Htc design engineers, manufacturing control and processing personnel have accumulated more than 20 years of vacuum-related experience, established standard procedures, and applied this technology to the manufacture of vacuum valves, welded diaphragm bellows, vacuum chambers and systems. The Company is the only domestic manufacturer with this capability. The current vacuum components of Htc have been adopted by major international vacuum manufacturers for ODM and OEM application and have passed the certification of vacuum equipment manufacturers in the United States and Japan. The Company has successfully establish the market in the US and Japan and become the supplier of major domestic semiconductor and optoelectronic manufacturers which is the best proof and recognition from domestic and foreign customers of the Company's technology and quality.

B. Complete vacuum pump and vacuum system maintenance capabilities

The Company's technology for the sales and maintenance of vacuum pumps is concentrated in high-vacuum or high-clean pumps such as turbo molecular pumps, screw pumps and mechanical dry pumps. The turbo molecular pumps maintenance engineers of Htc are sent to the Japanese plant every year to receive strict training and Japanese technicians also come to Taiwan for technical exchanges from time to time. The Company has set up complete maintenance centers in both Hsinchu and Tainan with the advanced tools and equipment even surpass the Japanese plant and the maintenance quality is well received by customers. Compared with other domestic distributors who need to send the equipment back to the original plant for maintenance, the Company is currently the only distributor in Taiwan that has vacuum pump maintenance technology. In addition, the Tree Valley Park factory in Tainan has been put into service in 2023 with the Htc built Class 100 clean production line and Class 1000 cleanroom for advanced manufacturing processes. It will become the first and only one-stop maintenance manufacturer in the industry, covering self-cleaning, maintenance, assembly, and testing. With skilled and in-time maintenance technology to meets the needs of domestic industry, coupled with the supply of various components required by the vacuum system and the overall system solution, it is not limited to a vacuum pump or a vacuum chamber, but the overall complete vacuum system operation that customers care the most.

The Htc market positioning and direction are towards a Total Service Solution, providing customers with complete and convenient equipment and technical services through integrated service solutions. The Company is committed to meeting the customer demand in the market. Thus, the Htc maintenance team has become an indispensable key partner for the manufacturers' equipment operation at most industrial parks.

- The following figure is the layout of the vacuum system



(2) Advantages and disadvantages of development and countermeasures

A. Advantages

Huge potential market

With the technology, environmental protection, energy saving development and other trends in the consumer electronics, auto parts coating, and tool coating industries, coupled with the process of manufacturing and mainlandization, vacuum equipment has been widely used in semiconductor and optoelectronic industries. In the future, with the science and technology development, the requirements for product precision will increase, and the technology industry will have increasingly strict requirements on the vacuum environment. Thus, the demand for vacuum pumps and the technology requirements will also increase. The vacuum pump market is forecast to reach US\$8.7 billion by 2030, representing a CAGR of 5.5% from 2022 to 2030. As major domestic and foreign manufacturers continue to invest in domestic semiconductor industry, the demand for equipment will continue to grow. With the investment in these industrial equipment, high-tech plants, clean rooms, vacuum equipment, and components, the demand will bring huge business opportunities to the industry.

Due to the lack of technological maturity of Taiwan's companies, this industry is mostly monopolized by foreign companies. However, under the premise that the domestic demand market is large and there are requirements for maintenance services, foreign manufacturers have also begun to seek partners for maintenance technology transfer. Thus, domestic manufacturers will have great room for development if they can secure technical support and have production capacity in the future with the domestic advantages.

The industry emphasizes after-sales service and maintenance capabilities, which is conducive to the development of domestic equipment manufacturers

Since most of the vacuum process equipment is used by high-tech manufacturers for the production process and mass production, the efficiency of the vacuum equipment will influence the user's control of product quality. Thus, although vacuum equipment is not required for production, it is a necessary equipment for process control, and it has a great impact on product yield. In addition to the requirements for the function and cost of vacuum equipment, customers have extremely strict requirements for future after-sales service, maintenance capabilities and timeliness of maintenance where maintenance capabilities are often the key considerations for customers. It is the Company's advantage to be able to provide timely repair and maintenance nearby.

Horizontal integration, in-house vacuum components, providing customers with all-round services with high market recognition

To prevent the risk of material shortage and broken supply chains, the Company has started the development of key components. In addition to the maintenance of vacuum equipment such as the corresponding components, requires regular maintenance and replacement for the flanges, clamps, center rings, gaskets, various valves, vacuum pipes, and telescopic hoses except for the core vacuum pump. Thus, in addition to vacuum pumps, the timely and effective coordination of related components is also the key to maintenance effectiveness. Since the component technology for domestic industry has matured, the benefit of horizontal integration will provide a relatively favorable environment for the domestic industry.

Collaborate with domestic and foreign academic and industries to effectively obtain the source of information and technology

The vacuum equipment manufacturing industry is a technology-intensive and capital-intensive industry with high barriers to entry, and advanced countries such as Europe, the United States, and Japan have accumulated decades of experience. Due to the gap in capital and human resources, the Company actively collaborates with domestic academic institutions, such as ITRI, NCSIST, MIRDC, National Taiwan University and National Cheng Kung University, to develop equipment components and other products to further improve equipment repair and maintenance capabilities, and thus obtain opportunities for future advanced R&D.

B. Disadvantages and countermeasures

Difficulty in hiring R&D talents in vacuum equipment related fields

Different from the traditional mechanical equipment industry, vacuum process equipment is widely used in the R&D and high-tech production. The technology of vacuum equipment not only covers traditional mechanical principles but includes the integration of related technologies such as physics, chemistry, materials, and electronics. As the vacuum technology covers several expertise, and the industry is still in its infancy, both capital, scale of operation and talent are generally insufficient.

Countermeasures

- a. Integrating all relevant domestic and international R&D units to expand the R&D and product development capabilities through collaboration with major manufacturers in advanced countries.
- b. Seek collaboration opportunities with upstream and downstream manufacturers to improve the technology in vacuum equipment.
- c. Advocate international collaboration to improve the Company's technology by spotting the technological trend in developing new products in advanced countries.

Geopolitical risks increase.

With U.S. tariff policies, global supply chain shifts will become an inevitable trend, increasing global trade uncertainties and adding pressure to overseas expansions.

Countermeasures

The Company will cautiously yet proactively meet customer needs and increase overseas maintenance and service centers, to further serve customers.

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

1. Key purposes of our principal products

Product	Key purposes
Vacuum components	The structural parts to create vacuum. After assembling the vacuum components in a specific way, the vacuum pump can be used to discharge the air to create a vacuum environment which is to reduce the boiling point of the vapor deposition, avoid gas interference to cause film defects and increase the time to study the film surface. Vacuum environment has become an indispensable element of modern technology.

