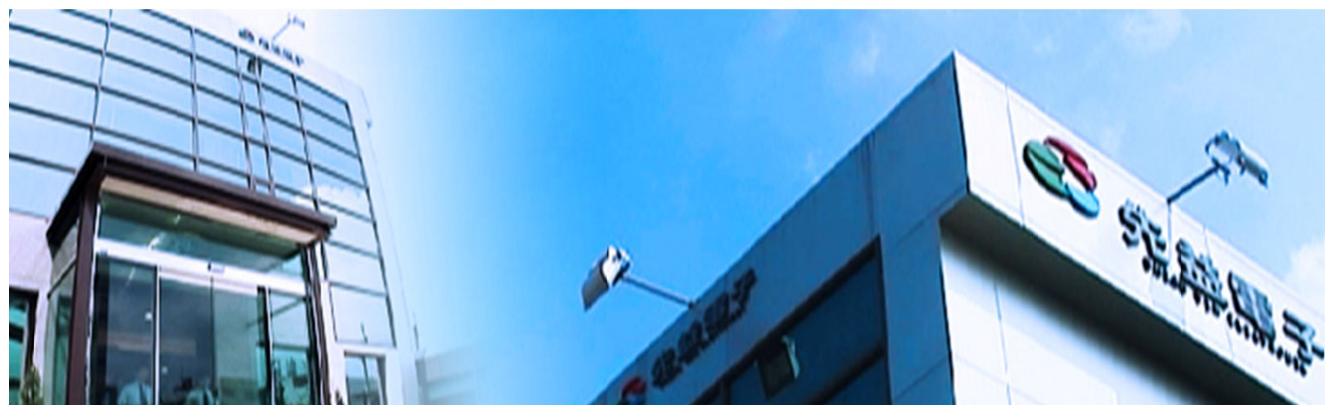




SHIAN YIH ELECTRONIC INDUSTRY CO., LTD

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Stock Code: 3531

**Middle and small size of LED backlight module
Vehicle mounted optics and lighting module**

Shian Yih Electronic Industry Co., Ltd.

2025 Annual Report

Market Observation Post System website: <http://newmops.tse.com.tw>

The website of the Company: <http://www.shianyih.com/>

Publication date: March 31, 2026

Shian Yih Electronic Industry Co., Ltd.

2025 Annual Report

Spokesperson of the Company

Name: Fang, Chien-Jen
Title: Manager of the Head Light Department
Tel: 04-23590111
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Deputy Spokesperson

Name: Chen, Jui-Sui
Title: Manager of the Financial Department
Tel:04-23590111
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Head Office
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Stock Transfer Agent

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Address: 5F, No. 17, Bo'ai Rd., Taipei City
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Auditors certified the financial statements of the most recent fiscal year

KPMG Taiwan
CPA: CPA Chen, Yen-Hui and CPA Chen, Cheng-Hsueh
Address: 68F, No. 7, Sec. 5, Xinyi Ro., Xinyi Dist., Taipei City
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The name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities: None.

Company website: *http://www.shianyih.com*

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I. Letter to Shareholders

2025 Business Report

Dear shareholders:

In 2025, the global economic environment was affected by U.S. tariff policies and inflationary pressures, resulting in a slowdown in overall trade momentum. China's exports to the United States declined, while intensified price competition in the automotive industry further impacted market demand. Coupled with increasingly intense industry competition, the Company's revenue declined accordingly. In response to these external challenges, the Company has promptly adjusted its operating strategies, focusing on market demand and continuing to invest in key technology development to optimize its product portfolio and enhance long-term competitiveness.

Reviewing the year's operations, global tariffs and supply chain adjustments continued to influence industry development. Intensified competition in China's display market extended into the automotive sector, and weaker-than-expected sales performance of European and American automakers also affected the Company's shipment momentum. For 2025, the Group recorded consolidated revenue of NT\$1,295 million, net income after tax of NT\$15.66 million, and earnings per share of NT\$0.30. Looking ahead, the Company will continue to expand into new application areas and deepen customer collaboration to enhance its operational scale and growth momentum.

The Company hereby reports the 2025 business condition, summary of 2026 business plan, Company forecast, external market competition, laws and regulations, and the impact of the macroeconomy to the shareholders:

I. 2024 Business Report

(I) Result of the Business Plan

Unit: Thousand NTD

Item	2025	2024	Variation rate (%)
Consolidated revenue	1,295,459	1,581,569	-18
Net profit after tax	15,660	82,582	-81
Net profit after tax attributed to:			
Owner of the parent company	18,062	82,647	-78
Non-controlling equity	(2,402)	(65)	-3,597
Profit margin	1.21%	5.22%	

The decrease in revenue for the year was primarily attributable to weak end-market demand and intensified price competition in China's electric vehicle market, which affected overall shipment volume, resulting in an 18% decline in consolidated revenue compared to the previous year.

(II) Financial balance and profitability analysis

1. Financial balance

Unit: Thousand NTD

Item	2025		2024	
	Amount	%	Amount	%
Operating revenue	1,295,459	100	1,581,569	100
Operating Costs	1,070,052	83	1,396,045	88
Gross profit	225,407	17	185,524	12
Operating expenses	228,217	17	227,580	15
Operating income	(2,810)	-	(42,056)	(3)
Net profit before tax	42,974	3	103,315	6

2. Profitability analysis

Item	2025	2024
Return on Assets (%)	0.72%	3.33%
Return on Equity (%)	0.83%	4.32%
Net operating profit to the paid-in capital (%)	-0.46%	-6.87%
Net profit before tax to paid-in capital (%)	7.02%	16.88%
Net profit margin (%)	1.21%	5.22%
Earnings per share (NTD)	0.30	1.35

(III) Research technology and equipment investment

The Company continues to invest in the development of front-light module applications, Mini LED display modules, and large-size automotive backlight technologies. It is also evaluating the introduction of automated assembly equipment for large-size backlight modules to enhance manufacturing efficiency and product competitiveness.

II. Summary of 2026 Business Plan

I. Annual operation strategy

1. Acceleration of innovative products and new market development project

- (1) Following the successful commercialization and promotion of Mini LED displays in 2025, the Company will expand collaborations with upstream/downstream partners and customers in 2026 to bolster operational momentum.
- (2) In alignment with strategic planning, the Company is strengthening the development of various new products, including front-light modules and mid-to-large-size automotive backlight technologies. Several projects have already been secured, with further negotiations ongoing.
- (3) Integrate R&D and sales resources to introduce collaborative projects for module and finished product development and assembly line partnerships, pioneering new business model opportunities.
- (4) Enhance on-site customer visits to gain deep insights into client needs and development roadmaps, proactively offering customized solutions to solidify long-term partnerships.

2. Strengthen the management team and the contracting capacity

- (1) In response to developmental needs, the Company is recruiting modularization professionals and optimizing organizational structures to enhance short-, medium-, and long-term operational and business expansion capabilities.

(2) Continue the strategic layout in the Smart Cockpit market for mid-to-large-size automotive backlight modules to increase order momentum.

3. Formulate and Implement Short, Medium, and Long-Term Development Plans

The Company will implement a rolling adjustment of its short, medium, and long-term strategic plans based on changes in end-industries and customer demands, ensuring a foundation for sustainable operation.

4. Carbon reduction and green energy

In response to global climate change trends and the collective goal of Net Zero Emissions by 2050, the Company continues to optimize internal processes and equipment, positioning environmental protection as the core of our products and services. Simultaneously, we have installed large-scale solar power generation facilities at our Chinese subsidiaries to implement energy-saving measures, carbon reduction, and fulfill our Corporate Social Responsibility.

II. Significant production and marketing policies

1. Establish automated and semi-automated production equipment for mid-to-large-size backlight modules to enhance product stability and optimize manpower allocation.
2. Strengthen cross-industry collaborations and joint channel development, integrating internal resources to respond effectively to the increasingly volatile market.
3. Evaluate production line layouts and regional configurations based on end-customer demands, establishing an optimal manufacturing architecture amidst shifting geopolitical dynamics.

III. Forecast

1. Continuously enhance organizational capabilities and team efficiency in accordance with the Company's medium-to-long-term plans to build sustainable competitiveness.
2. Synchronously expand market presence based on R&D achievements, advancing toward modularization and cross-domain integrated product development.
3. Seek cooperation opportunities and channels with the industrial, governmental, and academic sectors.
4. Accelerate the product development speed and increase the market share of innovative products.