Product	Key purposes
Vacuum Pump	A device or equipment which uses mechanical, physical, chemical or physicochemical methods to evacuate the evacuated container to obtain vacuum. Generally speaking, a vacuum pump is an equipment that uses various methods to improve, generate and maintain vacuum in a closed space. It is widely used in industries such as semiconductor, optoelectronic, solar energy, machinery, chemical, and medical.
Technical service for equipment cleaning and regeneration	Provide customers with ultra-clean cleaning and surface treatment services for the peripheral needs of OLED equipment components from semiconductor equipment manufacturers.
Vacuum	It is used in a wide range of applications, including hardened coatings for cutting tools, surface decoration coatings, anti-electromagnetic radiation coatings, reflective and protective coatings for car headlights, back contact coatings for thin-film solar cells, optical coatings, and wear-resistant and anti-corrosion films where the requirements of coating specifications are completed by the appropriate manufacturing process and equipment. Vacuum technology and equipment play an important role in the semiconductor industry. For example, the four main processes of semiconductors: thin film, etching, yellow light and diffusion are all indispensable to the use of vacuum equipment, and the semiconductor technology has been developed to the nanometer. Vacuum parts and Vacuum equipment is a key element.
Scrubber	Combined with the patent (Micro-bubble wet scrubber), the development of microwave plasma scrubber can effectively crack, destruct and remove perfluorinated compounds in the process with an efficiency of 99.9%, and effectively eliminate PFCs in water. Micro-bubble wet scrubber has been used in the semiconductor industry and it is verified that the PM2.5 removal rate is greater than 95%. The development of Microwave Plasma Scrubber can provide customers with more efficient and environmentally friendly exhaust gas treatment solutions, and help customers comply with relevant regulations on gas emissions.

2. The manufacturing process of key products

- Vacuum component products such as flange, clamp, center ring, fitting, bellows, valve, and chamber are mainly used in the assembly and connection of pipelines in vacuum systems, as well as the vacuum environment chambers required for the process. The main manufacturing process is forming, turning and milling, welding, assembly, leakage testing and functional testing.
- The process of pump maintenance is roughly divided into dismantling, cleaning, surface treatment, and assembly. After the test is completed, it will be sent back to the customer's production line for installation.
- Vacuum equipment production process: process technology and acceptance standard formulation, ⇨ architecture planning, ⇨ detailed design, ⇨ outsourcing manufacturing and procurement, ⇨ assembly, ⇨ testing, ⇨ client, ⇨ installation and acceptance, and ⇨ after-sales service.
- Micro-bubble wet scrubber production process: process technology and acceptance standard formulation, ⇨ architecture planning, ⇨ detailed design, ⇨ outsourcing manufacturing and procurement, ⇨ assembly, ⇨ testing, ⇨ client, ⇨ installation and acceptance, and ⇨ after-sales service.

(III) Supply status of major raw materials

1. An assessment of the global supply chain environment in 2025

By 2025, the global supply chain has shifted away from the "pandemic-driven shortages" of the past to "structural capacity reallocation." Despite ongoing geopolitical tensions and logistics risks (Red Sea shipping and Panama Canal drought) affecting costs and delivery, Htc ensures operational stability via predictive management strategies.

- Geopolitics and trade policy impact: In response to U.S.-China tech restrictions and tariffs driving supply chain regionalization, the Company has successfully implemented a geographically dispersed deployment strategy in advance.
- AI capacity constraints: Surging demand for high-end computing and advanced packaging has caused component lead-time volatility. The Company has responded with strategic inventory positioning.
- Global sustainability regulations: EU CBAM regulations and global carbon disclosure standards have been transformed into a strategic compliance advantage for the Company.

2. Supply status of major raw materials and procurement strategy

The Company maintains a sound supply chain structure. In 2025, procurement from our top 20 suppliers accounted for approximately 44% of total procurement, representing a moderate level of concentration without significant reliance on any single source.

Our resilient supply chain management has yielded significant results. The upstream supply system operates with exceptional stability, with the on-time delivery rate from major suppliers consistently exceeding 99% annually.

To address heightened demand from “expedited order processing” and “rapid market growth,” our current expected customer delivery fulfillment rate is 75%. To accurately capture market growth momentum and bridge existing gaps, the supply chain has launched the following strategic optimization measures:

- (1) Digital transformation and optimization: Through AI-driven scheduling and SPC quality management systems, the Company harnesses big data to fine-tune production and inventory. Key suppliers also benefit from on-site management coaching and the implementation of quality management mechanisms.
- (2) Supplier Map Expansion: By partnering with more high-quality global suppliers, we aim to diversify regional risk and enhance capacity flexibility.
- (3) Strengthening competitiveness: Amid global economic and trade volatility, we continue to optimize lead times to address urgent demand for high-end semiconductor equipment, thereby expanding our market share.

2025 major raw materials supply table

Major raw materials	Supplier sources (by region)	Supply status and control measures in 2025
Stainless steel materials	Taiwan, mainland China, South Korea, and Japan	Stable lead times: 3% cost savings achieved through price-locking futures contracts
IC chips and electronic control parts	Global foundries and distribution networks	Keep essential stock of A-grade key materials to guarantee supply for AI customers.
Machined and commercially sourced parts	Top-tier domestic and international suppliers	Utilize long-term BP agreements and VMI models to secure priority capacity

3. Supply chain risk management mechanism

Faced with international political and economic volatility, we have established four main risk defenses to maintain uninterrupted production.

- (1) Supply concentration risk: Implement a dual sourcing system while exploring nearshore production opportunities in Southeast Asia, including Malaysia, Indonesia, and Vietnam.
- (2) Price fluctuation risk: Using the Smart Query big data forecasting tool, we monitor metal and energy cost trends in real time and adjust inventory levels to balance inventory level with capital efficiency.
- (3) Transportation and lead time risk: By using the EC e-commerce system, we streamline decision-making and apply differentiated supply approaches for “urgent orders” and “regular orders”.

- (4) Sustainability and compliance risk: Dye-free and reduced-plastic packaging certifications were completed in 2024, with ESG performance incorporated into supplier annual assessments in 2025.

4. Financial resilience and operational impact assessment

In 2025, the Company recorded no significant supply interruptions and experienced no production stoppages caused by raw material shortages. Facing price pressures from the AI-driven surge in electronic component demand, the Company combines digital monitoring tools with long-term supplier partnerships. By (1) locking in costs via targeted inventory and (2) introducing Smart Query big data for timely procurement adjustments, core raw material cost increases are contained below market averages, ensuring stable product gross margins. Currently, supply chain risks remain “controllable and manageable,” and have not materially affected supply, production, or sales operations.

5. Prospects toward future and value creation

Looking ahead, Htc will continue to bolster the three following core components to enhance shareholder value:

- **Transparent management:** Increase demand forecast accuracy and supply chain transparency.
- **Green procurement:** By adopting dye-free production, reducing plastic in packaging, and implementing an aluminum anodizing color grid system, we strengthen our commitment to a circular economy while improving production efficiency.
- **Capital efficiency:** Optimize inventory and cash flow management to sustain competitiveness amid market volatility.

Major raw materials	Supplier		Supply status
	Taiwan	Foreign	
Stainless steel rod	☑		Stable delivery period, futures order
Stainless steel plate	☑	☑	Stable delivery period, futures order
Stainless steel seamless pipe	☑	☑	Stable delivery period, annual order
Flexible stainless steel hose	☑	☑	Stable delivery period, annual order
Automation material	☑	☑	Stable delivery and VMI response
Mechanical components	☑	☑	Stable delivery and BP response
Machined parts	☑		Stable delivery and BP response

※ Blanket Order: No delivery orders.

(IV) Major purchase and sale customers

1. Setting forth the names of any suppliers that have supplied 10 percent or more of the Company's procurements in either of the last two years, and the amount and proportion

Unit: NTD thousand

Item	2024				2025			
	Name	Amount	Ratio to net purchases in the whole year (%)	Relationship to the issuer	Name	Amount	Ratio to net purchases in the whole year (%)	Relationship to the issuer
1	Company A	168,497	9%	None	Company A	195,157	10%	None
2	Company B	164,200	8%	None	Company B	182,548	10%	None
3	Other	1,658,820	83%	-	Other	1,494,797	80%	-
4	Net purchase	1,991,517	100%	-	Net purchase	1,872,502	100%	-

Reasons for increase or decrease: Changes in purchase amounts and percentages are primarily due to changes in product demand.

2. Setting forth the names of any customers that have purchased 10 percent or more of the Company's sales in either of the last two years, and the amount and proportion

Unit: NTD thousand

Item	2024				2025			
	Name	Amount	Ratio to net sale in the whole year (%)	Relationship to the issuer	Name	Amount	Ratio to net sale in the whole year (%)	Relationship to the issuer
1	Company A	851,855	22%	None	Company A	810,510	22%	None
2	Other	3,082,412	78%	-	Other	2,943,143	78%	-
3	Net sales	3,934,267	100%	-	Net sales	3,753,653	100%	-

Reasons for increase or decrease: There has been no change in the customers who accounted for more than 10% of the total sale in the last two years.

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

Unit: person

Year		2024	2025	From Jan. 1, 2026 to Mar. 28, 2026
Number of employees	Direct employee	365	342	332
	Indirect employee	482	494	479
	Total	847	836	811
Average age		38	39	40
Average years of service		6	7	7

Year		2024	2025	From Jan. 1, 2026 to Mar. 28, 2026
Academic qualification	Doctoral Degree	1%	1%	1%
	Master's Degree	11%	11%	11%
	Bachelor's Degree	66%	66%	66%
	High school	16%	16%	16%
	Below high school	6%	6%	6%

IV. Environmental spending

Disbursements for environmental protection: any losses suffered by the Company in the latest year and up to the publication date of the annual report due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: As of 2025 and the report publication date, no violations of the items mentioned above occurred.

The Company has obtained the ISO 14001 certification and it conducts internal audits every six months, and contracts external audit company to audit every year. In addition to contracting legal waste removal and processing vendors in compliance with environmental protection regulations, annual audits are arranged to ensure the task performance.

In addition, regular inspections and audit are carried out according to the relevant environmental protection laws and regulations, and automatic inspection and maintenance is implemented for the relevant prevention and control equipment. It is expected that there will be no major loss incidents caused by environmental pollution in the future.

V. Employee-employer relationship

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

1. Diverse benefits that are superior to regulations

Bonuses and subsidies	Insurance and family-friendly benefits
1. Year-end bonus	1. Labor, health insurance and pension contributions
2. Employee bonus	2. Excellent and complete employee group insurance and term life insurance
3. Performance bonus	3. Family insurance
4. Sales bonus	
5. Proposal and improvement bonus	
6. Efficiency Improvement Bonus	

Bonuses and subsidies	Insurance and family-friendly benefits
7. 3-festival bonuses/gifts 8. Labor Day bonus/gifts 9. Employee Stock Ownership Trust subsidies 10. Travel subsidies 11. Full-face helmet subsidies 12. EV charging pile subsidies	4. Accident insurance 5. Occupational accident insurance 6. Childcare leave 7. Flexible working hours

- The Company provides labor insurance, health insurance, employee life insurance, group insurance and occupational accident insurance for employees and their families. For employees who often travel abroad, there is travel insurance to create a safe and carefree working environment.
- Formulate reward management systems such as performance bonuses, employee stock ownership trust, employee remuneration, sales bonuses and distribute bonuses to share operation performance based on team performance and individual assessment results.
- Establish employee dormitories and exclusive accommodations for employees who commute from a long distance and on business trips.
- A maternity breastfeeding room is set up for employees after childbirth and for breastfeeding to create a friendly breastfeeding environment.
- Holding employee family days to strengthen employee relations and the connection with the employee's families.
- Assist employees in acquiring low-interest loans with less cost for the capital from the banks.
- Establish a Welfare Committee to allocate 1% of the established paid-in capital, 0.15% of monthly sales income, and 40% of scrap income as employee welfare funds; provide annual festival gifts (cash gift), and other welfares for birthdays, weddings and funerals, end-of-year activities, domestic and foreign travel for employees, and club activities to strengthen the harmonious relationship between labor and management.
- In accordance with the relevant laws and regulations on social insurance in China, Shanghai Htc provides Shanghai basic medical insurance for urban employees and commercial health insurance, creating a carefree working environment.

2. Employee continuous education and training

To encourage employees to continue to learn and develop, the Company arranges training courses in the following categories:

- New Employee Training: provide training on industrial safety and hygiene, basic management systems and specific professional skills, so that new employee can familiarize themselves with the unit and company operations as soon as possible and prevent accident and disasters; a total of 103 new employee participated in the training in 2025, with a total of 2,166 training hours.
- Vocational Training: provide external training, supplemented by internal training by external or internal lecturers, so that personnel in various positions can keep improving and strengthen professional skills; in 2025, a total of 300 people participated in external training, with a total of 2,584 training hours; 7,921 people participated in internal training, with a total of 13,401 training hours.