IV. Policy in response to the external market competition and the change of the macroeconomic environment

In response to the shifting international landscape, characterized by tariff trade wars and pressures for "de-China" supply chain diversification, many customers have expressed concerns regarding production locations. Furthermore, shifts in mainstream product trends have led to intense price competition. To navigate these challenges, the Company will focus on key target markets to expand order intake and deepen engagement with end-customers to enhance business momentum.

We will remain vigilant in monitoring international developments, continue investing in innovative technology R&D, and strengthen upstream and downstream collaborations to meet future market demands. Our ultimate goal is to generate maximum value for our shareholders, even amidst an increasingly rigorous global environment.

The Company sincerely appreciates the continuous support of all shareholders and we wish all shareholders

Good health and prosperity

Chairman: Wang, Hui-Min

Manager: Huang, Kung-Lung

Accounting Officer: Chen, Jui-Sui

II. Corporate Governance Report

1. Information of Directors, Supervisors, President, Vice President, Assistant Managers, and Head of Department and Branches

(1) Information of directors and supervisors

A. Directors and supervisors

March 26, 2026

Title	Nationality or Place of Incorporation	Name	Gender	Age	Date of being elected	Term	Date of being first elected	Shareholding number by the time of being elected		Current shareholding		Shareholding of spouse and minor		Shareholding by nominee arrangement		Main experience (education)	Other positions in the Company and other companies	Executives, directors, or supervisors who are spouses or within two degrees of kinship		
								Shares	%	Shares	%	Shares	%	Shares	Shareholding Ratio			Title	Name	Ratio
Chairman	British Virgin Island	Corporate power investment limited	—	—	2025.05	3 years	2016.06	2,117,952	3.46	2,117,952	3.46	0	0	0	0	—	—	Director	Wang, Wei-Sih	Father and son
	R.O.C.	Representative: Wang, Hui-Min	Male	41–50 years old	2025.05	3 years	2016.06	0	0	793,000	1.30	0	0	0	0	1. University of Hertfordshire Bachelor of Arts, Business Administration 2. President of Shian Yih Electronic Industry Co., Ltd.	Chairman of Shian Yih Electronic Industry Co., Ltd., SHIAN YIH (SAMOA), FAIR SOME (SAMOA), WISE, Dongguan Fair Lumi Optronics Co., Ltd, and Shian Yih (Dongguan) Electronic Industry Co., Ltd. Supervisor of Huei Kai Investment Co., Ltd,	Director	Wang, Wei-Sih	Father and son
Director	R.O.C.	Wang, Wei-Sih	Male	71–80 years old	2025.05	3 years	1987.07	3,810,381	6.23	3,757,875	6.14	2,225,927	3.76	0	0	1. EMBA, National Chung Hsing University 2. Chairman of Powertip Technology Corporation 3. Chairman of Shian Yih Electronic Industry Co., Ltd.	Director of Shian Yih Electronic Industry Co., Ltd. and Sheng Yih Investment Co., Ltd.	Chairman	Wang, Hui-Min	Father and son
Director		Cheng Yu Investment Co., Ltd.	-	-	2025.05	3 years	2016.06	2,735,000	4.47	2,726,000	4.46	0	0	0	0	—	—	Director	Teng, Chia-Wen	Father and son
	R.O.C.	Representative: Teng, Chia-Wen	Male	41–50 years old	2025.05	3 years	2016.06	0	0	452,000	0.74	0	0	0	0	1. Master's degree, Institute of Computer Science and Engineering, National Chiao Tung University 2. MBA, National Taiwan University 8. Vice Chairman of Shian Yih Electronic Industry Co., Ltd.	Director of Shian Yih Electronic Industry Co., Ltd., Director of Success Electronic Co., Ltd., SHIAN YIH (SAMOA), FAIR SOME (SAMOA), WISE, Dongguan Fair Lumi Optronics Co., Ltd., and Shian Yih (Dongguan) Electronic Industry Co., Ltd., Chairman of Chian Yih Optotech Co., Ltd.	None	None	None

Title	Nationality or Place of Incorporation	Name	Gender Age	Date of being elected	Term	Date of being first elected	Shareholding number by the time of being elected		Current shareholding		Shareholding of spouse and minor		Shareholding by nominee arrangement		Main experience (education)	Other positions in the Company and other companies	Executives, directors, or supervisors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	Shareholding Ratio			Title	Name	Ratio
Director	R.O.C.	Chang, Yu-Chang	Male 51-60 years old	2025.05	3 years	2016.06	729,928	1.19	729,928	1.19	3,000	0.004	0	0	1. EMBA, Tunghai University 2. Manager, Department of Quality Assurance of Shian Yih Electronic Industry Co., Ltd.	Director of Shian Yih Electronic Industry Co., Ltd., Manager of Manufacturing Department of Shian Yih Electronic Industry Co., Ltd., Supervisor of Dongguan Fair Lumi Optronics Co., Ltd., and Supervisor of Shian Yih (Dongguan) Electronic Industry Co., Ltd. Supervisor of Chian Yih Optotech Co., Ltd.	None	None	None
Director	R.O.C.	Yao, Pai-Chou	Male 61-70 years old	2025.05	3 years	2007.06	438,850	0.72	438,850	0.72	0	0	0	0	1. Department of Electronics, Zen Del High School 2. President of Shian Yih Electronic Industry Co., Ltd.	Director of Shian Yih Electronic Industry Co., Ltd.	None	None	None
Director	R.O.C.	Wang, Jih-Chun	Male 71-80 years old	2025.05	3 years	2007.06	61,000	0.10	788,000	1.29	0	0	0	0	1. Bachelor's degree, Department of Economics, Tunghai University 2. Tax agent, Local Tax Bureau, Taichung City Government 3. Executive Director of National Federation of CPA Associations of the R.O.C. 4. Vice Chairman of Taichung CPA Association 5. Director of Taichung Office of Crowe Taiwan	Director and President of Shian Yih Electronic Industry Co., Ltd., Independent Director of Full Wang International Development Co., Ltd.,	None	None	None

Title	Nationality or Place of Incorporation	Name	Gender Age	Date of being elected	Term	Date of being first elected	Shareholding number by the time of being elected		Current shareholding		Shareholding of spouse and minor		Shareholding by nominee arrangement		Main experience (education)	Other positions in the Company and other companies	Executives, directors, or supervisors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	Shareholding Ratio			Title	Name	Ratio
Independent Director	R.O.C.	Chang, Chia-Hsing	Male 51-60 years old	2025.05	3 years	2016.06	0	0	0	0	0	0	0	0	1. Department of Public Finance, National Chengchi University 2. EMBA, National Chiao Tung University 3. Executive Director/Assistant Manager of Management Department/Chief Financial Officer of Global Material Science Taiwan Co. Ltd. 4. Supervisor, ACULA Technology Corp. 5. Instructor of Industrial Technology Graduate Program, Feng Chia University 6. Instructor of Corporate Leader Program, Asia University, Taiwan	Chairman of Tong Hsin Chi Yuan Management Consulting Co., Ltd., Chairman of Dingcheng Investment Co., Ltd., Independent Director of Axman Enterprise Co., Ltd. Independent Director of Yu Chen System Technology Co., Ltd. Independent Director of Shian Yih Electronic Industry Co., Ltd	None	None	None
Independent Director	R.O.C.	Lin, Yu-Sheng	Male 51-60 years old	2025.05	3 years	2022.06	0	0	0	0	110,500	0.18	0	0	1. Bachelor's degree, Department of Economics, National Chengchi University 2. Master of Business, St. Louis University 3. LL.M., National Chengchi University 4. Master of Business, National Taiwan University 5. PhD Candidate, Graduate Institute of Technology, Innovation and Intellectual Property Management, National Chengchi University 6. Chairman of Taishin Investment Development Co., Ltd., 7 Vice President of Taishin Leasing and Financing Co., Ltd.,	Director of IIIH Biomedical Venture Fund I Co., Ltd., Director of Tetanti Agribiotech Inc. Director of Xin Yao Biotech Investment Co., Ltd, Director of Jing Ying Investment Co., Ltd., Director of Guoyu Internationality Performing arts Co., Ltd., Director, PlusPay Fintech Co., Ltd. President of Taishin Venture Capital Investment Co., Ltd.and Independent Director of Shian Yih Electronic Industry Co., Ltd.	None	None	None

Title	Nationality or Place of Incorporation	Name	Gender Age	Date of being elected	Term	Date of being first elected	Shareholding number by the time of being elected		Current shareholding		Shareholding of spouse and minor		Shareholding by nominee arrangement		Main experience (education)	Other positions in the Company and other companies	Executives, directors, or supervisors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	Shareholding Ratio			Title	Name	Ratio
Independent Director	R.O.C.	Huang, Lan-Ying	Female 51-60 years old	2025.05	3 years	2022.06	0	0	0	0	0	0	0	0	1. Bachelor's degree, Department of Economics, Fu Jen Catholic University 2. MBA, Cleveland State University 3. DBA (majored in international enterprise), Nova Southeastern University 4. Chair of Department of Business Administration, National Changhua University of Education	Professor, Department of Business Administration, National Changhua University of Education, Independent Director of Niching Industrial Corporation and Axman Enterprise Co., Ltd. Independent Director of SDI Corporation, Independent Director of Shian Yih Electronic Industry Co., Ltd	None	None	None

Major shareholders of institutional shareholders

March 26, 2026

Name of Institutional Shareholders	Major shareholders of institutional shareholders	Shareholdings Ratio
Cheng Yu Investment Co., Ltd.	Group trading limited	100%
Corporate power investments limited	Wang, Hui-Min	33.3%
	Wang, Chien-Kai	33.4%
	Wang Chen, Li-Jung	33.3%

Major Shareholders among Institutional Shareholders are Institutional Shareholders

March 26, 2026

Name of the Juristic Person	Major shareholders of Juristic Person	Shareholdings Ratio
Group trading limited	Teng, Chia-Wen	50%
	Teng, Chia-Jen	50%

(2) Information of directors

A. Disclosure of professional qualifications of directors and the independence analysis of independent directors:

Term Name	Professional qualification and experience	Independence analysis	Number of other public companies in which the individual is concurrently serving as an independent director
Wang, Wei-Sih	1. EMBA, National Chung Hsing University; Chairman of Powertip Technology Corporation./ Chairman of Shian Yih Electronic Industry Co., Ltd. 2. Currently holds the position of department of Shian Yih Electronic Industry Co., Ltd. and Chairman of Sheng Yih Investment Co., Ltd. 3. Mr. Wang, Wei-Si has the qualifications and experience in decision-making, business and operations management.	1. Not a director, supervisor or employee of another company of a majority of the company's director seats or voting shares and those of any other company are controlled by the same person. 2. Not a director, supervisor or employee of another company or institution in which the chairman, president or personnel with	None

Term Name	Professional qualification and experience	Independence analysis	Number of other public companies in which the individual is concurrently serving as an independent director
Teng, Chia-Wen	<p>1. Computer Engineering, Chung Yuan Christian University / Master's degree, Institute of Computer Science and Engineering, National Chiao Tung University / MBA, National Taiwan University ; Vice Chairman of Shian Yih Electronic Industry Co., Ltd.</p> <p>2. Currently holds the position of Director of Shian Yih Electronic Industry Co., Ltd., Director of Success Electronic Co., Ltd. and Chairman of Chian Yih Optotech Co., Ltd.</p> <p>3. Mr. Teng, Chia-Wen has qualifications in software R&D and application and industrial technology.</p>	<p>equivalent position are the same person or have a spousal relationship</p> <p>3. Not a director, supervisor, officer or shareholder holding more than 5% of the shares of a specific company or institution in a business or financial relationship with the Company</p> <p>4. Not professional individual, or an owner, partner, director, supervisor or officers of a sole proprietorship, partnership, company, or institution that,</p>	None
Yao, Pai-Chou	<p>1. Department of Electronics, Zen Del High School ; Held the position of President of Shian Yih Electronic Industry Co., Ltd.</p> <p>2. Currently holds the position of Director of Shian Yih Electronic Industry Co., Ltd.</p> <p>3. Mr. Yao, Pai-Chou has more than 20 years of experience in the backlight industry and has extensive manufacturing and management qualifications in the industry.</p>	<p>provides auditing services to the company or any affiliate of the company or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the most recent two fiscal years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof;</p>	None
Wang, Hui-Min	<p>1. University of Hertfordshire Bachelor of Arts, Business Administration. Held the President of Shian Yih Electronic Industry Co., Ltd.</p> <p>2. Currently holds the position of Chairman of Shian Yih Electronic Industry Co., Ltd.</p> <p>3. Mr. Wang, Hui-Min has commercial, marketing and operation management qualifications.</p>	<p>5. No situations prescribed in Article 30 of the Company Act are found.</p>	None
Chang, Yu-Chang	<p>1. EMBA, Tunghai University ; Held the position of Manager, Department of Quality Assurance of Shian Yih Electronic Industry Co., Ltd.</p> <p>2. Currently holds the position of Director of Shian Yih Electronic Industry Co., Ltd., Manager of Manufacturing Department of Shian Yih Electronic Industry Co., Ltd. and supervisor of Chian Yih Optotech Co., Ltd.</p> <p>3. Mr. Chang, Yu-Chang has qualifications in electronic technology manufacturing management.</p>		None

Name / Term	Professional qualification and experience	Independence analysis	Number of other public companies in which the individual is concurrently serving as an independent director
Wang, Jih-Chun	<p>1. Bachelor's degree, Department of Economics, Tunghai University ; Held the position of Executive Director of National Federation of CPA Associations of the R.O.C./ Vice Chairman of Taichung CPA Association./ Director of Taichung Office of Crowe Taiwan.</p> <p>2. Currently holds the position of Independent Director of Full Wang International Development Co., Ltd., / Director and President of Shian Yih Electronic Industry Co., Ltd.</p> <p>3. Mr. Wang, Jih-Chun has many years of work experience in an accounting firm and is a senior CPA with accounting and financial analysis capabilities</p>		None
Chang, Chia-Hsing (Independent Director)	<p>1. Department of Public Finance, National Chengchi University, EMBA , National Chiao Tung University ; Held the position of Assistant Manager of Management Department/Chief Financial Officer of Global Material Science Taiwan Co. Ltd. 、 Supervisor, ACULA Technology Corp. 、 Instructor of Industrial Technology Graduate Program, Feng Chia University 、 Instructor of Corporate Leader Program, Asia University, Taiwan.</p> <p>2. Currently holds the position of Chairman of Tong Hsin Chi Yuan Management Consulting Co., Ltd., Chairman of Dingcheng Investment Co., Ltd., Independent Director of Axman Enterprise Co., Ltd., Independent Director of Yu Chen System Technology Co., Ltd.</p> <p>3. With rich industry experience and no circumstances as specified in Article 30 of the Company Act.</p> <p>4. Mr. Chang Jiaying has previously served as a senior executive in banking, securities, and related industries, and successfully completed a factory establishment project in China, with extensive industry experience.</p>	<p>In the two years prior to the election and during the period of their appointment, the three independent directors listed above fully participated in the decision-making process and expressed their opinions and have independently performed the related duties and responsibilities pursuant to the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission and Article 14-3 of the Securities and Exchange Act.</p>	3