3. Retirement system and implementation

- From Jul. 1, 2005, employees who choose to apply the pension system of the “Labor Pension Act” will transfer 6% of the monthly salary to the employee’s individual pension account of the Bureau of Labor Insurance to prepare for the new pension system.
- The Company provides Employee Stock Ownership Trust superior to regulations, and has established Management Guidelines for Employee Stock Ownership Trust to attract outstanding talents and synergy. It is hoped that employees can utilize the trust in times of emergency or retirement.
- A summary of the Company’s employees participation in Employee Stock Ownership Trust is as follows:

Item	2023/12	2024/12	2025/12
Number of employees	298	320	303

4. Status of labor-management agreements and measures for preserving employees’ rights and interests

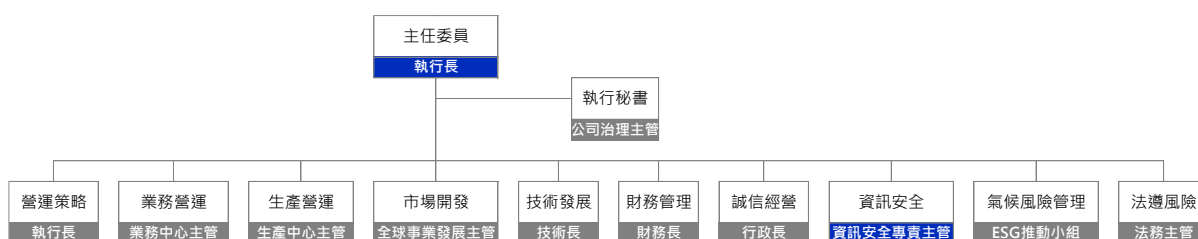
Htc is under applicable industry of the “Labor Standards Act”, and all operations are based on it. The Company has established a sound proposal system, accepting employees’ complaints about work process, management system improvement, and employee opinions, and the opinions from all parties received will be used as a reference for the improvement of the Company’s various measures. The Company pays great attention to the benefits of employees and the communication with employees. Thus, the relationship between labor and management is harmonious and no labor disputes have occurred since its establishment. However, the Company continues to strengthen communication and coordination between labor and management, and strives to improve welfare measures to promote a more harmonious labor-management relationship and to eliminate the possibility of labor disputes. No labor disputes occurred in 2025 or up to the publication date.

(II) List any losses suffered by the Company in the latest year and up to the publication date of the annual report due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken

1. Since its establishment, Htc has enjoyed a harmonious labor-management relationship. In the latest year and up to the publication date of the annual report, no loss has occurred due to labor disputes.
2. Possible expenses that could be incurred currently and in the future: The Company attaches great importance to the opinions of employees to understand employees' satisfaction with the management and welfare system and continues to maintain good labor-management relations. Due to the good labor-management relationship and a consensus reached by the labor and management, no labor disputes and related losses have occurred.
3. Countermeasures: Maintain good communication channels with employees at any time to avoid labor disputes.

VI. ICT security management

(I) Information security risk management framework



Currently, the IT department of the Company is responsible for the promotion of ICT security. The current information management system has established the internal control EDP operation system in accordance with Article 9 of the "Regulations Governing Establishment of Internal Control Systems by Public Companies" where various controls are based on ISO 27001, the Enforcement Rules of the Personal Data Protection Act, and the Guidelines for Information and Communication Security Management for Exchange-Listed and OTC-Listed Companies. The information unit is responsible for coordinating information security and related matters according to the responsibilities of the organizational department. It will formulate, promote, and implement information security policies and management methods according to actual management needs. The audit unit conducts internal audits in accordance with internal control policies, and regularly conduct follow ups and improvements to reduce information security risks.

The Company established a Risk Management Committee on Nov. 10, 2022, with the CEO as the chair; it formed an information risk team as a dedicated information security management unit. In 2024, the information risk team was integrated into the Strategy Committee, with one dedicated information security supervisor and a dedicated information security staff member appointed. The information security management status is reported to the Board of Directors at least once a year.

(II) Information security policy

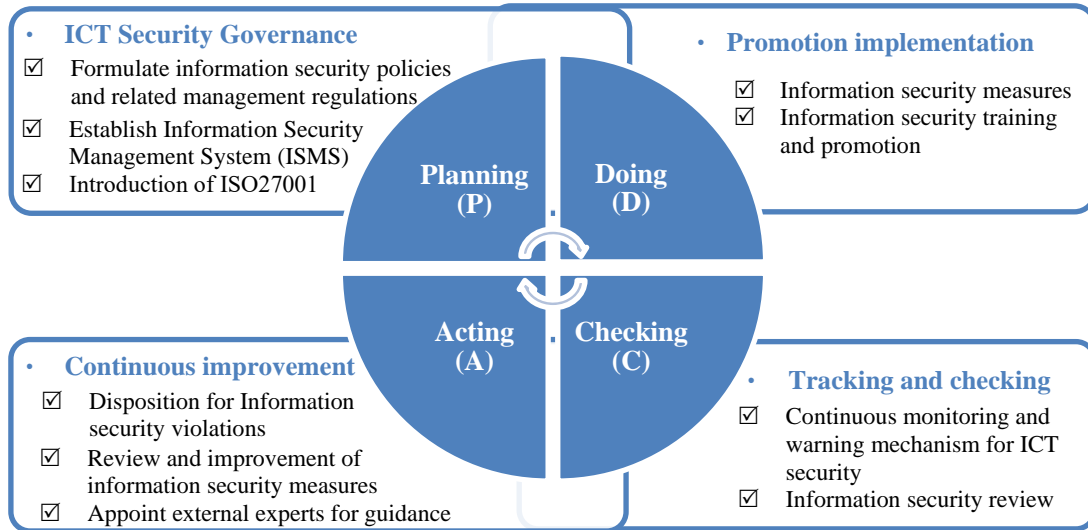
To strengthen information security, assure the confidentiality, integrity and availability and personal data requirements of the information assets, provide an information environment for the operation of the Company's information business, comply with the requirements of relevant laws and regulations, and protect the Company from internal and external deliberate or accidental threats, the Company formulated the "Information security policy Management Regulations", on Sep. 12, 2022 for all employees to follow.

To assure the confidentiality, integrity and availability of the Company's information assets, and to protect the security of user data privacy. We expect to achieve the following goals through the joint efforts of all employees in the Company:

1. Protect the Company's operating information from unauthorized access to ensure confidentiality.
2. Protect the Company's operating information from unauthorized modification to ensure its accuracy and completeness.
3. Formulate, promote, implement, evaluate and improve information security management matters to ensure an information environment is provided to the Company's operation.
4. Conduct information security education and training to promote awareness of information security and raise the awareness of related responsibilities.
5. Implement the information security risk assessment mechanism to improve the effectiveness and timeliness of information security management.
6. Implement an information security internal audit policies to ensure the implementation of information security management.
7. Establish the Company's operation plan to ensure the operation of the Company's services.
8. The implementation of various operation of the Company must comply with the requirements of relevant laws or regulations.

(III) Information security management solution

To enhance the Company's information security and stable operation, provide reliable information services, assure the confidentiality, integrity and availability of the information system, increase the user's awareness of information security, and implement various management operations



Management item	Operation
1. Security Management of Information Assets	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Regularly review inventory of assets every year. <input checked="" type="checkbox"/> Establish renewal maintenance warranty contract on important assets. <input checked="" type="checkbox"/> Back up important systems and data locally, off-site or in the cloud.
2. Conduct personnel management and education and training.	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Continue to establish, advocate and promote employees' awareness to improve information security <input checked="" type="checkbox"/> Conduct information security training for new employees. <input checked="" type="checkbox"/> Conduct various of information security promotion from time to time.
3. Physical and Environmental Safety Management	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> The sever room security area is equipped with access control to ensure that only authorized personnel are allowed to enter. <input checked="" type="checkbox"/> Information-related equipment should be properly placed, protected, and monitored to reduce damage caused by environmental threats, such as temperature and humidity.

Management item	Operation
4.Computer System and Network Security Management	<input checked="" type="checkbox"/> External and personal computer network equipment shall not be connected to the Company network. <input checked="" type="checkbox"/> The enterprise-level wireless network system can only be connected through system integration verification mechanism. <input checked="" type="checkbox"/> Apply file encryption protection mechanism for important data. <input checked="" type="checkbox"/> Install professional antivirus software with automatic update. <input checked="" type="checkbox"/> Set up a new-generation network firewall and set connection rules to ensure safe use. <input checked="" type="checkbox"/> Establish and perform email antispam, virus protection and vulnerability scanning and major patch updates.
5.System Access Control Security	<input checked="" type="checkbox"/> The system authority can only be accessed upon application according to employee's position and function. <input checked="" type="checkbox"/> Conduct periodic access review every year. <input checked="" type="checkbox"/> Set policies such as passwords, locks, and complexity.
6.System Development and Maintenance of Security Management	<input checked="" type="checkbox"/> When developing systems independently or outsourcing system development. Security control should be established for the maintenance, update, online implementation, and version control to prevent improper software, trapdoors and computer viruses from damaging the system's security.
7.Sustainable operation	<input checked="" type="checkbox"/> Conduct risk assessment and disaster recovery procedures according to the Company's sustainable operation plan every year, and conduct system disaster recovery drills accordingly to ensure the availability of information systems.

(IV) Resources invested in information and communication security management

To enhance the Company's information security and stable operation, provide reliable information services, assure the confidentiality, integrity and availability of the information system, increase the user's awareness of information security, and implement various management operations. At present, the information department has 8 people, responsible for the information management system, the Company's information system, and the establishment of software and hardware. The execution status of information security management tasks in 2025 is as follows:

Item	Implementation Status in 2025		
Company-wide Information Security Awareness Raising	<input checked="" type="checkbox"/> Internal EIP announcements for company-wide information security awareness raising: ① Avoid public USB charging stations to prevent juice jacking ② Ban USB drives and portable storage devices ③ Watch out for social engineering scams! LINE group messages + remittance requests ==> red flag! <input checked="" type="checkbox"/> Information security awareness raising for new employees. <input checked="" type="checkbox"/> Regular information security awareness raising on electronic bulletin boards. <input checked="" type="checkbox"/> RISMS education and training.		
Review work	ICT Security Inspection and Review (Jan. 2025)		
Information security drill	Backup system recovery drill (at least once a year, Nov. 2025)		
Security organization	Approved as a member of TWCERT Information Security Alliance (2022)		
ICT Security Meeting	Four information security team meetings were held in 2025, with key focuses including: <input checked="" type="checkbox"/> Management of high-privilege accounts and prevention of data breaches. (Feb. 14, 2025) <input checked="" type="checkbox"/> Management of privileged accounts and information security insurance evaluation. (Jul. 10, 2025) <input checked="" type="checkbox"/> Management of document confidentiality and system development processes. (Oct. 1, 2025) <input checked="" type="checkbox"/> Formulate policies and controls for network and physical security management. (Nov. 26, 2025)		
Information security personnel training	Date	Course name/ Certificate	Hours, Head count
	2025/2/24	“Taiwan Academy of Banking and Finance” E-Course on Information security Governance Guidelines for Listed Companies	0.5 hours, 3 participant
	2025/2/24	“Taiwan Academy of Banking and Finance” E-Course on information security awareness, essential knowledge, and responsibilities	2 hours, 3 participant
	2025/2/25	“Taiwan Academy of Banking and Finance” E-Course on information security incidents and preventive measures	2.5 hours, 3 participant
	2025/5/8	Microsoft Security Operations Analyst	28 hours, 1 participant

Item	Implementation Status in 2025		
	2025/5/8	Security Optimization: Network Device and Remote Access	21 hours, 1 participant
2025/8/28	Microsoft Identity and Access Administrator	28 hours, 1 participant	

(V) Losses, possible impacts, and countermeasures from major ICT security incidents in the latest year and up to the publication date of the annual report

Information security indicators	Information security customer complaint	External sabotage, data theft or virus threats	Abnormal information system or abnormal equipment operation impact incident
2025 (incident)	0	0	0

VII. Important contract

As of the annual report publication date, aside from ordinary commercial transactions, the Company has not signed any significant contracts. Additionally, the Company disclosed "material contingent liabilities and unrecognized contractual commitments" in its consolidated financial statements.