Term Name	Professional qualification and experience	Independence analysis	Number of other public companies in which the individual is concurrently serving as an independent director
Lin, Yu-Sheng (Independent Director)	<p>1. Bachelor's degree, Department of Economics, National Chengchi University Master of Business, St. Louis University 、 LL.M., National Chengchi University 、 Master of Business, National Taiwan University, PhD Candidate, Graduate Institute of Technology, Innovation and Intellectual Property Management, National Chengchi University ; Held the position of Chairman of Taishin Investment Development Co., Ltd., 、 Vice-President of Taishin Leasing and Financing Co., Ltd. 2. Currently holds the position of Director of IHH Biomedical Venture Fund I Co., Ltd., Director of Tetanti Agribiotech Inc. Director of Xin Yao Biotech Investment Co., Ltd , Director of Jing Ying Investment Co., Ltd., Director of Guoyu Internationality Performing arts Co., Ltd. ,Director of PlusPay Fintech Co., Ltd. President of Taishin Venture Capital Investment Co., Ltd. and Independent Director of Shian Yih Electronic Industry Co., Ltd. ◦ 3. With rich industry experience and no circumstances as specified in Article 30 of the Company Act. 4. Mr. Lin, Yu-Sheng has expertise in law, finance, and business, along with professional capabilities in financial investment and industry research.</p>		None
Huang, Lan-Ying (Independent Director)	<p>1. Bachelor's degree, Department of Economics, Fu Jen Catholic University, MBA, Cleveland State University 、 DBA (majored in international enterprise), Nova Southeastern University ; Held the position of Chair of Department of Business Administration, National Changhua University of Education. 2. Currently holds the position of Professor, Department of Business Administration, National Changhua University of Education, Independent Director of Niching Industrial Corporation and Axman Enterprise Co., Ltd. Independent Director of SDI Corporation, Independent Director of Shian Yih Electronic Industry Co., Ltd ◦ 3. With rich industry experience and no circumstances as specified in Article 30 of the Company Act. 4. Ms. Huang, Lan-Ying serves as a university professor and has extensive research experience and professional skills.</p>		2

B. Diversity and independence of the Board of Directors:

(a) Diversity of the Board of Directors:

Policy :

The company promotes and respects the Diversification Policy for the Board to enhance the corporate governance and promotion of the structural completeness, development and the composition of the Board of Directors. The Company believes that the diversified policy will improve the overall operational performance. The election of the board members is based on the principle of meritocracy, thus the board members have diversified complimentary abilities across different fields, including basic composition (such as age, gender and others). They also possess different industrial experiences and related techniques (such as manufacturing, accounting, finance, education, marketing and others), as well as management, leadership, decision-making and other abilities, knowledge and literacy.

1. Operation judgment ability.
2. Accounting and financial analysis ability.
3. Operation management ability.
4. Crisis management ability.
5. Knowledge about the industry.
6. International perspective on the market.
7. Leadership.
8. Decision making ability.

Objective:

To enhance the overall knowledge of the highest governing body on economic, environmental, and social issues, and to continuously strengthen the board's management capabilities in addressing emerging challenges, the Company organizes two in-house training sessions for directors each year, inviting expert lecturers to deliver courses. The Company also actively aligns with the Financial Supervisory Commission's initiatives, including the "Corporate Governance 3.0 – Sustainable Development Roadmap" and the "Sustainable Development Action Plan for Listed and OTC Companies."

The Implementation and the Diversification Policy for the Board Members

Name of Director	Nationality	Gender	Also serve as an employee	Age				Term of service as the independent director
				41-50 years old	51-60 years old	61-70 years old	71-80 years old	
Wang, Hui-Min	R.O.C.	Male		√				
Wang, Wei-Sih	R.O.C.	Male					√	
Teng, Chia-Wen	R.O.C.	Male		√				
Yao, Pai-Chou	R.O.C.	Male				√		
Chang, Yu-Chang	R.O.C.	Male	√		√			
Wang, Jih-Chun	R.O.C.	Male					√	
Chang, Chia-Hsing	R.O.C.	Male			√			Over 3 years
Lin, Yu-Sheng	R.O.C.	Male			√			Less than 3 years
Huang, Lan-Ying	R.O.C.	女			√			Less than 3 years

Name of Director	產業經驗							
	Judgements about Operations	Accounting and Financial Analysis Ability	Business Management Ability	Crisis Management Ability	Knowledge of the Industry	International Market Perspective	Leadership Ability	Decision-Making Ability
Wang, Hui-Min	√	√	√	√	√	√	√	√
Wang, Wei-Sih	√	√	√	√	√	√	√	√
Teng, Chia-Wen	√	√	√	√	√	√	√	√
Yao, Pai-Chou	√	√	√	√	√	√	√	√
Chang, Yu-Chang	√		√	√	√	√	√	√
Wang, Jih-Chun	√	√	√	√	√	√	√	√
Chang, Chia-Hsing	√	√	√	√	√	√	√	√
Lin, Yu-Sheng	√	√	√	√	√	√	√	√
Huang, Lan-Ying	√	√	√	√	√	√	√	√

Achievement :

- The company currently has 9 directors (including 3 independent directors). Directors Wang, Hui-Min ; Wang, Wei-Si; Deng, Chia-Wen; Yao, Pai-Chou and Chang, Yu-Chang have the knowledge of business administration and diverse knowledge about the industry. Director Wang, Jih-Chun has many years of work experience in an accounting firm and is a senior CPA with auditing and financial analysis capabilities. Independent Director Chang, Jia-Xing, has acted as a senior supervisor in banking, securities and related industries, and has extensive experience of

industries. He finished a factory establishment project in China, currently operating a consulting firm, and therefore possessing the aforementioned areas of expertise.. Independent Director Lin, Yu-Sheng is specialized in law, finance, and business, and has professional capability of financial investment and industry research. Independent Director Huang, Lan-Ying is a university professor and has extensive research experience and professional skills. The diverse experience and ability of the Company’s board members can give professional opinions from different perspectives, and this is of great benefit to the Company’s overall operations.

- All board members are nationals, with the composition structured as follows: independent directors account for 33%, with three independent directors whose tenures are 9 years, 3 years, and 3 years respectively; directors with employee status account for 11%; and female directors account for 11%.In terms of age distribution, two directors are between 41–50 years old, four are between 51–60, one is between 61–70, and two are over 70 years old.
- The diversification, complementariness and implementation of the board directors were included in the standards set out in Article 20 of Corporate Governance Best Practice Principles. The company will be amending its diversification policy to meet the functioning of the board of directors, operational model, requirement of development, including but not only in the 2 dimensions of condition and value, professional knowledge and skills, to ensure that the board members have the commonly required knowledge, skills and literacy to perform their duties.

Specific management objectives and achievement status of the Company’s diversity policy

Management goal	Achievement
The number of independent directors exceeds 1/3 of the total number of directors.	Achieved
No independent directors have served more than three consecutive terms.	Not yet achieved; it is planned to be implemented during the next full board re-election.
One female director	Achieved
Directors concurrently serving as managerial officers shall not exceed 1/3 of the total number of board seats.	Achieved

(2) Independence of the Board of Directors:

Policy:

The Company has adopted the “Regulations for the Election of Directors,” as approved by the shareholders’ meeting, and conducts director elections in accordance with the candidate nomination system stipulated under Article 192-1 of the Company Act. Directors are elected

by shareholders from a list of nominated candidates. Among the directors, there exists a familial relationship within the second degree of kinship—Director Wang Wei-Si and Director Wang Hui-Min are father and son. In addition, the Company has established the “Rules of Procedure for Board of Directors Meetings,” as approved by the Board. When a director has a personal interest, or represents a legal entity with an interest in any agenda item, the director must disclose the material aspects of such interest at the relevant board meeting. Where there is a potential conflict that may be detrimental to the Company’s interests, the director shall refrain from participating in discussion and voting, shall recuse themselves during such proceedings, and shall not exercise voting rights on behalf of other directors.

Objective:

To enhance the effectiveness of board operations and implement sound corporate governance practices, the Company has established an Audit Committee and a Remuneration Committee under the Board, both composed entirely of independent directors. Through professional division of responsibilities and an independent, impartial stance, these committees assist the Board in decision-making, with the aim of strengthening supervisory functions and enhancing management effectiveness, thereby actively advancing corporate governance.

Achievement:

The Board consists of nine directors, of whom eight (89%) are non-employee directors. There are three independent directors (33%), in compliance with Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act. None of the directors are subject to any of the disqualifications set forth in Article 30 of the Company Act, and all independent directors fully meet the relevant requirements stipulated by the Financial Supervisory Commission. For details on the implementation of recusal procedures in cases involving directors’ conflicts of interest in 2025 (ROC Year 114), please refer to Chapter 2, “Corporate Governance Report,” Section III, “Status of Corporate Governance Operations” in this annual report..

2. Information of President, Vice-President, Assistant Managers and Heads of Department and Branches

March 26, 2026

Title	Nationality	Name	Gender	Date of Inauguration	Number of shares held		Shareholding of spouse and minor		Shareholding by nominee arrangement		Main experience (education)	Other positions in other companies	Managerial officers who are spouses or within 2 degrees of kinship		
					Shares	%	Shares	%	Shares	Shareholding Relations hip			Title	Name	Relation ship
President	R.O.C.	Huang, Kung-Lung	Male	2025.06.19	5,100	0	0	0	0	0	1. Department of Information, Ming Dao High School 2. President of Dongguan Fair Lumi Optronics Co., Ltd., and Shian Yih (Dongguan) Electronic Industry Co., Ltd.	President of Shian Yih Electronic Industry Co., Ltd., Directors of Dongguan Fair Lumi Optronics Co., Ltd., and Shian Yih (Dongguan) Electronic Industry Co., Ltd.	None	None	None
Assistant Manager	R.O.C.	Liu, Pin-Cheng	Male	2013.10.07	0	0	0	0	0	0	1. National Kaohsiung University of Applied Sciences	None	None	None	
Assistant Manager	R.O.C.	Yang, Kuo-Hua	Male	2012.06.13	0	0	0	0	0	0	1. The Affiliated Industrial Vocational High School of National Changhua University of Education	None	None	None	
Assistant Manager	R.O.C.	Huang, Hsiang- Yu	Male	112.12.04	0	0	0	0	0	0	1. M.S., Department of Mechanical Engineering, National Cheng Kung University 2. Withdrew from the Ph.D. program at the Institute of Mechanical Engineering, National Cheng Kung University.	None	None	None	
Assistant Manager	R.O.C.	Su, Chieh-Liang	Male	113.05.01	0	0	0	0	0	0	1. Department of Psychology, Kaohsiung Medical University	None	None	None	
Assistant Manager	R.O.C.	Lin, Yu-Jeng	Male	113.05.01	0	0	0	0	0	0	1. Institute of Opto-electronic Engineering, Tatung University	None	None	None	
Finance Manager	R.O.C.	Chen, Jui-Sui	Female	2022.07.07	0	0	0	0	0	0	1. Department of Accounting, Feng Chia University 2. Assistant Manager, PwC Taiwan 3. Audit Officer, Avertronics Inc.	None	None	None	
Audit Officer	R.O.C.	Yu, Ya-Ching	Female	2022.07.07	0	0	0	0	0	0	1. Department of Accounting, Chaoyang University of Technology 2. Examiner, EnWise CPAs & Co.	Supervisor of Sheng Yi Investment Co., Ltd.,	None	None	None

(3) Remuneration paid to directors (including independent directors), supervisors, President, and Vice-President of the most recent fiscal year

A. Remuneration of directors and independent directors 2025 Unit: Thousand NTD

Title	Name	Remuneration of Directors								The ratio of the sum of A, B, C, and D to the net profit after tax		Remuneration received by directors who concurrently serving as an employee										The ratio of the sum of A, B, C, D, E, F, and G to the net profit after tax		Remuneration received from invested company or parent company other than the Company's subsidiary		
		Compensation (A)		Pension (B)		Remuneration of directors from earnings (C)		Business expenses (D)				Salary, bonus, and allowance (E)		Pension (F)		Remuneration of Employees (G)				Number of Subscribed Shares from Employee Stock Option Certificate (H)					Number of New Restricted Employee Shares (I)	
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements			
General Director	Wang, Hui-Min	2,160	2,160	0	0	847	847	67	67	3,074	3,074	2,225	2,825	194	194	95	0	95	0	0	0	0	5,588	6,188	None	
	Wang, Wei-Sih																									
	Teng, Chia-Wen																									
	Yao, Pai-Chou																									
	Chang, Yu-Chang																									
Independent Director	Wang, Jih-Chun	1,176	1,176	0	0	0	0	214	214	1,390	1,390	0	0	0	0	0	0	0	0	0	0	0	1,390	1,390	None	
	Chang, Chia-Hsing																									
	Lin, Yu-Sheng																									
	Huang, Lan-Ying									8.88%	8.88%															

1. Describe the policy, system, standard, and structure of independent directors' remuneration as well as the association between the remuneration amount and factors, such as responsibilities, risks, and contributed time:

The Board of Directors of the Company is authorized to determine the remuneration of directors and independent directors based on their participation level and contribution to the operation of the Company and the payment standard of the industry in Taiwan.

2. Apart from the disclosed items in the table above, the remuneration of directors received from providing services in the most recent fiscal year (such as serving as a non-employee consultant of the parent company/all companies in the financial statements/subsidiaries): NT\$ 0 .

Note 1: Employee bonus refers to the distribution amount of 2025 calculated based on the actual distribution ratio in 2024.

Note 2: Pension amount is the distribution amount of capitalized pension.

Table of Remuneration Level

2025

Remuneration Level of Directors	Name of Director			
	Sum of (A+B+C+D)		Sum of (A+B+C+D+E+F+G) Sum of (A+B+C+D)	
	The Company	All companies in the financial statements H	The Company	All companies in the financial statements I
Below NT\$1,000,000	Wang, Wei-Sih , Teng, Chia-Wen, Yao, Pai-Chou, Chang, Yu-Chang, Wang, Jih-Chun, Chang, Chia-Hsing, Lin, Yu-Sheng, Huang, Lan-Ying	Wang, Wei-Sih , Teng, Chia-Wen, Yao, Pai-Chou, Chang, Yu-Chang, Wang, Jih-Chun, Chang, Chia-Hsing, Lin, Yu-Sheng, Huang, Lan-Ying	Wang, Wei-Sih , Teng, Chia-Wen, Yao, Pai-Chou, Wang, Jih-Chun, Chang, Chia-Hsing, Lin, Yu-Sheng, Huang, Lan-Ying	Wang, Wei-Sih , Teng, Chia-Wen, Yao, Pai-Chou, Wang, Jih-Chun, Chang, Chia-Hsing, Lin, Yu-Sheng, Huang, Lan-Ying
NT\$1,000,000 – NT\$1,999,999	Wang, Hui-Min	Wang, Hui-Min	Wang, Hui-Min Chang, Yu-Chang	Chang, Yu-Chang
NT\$2,000,000 – NT\$3,499,999	None	None	None	Wang, Hui-Min
NT\$3,500,000 – NT\$4,999,999	None	None	None	None
NT\$5,000,000 – NT\$9,999,999	None	None	None	None
NT\$10,000,000 – NT\$14,999,999	None	None	None	None
NT\$15,000,000 – NT\$29,999,999	None	None	None	None
NT\$30,000,000 – NT\$49,999,999	None	None	None	None
NT\$50,000,000 – NT\$99,999,999	None	None	None	None
Above NT\$100,000,000	None	None	None	None
Total	9	9	9	9

B. Remuneration of President and Vice-President

2025

Unit: Thousand NTD

Title	Name	Salary (A)		Pension (B)		Bonus, and allowance (C)		Amount of remuneration of employees (D)				The ratio of the sum of A, B, C, and D to the net profit after tax (%)		Remuneration received from invested company or parent company other than the Company's subsidiary
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash amount	Shares amount	Cash amount	Shares amount			
Chairman	Wang, Hui-Min (Note 4)													
President	Yao, Pai-Chou (Note 3)	2,820	3,784	216	216	144	144	200	0	200	0	3,380 21.58%	4,344 27.74%	None
President	Huang, Kung-Lung (Note 5)													

Note 1: Employee bonus amount refers to the distribution amount of 2025 calculated based on the actual distribution ratio in 2024.

Note 2: Pension amount is the distribution amount of capitalized pension.

Note 3: Resigned on June 19, 2025

Note 4: Resigned as Deputy General Manager on May 26, 2025, and assumed the position of Chairman.

Note 5: Resigned as Deputy General Manager on June 19, 2025, and assumed the position of General Manager.