Chapter V. Financial Status and Performance Review Analysis and Risks

I. Financial status

Unit: NTD thousand

Item \ Year	2024	2025	Difference	
			Amount	%
Current assets	3,919,126	4,051,791	132,665	3
Property, plant and equipment	3,476,393	3,199,313	(277,080)	(8)
Intangible assets	97,735	135,326	37,591	38
Other assets	463,151	423,116	(40,035)	(9)
Total assets	7,956,405	7,809,546	(146,859)	(2)
Current liabilities	2,071,412	2,505,040	433,628	21
Non-current liabilities	1,950,797	1,336,719	(614,078)	(31)
Total liabilities	4,022,209	3,841,759	(180,450)	(4)
Share capital	945,613	944,623	(990)	0
Capital surplus	410,684	326,739	(83,945)	(20)
Retained earnings	1,738,998	1,860,643	121,645	7
Other equity interest	(7,270)	(29,961)	(22,691)	(312)
Equity attributable to owners of the parent company	3,088,025	3,102,044	14,019	0
Non-controlling interests	846,171	865,743	19,572	2
Total amount of shareholder's equity	3,934,196	3,967,787	33,591	1
<p>Analysis of changes in the increase or decrease ratio (the change ratio over 20% with the amount over NT\$10 million):</p> <ol style="list-style-type: none"> 1. Intangible assets increased due to the purchase of computer software. 2. The increase in current liabilities was resulted by the increase in short-term borrowings. 3. The decrease in non-current liabilities was resulted by the decrease in long-term borrowings. 4. The reduction in capital surplus was due to the Company's cash dividend distribution. 5. The decrease in other equity was mainly due to a decrease in exchange differences from the translation of financial statements of foreign operations. 				

II. Financial performance

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

Unit: NTD thousand

Item	2024	2025	Increase (decrease)	Percentage of changes (%)
Revenue	3,934,267	3,753,653	(180,614)	(5)
Gross profit	1,359,804	1,251,242	(108,562)	(8)
Net operating income	454,276	351,388	(102,888)	(23)
Non-operating income and expenses	(5,384)	(5,132)	252	5
Net income (loss) before tax	448,892	346,256	(102,636)	(23)
Current period net income (loss)	385,874	296,160	(89,714)	(23)
Other comprehensive income (net amount after tax)	37,447	(24,520)	(61,967)	(165)
Total comprehensive income	423,321	271,640	(151,681)	(36)

Analysis of changes in the increase or decrease ratio (the change ratio over 20% with the amount over NT\$10 million):

1. Net operating income declined was due to the limited flexibility of fixed operating costs and a rise in expected credit impairment losses.
2. The decrease in net income (loss) before tax and net income (loss) for the period was due to a significant reduction in net operating income.
3. The decrease in other comprehensive income (net of tax) was mainly due to a decrease in exchange differences from the translation of the financial statements of foreign operating institutions.
4. The decrease in total comprehensive income was due to significant reductions in both net income (loss) for the current period and other comprehensive income (net amount after tax).

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

The Company evaluates and sets annual sales targets based on the industry environment and the future market supply and demand, as well as relevant information such as R&D plans and business development. The industry to which the Company operates is still in the growth stage and it will increase the market share and profitability according to changes in market demand in the future.

III. Cash flow

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

Unit: NTD thousand

Opening cash balance	Net cash flow from operating activities in the year	Annual cash outflow	Cash surplus (deficit)	Countermeasure for cash deficits	
				Investment plans	Wealth management plans
1,232,128	357,384	(652,000)	937,512	None	None

Analysis on cash flow change in 2025:

1. Cash inflow from operating activities was NT\$357,384 thousand which was mainly operating revenue.
2. Cash outflows of NT\$652,000 thousand were mainly due to equipment purchases and repayment of bank loans.

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

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

Unit: NTD thousand

Opening cash balance	Net cash flow anticipated from operating activities in year-round	Anticipated year-round cash outflow	Expected cash surplus (deficit)	Countermeasure for cash deficits	
				Investment plans	Wealth management plans
937,512	453,437	(487,927)	903,022	None	None

1. Analysis on the cash flow change for next year:
 - (1) The net cash inflow from operation mainly comes from the inflow of operation revenue.
 - (2) Cash outflows from investing and financing activities are mainly used to repay long-term borrowings, capital expenditures, etc.
2. Remedial measures and liquidity analysis for anticipated cash shortfalls: There is no cash shortage.

IV. The impact of the significant capital expenditure in the latest year upon the financial performance: None.

V. The outward investment policies in the latest year. The key reasons leading to the profit or loss, the corrective plans and the investment plan in one year ahead

(I) Reinvestment policy in the latest year

Combine industries related to the core business to carry out long-term strategic investments.

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

The Company's investment income accounted for using equity method in 2025 was NT\$ 16,710 thousand which was resulted by the stable operation and profits of the investees.

(III) Investment plans in the coming fiscal year

The Company will evaluate any investment plan with focus on the future growth to respond to future market and economic changes.

VI. Risk item analysis and evaluation

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

1. Interest rate

The Company's manage capital by adopting floating interest rates; thus, the interest rate risk exposure arises. The carrying amount of the Company's financial assets and financial liabilities exposed to the interest rate risk at the balance sheet date is as follows:

Unit: NTD thousand

Item	2025
Net interest income (expenses)	(42,541)
Proportion of operation revenue	(1.13%)
Proportion of net income	(14.36%)
Cash flow interest rate risk:	
Financial assets	937,512
Financial liabilities	2,832,072

If the interest rate increases by 1% with all other variables remain unchanged, the Company's net profit before tax in 2025 will decrease by NT\$18,946 thousand.

Countermeasure: To avoid the impact of interest rate changes, the Company pays attention to the trend of changes in market interest rates, and regularly evaluates the loan interest rates of financial institutions, obtains the average market interest rate, and works closely with financial institutions to strive for the most favorable interest rates.

2. Exchange rate

Unit: NTD thousand

Item	2025
Net exchange gain (loss)	3,341
Proportion of operation revenue	0.09%
Proportion of net income	1.13%

The foreign currency demand of the Company is for the export goods and imported raw materials denominated in foreign currency. The exchange rate risk management is within the scope permitted by the Internal Control Policies and relevant management measures to use forward foreign exchange contracts to manage risks.

The carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies of the Company on the balance sheet date are as follows:

Unit: NTD thousand

Item	2025
Monetary items:	
Financial assets	445,228
Financial liabilities	55,127

The net foreign currency position is mainly affected by fluctuations in the exchange rates of the U.S. dollar and the Japanese yen. When the exchange rates of the relevant foreign currencies against New Taiwan dollar fluctuate and if the foreign currency appreciates or depreciates by 1%, the Company's net income before tax in 2025 was affected by NT\$3,901 thousand.