Table of Remuneration Level

Remuneration Level of Presidents and Vice-Presidents	Name of President and Vice-President	
	The Company	All companies in the financial statements
Below NT\$1,000,000	Wang, Hui-Min, Yao, Pai-Chou,	Yao, Pai-Chou,
NT\$1,000,000 – NT\$1,999,999	None	Wang, Hui-Min,
NT\$2,000,000 – NT\$3,499,999	Huang, Kung-Lung	Huang, Kung-Lung
NT\$3,500,000 – NT\$4,999,999	None	None
NT\$5,000,000 – NT\$9,999,999	None	None
NT\$10,000,000 – NT\$14,999,999	None	None
NT\$15,000,000 – NT\$29,999,999	None	None
NT\$30,000,000 – NT\$49,999,999	None	None
NT\$50,000,000 – NT\$99,999,999	None	None
Above NT\$100,000,000	None	None
Total	3	3

C. Names of managers receiving remuneration of employees and the distribution status

Unit: Thousand NTD/2025.12.31

	Title	Name	Share bonus amount	Cash bonus amount	Total	Ratio of sum to the net profit after tax (%)
Managerial Officer	Chairman	Wang, Hui-Min (Note 4)	0	310	310	1.98
	President	Yao, Pai-Chou (Note 3)				
	President	Huang, Kung-Lung (Note 5)				
	Manager	Chen, Jui-Sui				

Note 1: The 2025 earnings distribution is to be resolved by the shareholders' meeting of the Company.

Note 2: Employee bonus of managerial officers refers to the distribution amount of 2025 calculated based on the actual distribution ratio in 2024.

Note 3: Resigned on June 19, 2025

Note 4: Resigned as Deputy General Manager on May 26, 2025, and assumed the position of Chairman.

Note 5: Resigned as Deputy General Manager on June 19, 2025, and assumed the position of General Manager.

- (4) The analysis on the ratio of the total remuneration paid by the Company and all companies included in the consolidated financial statements for the most recent 2 fiscal years to directors, supervisors, President and Vice-President of the Company, to the net profit and the policies, standards and portfolios for the payment of remuneration, the procedures for determining remuneration and the correlation with business performance and future risks:

Title	Item	Total remuneration to the net profit after tax			
		2025		2024	
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements
Director		44.56	48.39	14.33	15.13
President and Vice President		21.58	27.74	7.24	9.04

- A. In accordance with Article 21 of the Company's Articles of Incorporation, the remuneration of directors of the Company shall be determined by the Board of Directors based on the level of participation and the value of the contribution of each director, and with reference to the general level within the industry. In addition, according to Article 25 of the Company's Articles of Incorporation, no more than 2% shall be allocated as directors' remuneration. Independent directors do not participate in the distribution of directors' remuneration. The Company regularly evaluates directors' remuneration in accordance with the "Regulations for Performance Evaluation of the Board of Directors" and relevant performance evaluation and reasonableness of remuneration have been reviewed by the Remuneration Committee and the Board of Directors.
- B. For the Company's remuneration of managers, various work allowances and bonuses are specified in accordance with the Company's Salary Management Regulations and Performance Management Regulations to show solicitude for and reward employees for their efforts at work. Relevant bonuses are also approved and distributed according to the business performance, financial position, operating status of the Company, and the individual work performance of individuals for the year. Furthermore, if the Company makes a profit for the year, 2% to 10% of the profit will be appropriated as the remuneration of employees in accordance with Article 25 of the Company's Articles of Incorporation, of which, no less than 25% shall be allocated as remuneration to grassroots employees.. The results of the performance evaluation conducted by the Company in accordance with the "Performance Management Regulations" are used as the reference for the distribution of managers' bonuses. The evaluation items of managers' performance are divided into 1. financial indicators: the profit contribution distribution of the business groups/departments according to the Company's management income statement, with reference to the target achievement rate of managers; 2. non-financial indicators: the remuneration of business performance calculated based on the implementation of the Company's core value and the business management ability, with examinations of the remuneration system in due course subject to the operating status and relevant laws and regulations from time to time.

- C. The distribution of remuneration and the operation performance is in positive correlation.

The examination of the payment standards and system related to the Company's remuneration policy is mainly based on the overall operation of the Company, and the payment standards are approved and formulated based on the performance achievement rate and the level of contribution so as to improve the overall functions of the organization/team of the Board of Directors, managers and departments. In addition, reference is made to remuneration standards within the industry to ensure that the remuneration of the Company's management is competitive within the industry in order to retain outstanding management talents.

- D. Measure future risk forecast and make proper connection.

The Company's managers' performance targets are combined with "risk control" to ensure that possible risks within their scope of duties are managed and controlled. The results of appraisal and rating based on the actual performance are linked to all relevant human resources and related remuneration policies. The key decisions of the Company's management are made after a balanced consideration of various risk factors. The performance of the relevant decisions is reflected in the Company's profitability and the management's remuneration is related to the performance of risk control.

3. Operation of Corporate Governance

(1) Operation of the Board of Directors

Information regarding the Operations of the Board of Directors

In 2025, the Board of Directors held seven meetings, and the attendance of directors is as follows:

Title	Name	Actual attendance in person	By proxy	Attendance rate (%)	Note
Chairman	Wang, Hui-Min	7	0	100%	
Director	Wang, Wei-Sih	7	0	100%	
Director	Teng, Chia-Wen	7	0	100%	
Director	Yao, Pai-Chou	6	1	86%	
Director	Chang, Yu-Chang	7	0	100%	
Director	Wang, Jih-Chun	7	0	100%	
Independent Director	Chang, Chia-Hsing	7	0	100%	
Independent Director	Lin, Yu-Sheng	7	0	100%	
Independent Director	Huang, Lan-Ying	7	0	100%	

Other matters to be recorded:

- I. With the operations of the Company by the Board of Directors, should any one of the following situations arise, the Board Meeting date, session, content of the resolution, opinions of all independent directors, and the Company's response to these comments shall be properly recorded:
- (1) Matters prescribed in Article 14-3 of the Securities and Exchange Act: Please refer to (11) major resolutions of the Board of Directors.
 - (2) Apart from the aforementioned matters, other matters that were opposed by independent directors or directors stating they have reservations and their opinion has been recorded or submitted in a written statement: None.
- II. Should a director recuse him or herself from a decision about which he or she has a conflict of interest, the name of the director, contents of the resolution, reasons for recusal, and the results of the vote should be noted:
- 2025/6/19
 Proposal 2: Chairman's remuneration proposal — Chairman Wang, Hui-Min and Director Wang, Wei-Sih, being interested parties to this agenda item, recused themselves from discussion and voting.
- 2025/8/7
 Proposal 2: 2024 directors' remuneration distribution proposal — Directors Wang, Hui-Min; Wang, Wei-Sih; and Chang, Yu-Chang, having personal interests in the matter, recused themselves from discussion and voting. Subsequently, Directors Yao, Pai-Chou; Teng, Chia-Wen; and Wang, Jih-Chun also recused themselves from discussion and voting due to their respective interests.
- Proposal 3: 2024 employee remuneration distribution proposal — Directors Wang, Hui-Min; Yao, Pai-Chou; Chang, Yu-Chang; and Wang, Wei-Sih recused themselves from discussion and voting due to personal interests.
- Proposal 4: 2024 Mid-Autumn Festival bonus distribution proposal — Director Chang, Yu-Chang recused himself from discussion and voting due to personal interest.
- 2025/12/22
 Proposal 3: 2025 year-end bonus distribution proposal for managerial officers — Director Chang, Yu-Chang recused himself from discussion and voting due to personal interest.
- III. TWSE/TPEX listed companies shall disclose the general evaluation cycles, evaluation periods, scope, method, and content of evaluation, of the self-evaluation (or peer evaluation) on the Board of Directors and shall fill out the implementation of the evaluation on the Board of Directors.:
- Implementation of the evaluation on the Board of Directors
- In order to implement corporate governance, enhance the functions of the Company's Board of Directors, and define performance targets clearly to improve operational efficiency, the "Regulations Governing the Performance Evaluation of the Board of Directors" was approved on December 21, 2022.
- In accordance with the Regulations Governing the Performance Evaluation of the Board of Directors," the performance of the Board of Directors is evaluated once a year and the performance of the current year is evaluated at the time when the fiscal year ends. The result of the evaluation shall be submitted to the Remuneration Committee and the Board of Directors before the end of the first quarter of the following year.

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once per year	2025/01/01 to 2025/12/31	Board of Directors	Self-evaluation by the Board of Directors	The performance evaluation items for the Board of Directors are as follows: 1. Participation level to the operation of the Company 2. Improve the decision making quality of the Board of Directors 3. Composition and structure of the Board of Directors 4. Election and continuous training of directors 5. Internal control

		Director member	Self-evaluation by the directors	The performance evaluation items for the directors are as follows: 1. Awareness of the Company's goals and missions 2. Awareness of the duties of directors 3. Participation level to the operation of the Company 4. Cultivation and communication of internal relationship 5. Profession and continuous training of directors 6. Internal control
		Functional Committee	Self-evaluation of the Audit Committee and Salary and Remuneration Committee	The performance evaluation items for the functional committee are as follows: 1. Participation level to the operation of the Company 2. Awareness of the duties of the functional committee 3. Improve the decision making quality of the functional committee 4. Composition of the functional committee and selection of the members 5. Internal control

Evaluation results:

(I) Board member:

The Company has a total of nine directors (including independent directors). On December 31, 2025, nine copies of the "Board Member Self-Evaluation Questionnaire" were distributed and all of the copies were recovered. After the self-evaluation of each director, the score of respective evaluation items was as follows: The average score is 4.75 (perfect score: 5 point).

Self-evaluation item	Number of indicators	Average score
A. Awareness of the Company's goals and missions	2	4.44
B. Awareness of the duties of directors	3	4.93
C. Participation level to the operation of the Company	6	4.89
D. Cultivation and communication of internal relationship	3	4.48
E. Profession and continuous training of directors	3	4.93
F. Internal control	3	4.85
Total / Average score	20	4.75

(II) Board of Directors:

The Board of Directors scored each evaluation item as shown in the table below, with an average score of 4.78 (perfect score: 5 points).

(9 copies were distributed and 9 copies were recovered)

Self-evaluation item	Number of indicators	Average score
A. Participation level to the operation of the Company	8	4.61
B. Improve the decision-making quality of the Board of Directors	5	4.78
C. Composition and structure of the Board of Directors	2	4.78
D. Election and continuous training of directors.	2	4.78
E. Internal control	3	4.96
Total / Average score	20	4.78

(III) Functional committees:

The Company has two functional committees, the “Audit Committee” and the “Remuneration Committee.” After the self-evaluation of each committee member, the average score of the Audit Committee is 4.89 (perfect score: 5 points), while the average score of the Remuneration Committee is 4.90 (perfect score: 5 points). (3 copies were distributed and 3 copies were recovered)

Self-evaluation item	Audit Committee		Remuneration Committee	
	Number of indicators	Average score	Number of indicators	Average score
A. Participation level to the operations of the Company	4	5.00	4	5.00
B. Awareness of the duties of the functional committee	5	4.93	4	4.92
C. Improvement of the decision-making quality of the functional committee	6	4.89	3	4.78
D. Composition of the functional committee and selection of the members	2	4.83	3	4.78
E. Internal control	3	4.78	3	5.00
Total / Average score	20	4.89	20	4.90

The average score of the Company’s Board performance evaluation for 2025 (ROC Year 114) ranged between 5.00 (“Strongly Agree”) and 4.44 (“Agree”), representing a slight decline compared to the previous year.

Improvement Measures:

(1) Board Members

Within the self-assessment item “Understanding of Corporate Objectives and Tasks,” the lower-scoring indicators include “Directors have a clear understanding of the Company’s core values” and “Directors have a clear understanding of the Company’s overall strategic objectives set by the Board.” The Company will continue to arrange sessions and site visits where senior management shares future development plans, in order to help directors better understand the Company’s core values and strategic goals, thereby fostering effective communication between the Board and management as well as enhancing interaction among directors.

(2) Overall Board of Directors

Within the self-assessment item “Level of Participation in Corporate Operations,” the lower-scoring indicator is “The Board regularly and thoroughly reviews the management performance of the executive team and provides timely rewards and penalties.” The Company plans to invite directors to participate in annual budget planning meetings to provide input. In addition, management performance will be reviewed in accordance with the Company’s “Performance Management Regulations,” and submitted to the Remuneration Committee for review before being presented to the Board for resolution and implementation in accordance with applicable laws.

(3) Functional Committees

The Company will continue to enhance the decision-making quality of functional committees and request the secretariat to strengthen committee meeting procedures, ensuring that proposals submitted for resolution are more complete and appropriate.

The above Board performance evaluation results were submitted to the Remuneration Committee meeting held on March 5, 2026 (ROC Year 115) for review, and subsequently reported to the Board meeting held on the same date as a basis for review

and improvement.

IV. Board of Directors' functional improvement goals for the last year and the current year in addition to the implementation of assessments:

1. The operation of the Board of Directors of the Company complies with the laws and regulations, Articles of Incorporation, and the resolutions of the shareholders' meeting. All directors possess the professional knowledge, skills, and attainment required for performing their duties. They also uphold the principle of faith and integrity and duty of care to generate the maximum profit for shareholders.
2. The Company elected three independent directors in the shareholders' meeting held on May 26, 2025 pursuant to the regulations of the securities competent authority.
3. To establish excellent Board of Directors governance system, perfect the supervising function, and enhance the management functionality, the Company has stipulated the "Rules of Procedure for Board of Directors Meetings" pursuant to the regulations of the securities competent authority. These Rules include the main agenda items, operation procedures, required content of meeting minutes, public announcements, and other compliance requirements that shall be handled in accordance with the provisions of these Rules.
4. Apart from the self-inspection on the operation of the Board of Directors meetings, the internal audit personnel of the Company also conducts audit on the operating of the Board of Directors and prepares the audit report to meet the requirement of laws and regulations.
5. The Board of Directors held seven meetings in 2025.

(2) Operation of the Audit Committee

To establish a sound corporate governance system, strengthen supervisory functions, and enhance management effectiveness, the Company, in accordance with Article 3 of the “Regulations Governing the Exercise of Powers by Audit Committees of Public Companies,” established an Audit Committee on June 16, 2022.

The Committee is composed entirely of independent directors, with no fewer than three members. One member serves as the convener, and at least one member must possess expertise in accounting or finance. The term of office for independent directors serving on the Committee is three years, and they are eligible for re-election upon completion of their term.

Information of the members of the Audit Committee:

Name	Term	Professional qualification and experience	Independence analysis	Number of other public companies in which the individual is concurrently serving as an independent director
Chang, Chia-Hsing (Independent Director)	1. Department of Public Finance, National Chengchi University, EMBA , National Chiao Tung University ; Held the position of Assistant Manager of Management Department/Chief Financial Officer of Global Material Science Taiwan Co. Ltd. ∙ Supervisor, ACULA Technology Corp. ∙ Instructor of Industrial Technology Graduate Program, Feng Chia University ∙ Instructor of Corporate Leader Program, Asia University, Taiwan. 2. Currently holds the position of Chairman of Tong Hsin Chi Yuan Management Consulting Co., Ltd., Chairman of Dingcheng Investment Co., Ltd., Independent Director of Axman Enterprise Co., Ltd., Independent Director of Yu Chen System Technology Co., Ltd. 3. With rich industry experience and no circumstances as specified in Article 30 of the Company Act. 4. Mr. Chang Jiaying has previously served as a senior executive in banking, securities, and related industries, and successfully completed a factory establishment project in China, with extensive industry experience.	In the two years prior to the election and during the period of their appointment, the three independent directors listed above fully participated in the decision-making process and expressed their opinions and have independently performed the related duties and responsibilities pursuant to the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission and Article 14-3 of the Securities and Exchange Act.	3	
Lin, Yu-Sheng (Independent Director)	1. Bachelor’s degree, Department of Economics, National Chengchi University Master of Business, St. Louis University ∙ LL.M., National Chengchi University ∙ Master of Business, National Taiwan University, PhD Candidate, Graduate Institute of Technology, Innovation and		None	