Countermeasure: The foreign exchange management of the Company adopts a prudent and conservative approach to reduce the risks caused by large exchange rate fluctuations in the market. The specific measures to respond to exchange rate changes are as follows

- (1) Utilize the relative position of assets and liabilities to eliminate part of the risk of exchange rate fluctuations with natural risk hedging.
 - (2) Collect information about exchange rate changes at any time, keep track of the exchange rate trend, and determine the NTD exchange time.
 - (3) Make good use of domestic foreign exchange hedging tools to avoid exchange losses caused by exchange rate changes.
3. The impact of inflation on the Company's profit and loss and future countermeasures

Recently, as domestic and foreign prices continue to rise with great fluctuation, it is expected that inflation will persist. The Company will pay close attention to inflation and adjust product prices and raw material inventory appropriately to reduce the impact of inflation. influence, The Company will also sign long-term purchase contracts with partner manufacturers for main raw materials to stabilize prices.

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

1. Based on the prudent and conservative principle, the Company has not engaged in high-risk, high-leverage investments in the latest year and up to the publication date of the annual report.

2. Loaning funds to others

The Company has established the “Operational Procedures for Loaning Funds to Others” as the basis for lending funds to others. In the latest year and up to the publication date of the annual report, there was no case of loaning funds to others.

3. Endorsements/guarantees

Dec. 31, 2025; Unit: NTD thousand

Endorsement party	Counter party	Relationship	Ratio of shareholding	Balance of endorsement guarantee at the end of the period
Highlight Tech Corp.	HIGHLIGHT TECH JAPAN Co., Ltd.	Note 1	100%	160,640
Highlight Tech Corp.	Litho Med Trading Co., Ltd.	Note 1	100%	30,000
Highlight Tech Corp.	TetraTrio Tech Co., Ltd.	Note 1	75%	450,000

Note 1: The parent company and subsidiaries hold more than 50% of the common shares of the subsidiaries.

The purpose of the endorsement guarantee is to meet the working capital needs of the subsidiaries. In addition to prudent assessment, regular report and control, the implementation of relevant policies is based on the “Procedures for Loaning of Funds and Making of Making of Endorsements/Guarantees” and the resolution of the Board of Directors.

4. Derivatives Trading

The Company engages in derivative financial product transactions to avoid the exchange rate risks of claims and debts denominated in foreign currency, and its policy is aimed at avoiding most of the fair value changes or cash flow risks.

As of the end of 2025 there is no unexpired forward foreign exchange contracts of the Company.

The Company is engaged in the operation of derivative products to avoid the exchange rate risks of assets and liabilities denominated in foreign currency. The Company’s “Procedures for the Acquisition and Disposal of Assets” have strict regulations, so the profits or losses generated have not had a significant impact on the profit and loss of the Company. The operation will be maintained in the future to avoid risks.

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

1. Future research & development programs

No.	Item	R&D plan	Current R&D progress
1	Industrial communication IC solutions	<ol style="list-style-type: none"> 1. Deployment of Hilscher IC solutions. 2. APC 1.0 I/O and communication board PCB upgrades. 3. DeviceNet and EtherCAT firmware updates. 4. Development of NetX90-based (multi-protocol embedded chip) daughter board and HTC development board. 	<ol style="list-style-type: none"> 1. I/O and communication board PCB production is currently underway. 2. DeviceNet solution under validation. 3. External partnerships for daughter board and development board production.
2	R&D measurement platforms for high-/ low-speed and synchronous/asynchronous data acquisition	<ol style="list-style-type: none"> 1. Low-speed asynchronous measurement platforms and modules: Including PC/MCU/SBC-based systems, integrated measurement modules, and application case studies. 2. High-speed synchronous systems: Development of PLC-based platforms, integrated measurement modules, and application use studies. 	<ol style="list-style-type: none"> 1. Low-speed asynchronous measurement platforms and modules: Hardware for ADC, DAC, DIO, continuous position measurement, and edge-computing-based vibration measurement has been established; application case studies are currently under development. 2. High-speed synchronous systems: The PLC selection process is currently underway.
3	APC pressure control system integration project	<ol style="list-style-type: none"> 1. Development of Field-Oriented Control (FOC) motor drive platform 2. Integration/development of asynchronous pressure control computing units. 3. Internal analog and power circuit optimization. 4. Embedded algorithm migration. 	<ol style="list-style-type: none"> 1. FOC motor platform selection. 2. Definition of internal communication protocols for asynchronous pressure control algorithm units. 3. Validation of asynchronous pressure control algorithms is currently underway.
4	CIP system integration program.	<ol style="list-style-type: none"> 1. Dry pump communication conversion solution. 2. Secure handheld support device development. 3. PLC-based fab solutions. 4. Mass production and validation methodologies for products under this category 	<ol style="list-style-type: none"> 1. Completion of Dry Pump communication conversion solution for Company E. 2. Finalization of specifications for handheld support devices. 3. Development of PLC platforms based on Fab-level and customer-defined specifications is currently underway.

No.	Item	R&D plan	Current R&D progress
5	Valve design optimization and quality improvement project	<ol style="list-style-type: none"> 1. Structural and dimensional optimization and validation. 2. Multi-body dynamics analysis and validation. 	<ol style="list-style-type: none"> 1. Structural and dimensional optimization and validation: Butterfly, rectangular, gate, and all-metal valves are currently under simulation and validation. 2. Multi-body dynamics analysis and validation: Rectangular and gate valves are currently under simulation and validation.
6	Development project for key pump components	<ol style="list-style-type: none"> 1. Development of dry pump rotors. 2. Development of TMP rotors, shafts, and bases. 3. Development of corrosion-resistant coating technology. 	<ol style="list-style-type: none"> 1. Dry rotor: Three models completed; one model completed internal validation (pending customer validation); one model completed machining (pending internal validation); five models are currently under processing. 2. TMP rotor: One model currently under internal validation; three models are currently under processing. TMP shaft: One model currently under internal validation; one model currently under fabrication. TMP base: Negotiations with suppliers are currently underway. 3. Development of corrosion-resistant coating technology: Completed factory coating chemical composition analysis. Coating sample preparation currently underway.
7	Wafer process and foundry services	<ol style="list-style-type: none"> 1. SiC 6"/8" production line (internal/external resource integration): Performing cutting, grinding, polishing, and inspection. 2. Provides waferization foundry services for various crystal ingots, including specialized slicing. 3. Functional substrates *Carrier, TIM, and TXV) process development. 	<ol style="list-style-type: none"> 1. SiC 6"/8" multi-wire sawing processes include contour inspection to ensure alignment with as-cut wafer specifications. 2. AlN 8" multi-wire sawing processes include contour inspection to meet specific customer-defined

No.	Item	R&D plan	Current R&D progress standards.
8	The development plan for self-made anhydrous and water-compatible SAM systems is active.	<ol style="list-style-type: none"> 1. Anhydrous component material selection, mechanical design, and scanning path integration. 2. Experimental platform standard measurement procedures and market sample testing. 3. Signal and image processing technology optimizes signal acquisition modules to enhance SNR values. 4. Establishment of a panel-level measurement platform. 	<ol style="list-style-type: none"> 1. The thin-film water isolation architecture has been established, completing the feasibility verification for SAM scanning. 3. The self-made wafer-level water-coupled SAM experimental machine is complete and ready for sample testing and equipment development.
9	The development project for XRT AI defect classification and 8-12" inspection equipment.	<ol style="list-style-type: none"> 1. Density analysis of various defects across all layers of the crystal ingot. 2. Stress analysis. 3. Development of 8-12" full-ingot and layered inspection equipment. 	<ol style="list-style-type: none"> 1. Full-ingot and layered inspections are performed on 6-8" samples to conduct preliminary D/P grade screening. 2. An AI defect prediction model is being built using XRT results to forecast Basal Plane Dislocation (BPD) distributions.

2. The Company's estimated R&D expenses: The R&D expenses in 2026 are estimated to be between NT\$80 million and NT\$90 million.

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

The Company continue to pay attention to the changes in policies and regulation that may impact the Company's operations, and the Company has cooperated with the relevant competent authority's revision of corporate governance, and company act. There is no major impact on financial performance, and there has been no major impact on the Company's financial performance in the latest year due to major domestic or international policy and regulation changes.

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

In addition to obtaining industry-related information, the Company also review the impact of external industry changes, formulate strategies and make planning adjustments from time to time. If the changes expose the Company to risks, the Company will convene internal meetings at any time to discuss countermeasures, and continue to develop new technologies, expand to new markets and new industries to allow the Company to continue leading the vacuum application services industry and minimize the loss caused by external changes.

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

The Company adopt the principle of stability and steadiness with a decent corporate image. The Company continues to aid disadvantaged groups from time to time by providing resources and money donations. It also attracts more outstanding talents to serve the Company by listing on the stock market to strength of the management team and return the results to the shareholders and the public to fulfill the social responsibility. Thus, there is no incident that endangers the corporate image, and there is no risk of corporate crisis.

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

Up to the publication date of the annual report, the Company have no major merger and acquisition plans. If the economy and the overall planning of the Group change, the relevant merger and acquisition plans will be carried out in accordance with the laws and regulations.

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

The expansion of production capacity for our company and all subsidiaries is carried out through meticulous capital expenditure planning.

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

The risks from the centralized input undertakings and the Company's countermeasures Throughout 2025, global supply chains faced persistent challenges from U.S. tariffs, geopolitical risks, and shifting market demand, resulting in a centralized supply trend for key materials and components. Operational problems, production capacity adjustments, or policy restrictions at major suppliers may affect the Company's production schedules and overall cost structure.

The Company has formulated a diversified sourcing strategy and fostered long-term partnerships with major global and domestic suppliers. The top 20 suppliers represented about 44% of the Company's total procurement last year, which remains within a reasonable range. There have been no major supply chain interruptions or material shortages as of the publication date of this annual report.

To manage risk, the Company promotes dual sourcing, regional diversification, and safety stock strategies, while reinforcing supply stability and flexibility through long-term agreements and coordinated capacity planning. The overall assessment indicates that the risks from our centralized input undertakings are within a controllable range.

The risks from the centralized output undertakings and the Company's countermeasures
The Company's main clients are concentrated in the semiconductor and equipment-related industries. Significant changes in the operating strategies, CAPEX, or market demand of the Company's major clients may adversely affect its revenue.

The Company continues to expand its customer structure and application fields to minimize reliance on any single client or market. We further increase customer stickiness through technological upgrades and product differentiation strategies. Meanwhile, we are actively developing new markets and international partners to disperse market risks.

As a whole, the Company's risks from the centralized output undertakings are controllable, and they have not significantly affected its financial structure or operational stability.

The overall assessment indicates that, as of the publication date of this report, the Company's supply chain and sales operations remain stable, and there have been no major concentration risk-related incidents. Looking ahead, the Company will continue to monitor the evolving global supply chain and industrial landscape. By strengthening our risk management framework, we aim to ensure sustained operational stability and long-term corporate development.

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

In the latest year and up to the publication date of the annual report, the Company's directors have not had many transfers or major changes in equity, and the Company has no major shareholders holding more than 10% of the shares.

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

In the latest year and up to the publication date of the annual report, the Company has not had any change in control.

(XII) Litigious and non-litigious matters

List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the president, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute up to the publication date of the annual report:

In the latest year and up to the publication date of the annual report, there are no pending major litigation, non-litigation or administrative disputes.

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

VII. Other important disclosures: None.

Chapter VI. Special disclosure

I. Relevant information of affiliated enterprises

(I) Consolidated business reports teaming up with affiliated enterprises

The consolidated business report for the most recent fiscal year of affiliated companies has been filed on the information reporting website. The access method and website URL for information inquiry are listed below.

- Reference : 公開資訊觀測站>單一公司>電子文件下載>關係企業三書表專區
- Website : https://mopsov.twse.com.tw/mops/web/t57sb01_q10

(II) Relationship report : Not applicable

(III) The Affiliate's Consolidated Financial Statements

According to the letter No. 1130382569 dated June 26, 2024, issued by Financial Supervisory Commission, the companies that the Company is required to include in the preparation of consolidated financial statements of affiliated enterprises pursuant to the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those required to be included in the parent-subsidiary consolidated financial statements under IFRS 10. Furthermore, the relevant information that should be disclosed in the consolidated financial statements of affiliated enterprises has already been disclosed in the aforementioned parent-subsidiary consolidated financial statements. Therefore, the Affiliate's Consolidated Financial Statements is not prepared.

The financial statements for the most recent fiscal year have been filed on the information reporting website. The access path and website URL for information inquiry are provided below.

- Reference : MOPS> Electronic Books >Financial Statement
- Website : https://mops.twse.com.tw/mops/#/web/t57sb01_q1

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

III. Other supplementary information: None.

IV. Occurrences of events defined under Subparagraph 2, Paragraph 3, Article 36 of the Securities Exchange Act in the latest year and up to the publication date of the annual report that significantly impacted shareholders' equity or security prices

To safeguard the Company's credit and protect shareholders' equity, the Board resolved on May 8, 2025, to buy back treasury shares. The Company bought back 99,000 shares, resulting in a capital reduction of NT\$990,000. A total of 99,000 shares were canceled, representing a capital reduction ratio of 0.1%. Following the reduction, the paid-in shares capital stands at NT\$944,623,430, with 94,462,343 issued shares. The change registration for this case was completed on Sep. 30, 2025.