Name	Term	Professional qualification and experience	Independence analysis	Number of other public companies in which the individual is concurrently serving as an independent director
		<p>Intellectual Property Management, National Chengchi University ; Held the position of Chairman of Taishin Investment Development Co., Ltd., Vice-President of Taishin Leasing and Financing Co., Ltd.</p> <p>2. Currently holds the position of Director of IIH Biomedical Venture Fund I Co., Ltd., Director of Tetanti Agribiotech Inc. Director of Xin Yao Biotech Investment Co., Ltd , Director of Jing Ying Investment Co., Ltd., Director of Guoyu Internationality Performing arts Co., Ltd. ,Director of PlusPay Fintech Co., Ltd. President of Taishin Venture Capital Investment Co., Ltd. and Independent Director of Shian Yih Electronic Industry Co., Ltd. °</p> <p>3. With rich industry experience and no circumstances as specified in Article 30 of the Company Act.</p> <p>4. Mr. Lin, Yu-Sheng has expertise in law, finance, and business, along with professional capabilities in financial investment and industry research.</p>		
Huang, Lan-Ying (Independent Director)		<p>1. Bachelor’s degree, Department of Economics, Fu Jen Catholic University, MBA, Cleveland State University ° DBA (majored in international enterprise), Nova Southeastern University ; Held the position of Chair of Department of Business Administration, National Changhua University of Education.</p> <p>2. Currently holds the position of Professor, Department of Business Administration, National Changhua University of Education, Independent Director of Niching Industrial Corporation and Axman Enterprise Co., Ltd. Independent Director of SDI Corporation, Independent Director of Shian Yih Electronic Industry Co., Ltd °</p> <p>3. With rich industry experience and no circumstances as specified in Article 30 of the Company Act.</p> <p>4. Ms. Huang, Lan-Ying serves as a university professor and has extensive research experience and professional skills.</p>		2

A. Keys of annual work

1. Communicate the audit report result with the internal audit officer on a regular basis based on the annual audit plan.

2. Communicate with the CPAs of the Company on the financial statements or the audit result on a regular basis.
3. Review the financial reports.
4. Assess the effectiveness of the internal control system.
5. Review the appointment, discharge, remuneration and services of CPAs.
6. The independence of the signing auditors and their independence declarations are reviewed on a regular annual basis, and the evaluation results are submitted to the Board of Directors.
7. Review assets, derivatives, regulations for loans to others and endorsement/guarantee, and significant transactions of assets, loans to others, and endorsement/guarantee.
8. Compliance.

B. Annual Implementation Status:

1. The Company's Audit Committee consists of three members.
2. Term of office of the current members: May 26, 2025 to May 25, 2028.
3. Attendance of committee members in 2025 is as follows:

Title	Name	Number of meetings required to attend	Actual attendance in person	By proxy	Attendance rate (%)	Note
Convener	Chang, Chia-Hsing	6	6	0	100%	
Member	Lin, Yu-Sheng	6	6	0	100%	
Member	Huang, Lan-Ying	6	6	0	100%	

Date of Meeting	Agenda content	Resolution of the Audit Committee	The Company's response to these opinions
2025.02.25	<ol style="list-style-type: none"> 1. Discussion on the 2024 business report and financial statements of the Company. 2. Review the 2024 earnings distribution of the Company. 3. Review the "2024 Internal Control Statement" submitted by the Company. 4. Amendment to the Company's Articles of Incorporation. 5. Change of signing certified public accountant due to internal reassignment within the accounting firm. 6. Appointment of the certified public accountants for the 2025 financial statements and assessment of their independence and competence. 7. Proposal regarding the date, venue, and agenda of the 2025 Annual General Shareholders' Meeting. 	The proposals were approved by all attending members of the Audit Committees in unanimity	The proposals were approved by all attending directors in unanimity
2025.05.08	<ol style="list-style-type: none"> 1. Discussion on the approval of 2025 Q1 Financial Statement 	The proposals were approved by all attending members of the Audit Committees in unanimity	The proposals were approved by all attending directors in unanimity
2025.06.19	<ol style="list-style-type: none"> 1. Election of the Convener of the 2nd Audit Committee. 2. Appointment of the General Manager. 3. Appointment of the Head of the Planning Department. 4. Change in the Head of Research and Development. 5. Appointment of the Vice General Manager of the subsidiary Shian Yih (Dongguan). 	The proposals were approved by all attending members of the Audit Committees in unanimity	The proposals were approved by all attending directors in unanimity
2025.08.07	<ol style="list-style-type: none"> 1. Discussion on the approval of 2025 Q2 Financial Statement. 2. Proposal for directors' and officers' liability insurance coverage. 3. Renewal of the credit facility agreement upon expiration with Mega International Commercial Bank. 4. Amendment to the joint guarantor arrangement for bank credit facilities. 5. Preparation of the Company's "2024 Sustainability Report." 	The proposals were approved by all attending members of the Audit Committees in unanimity	The proposals were approved by all attending directors in unanimity

Date of Meeting	Agenda content	Resolution of the Audit Committee	The Company's response to these opinions
2025.11.07	1. Discussion on the approval of 2025 Q3 Financial Statement. 2. Amendments to the "Regulations Governing the Management on the Transactions of the Group, Specific Companies and Relevant Party." 3. Discussion on the short-term borrowing to subsidiary Shian Yih (Dongguan) Electronic Industry Co., Ltd., and Dongguan Fair Lumi Optronics Co., Ltd. 4. Discussion on renewing the contract of bank line of credit. 5. Discussion on serving as the joint guarantor for the bank line of credit for the subsidiary. 6. Discussion on the bank credit for subsidiary Chian Yih Optotech Co., Ltd. 7. Discussion on the short-term borrowing to subsidiary Chian Yih Optotech Co., Ltd.	The proposals were approved by all attending members of the Audit Committees in unanimity	The proposals were approved by all attending directors in unanimity
2025.12.22	1. Plan to approve the 2026 audit plan of the Company. 2. Plan to approve the 2026 financial forecast and operation plan of the Company. 3. Amendment to the "Internal Control System" to add Chapter 5: Payroll Cycle. 4. Amendment to add Chapter 5: Payroll Audit to the "Internal Audit System and Implementation Rules."	The proposals were approved by all attending members of the Audit Committees in unanimity	The proposals were approved by all attending directors in unanimity

(2) Apart from the aforementioned matters, other resolutions not passed by the Audit Committee but approved by 2/3 of the total directors: None

2. Should a director recuse him or herself from a decision about which he or she has a conflict of interest, the name of the director, contents of the resolution, reasons for recusal and the results of the vote should be noted: None.

3. Communication between independent directors, internal audit officer and auditors (regarding issues such as Company financial and operational status, procedures and results):

(1) Communication regarding the policy between independent directors, internal audit officer and auditors:

1. The independent directors of the Company convenes a meeting every quarter and the CPAs attend the meeting every six months; the internal auditing officer attends the meeting every quarter. A meeting may be convened at any time in case of any material abnormalities

2. Communication between independent directors and CPAs: After the second quarter and the end of the fiscal year, CPAs report and communicate with independent directors on the following topics:

- (1) The duty and independence of the CPAs
- (2) Accounting firm's quality management system
- (3) Scope and method of audit or review
- (4) Quarterly financial report review or annual audit results
- (5) Key accounting treatments, updates on significant regulations, and other related issues

3. Communication between independent directors and the internal audit officer:

(1) In addition to regularly submitting all internal audit reports to the independent directors, since the establishment of the Audit Committee, the Company has held regular meetings with the Audit Committee at least once per quarter.

(2) Communicating directly by e-mail, telephone, etc., whenever necessary

(3) Submission of the audit report for the current period on a regular basis

(2) Independent communication between independent directors, internal audit officer and auditors in 2025:

Summary of the communication between independent directors and the internal audit officer and CPAs

The communication between the independent directors and the CPAs is good. The main communication matters are summarized as follows:

Date	Communication method	Communication content	Opinion of Independent Directors	Implementation result
2025/2/25	Meeting	1. Discussion on the 2024 financial statements of the Company. 2. Update of important regulations.	None.	N/A
2025/08/07	Meeting	1. 2025 Q2 review report. 2. Update of important regulations.	None.	N/A
2025/12/22	Meeting	1. Annual audit planning. 2. Update of important regulations.	None.	N/A
2026/03/05	Meeting	1. Discussion on the 2025 financial statements of the Company. 2. Update of important regulations.	None.	N/A

The communication between the independent directors and the internal audit officer is good. The main communication matters are summarized as follows:

Date	Communication method	Communication content	Opinion of Independent Directors	Implementation result
2025/01/07	E-Mail	Audit report for December 2024.	None.	N/A
2025/02/04	E-Mail	Audit report for January 2025.	None.	N/A
2025/03/06	E-Mail	Audit report for February 2025.	None.	N/A
2025/04/07	E-Mail	Audit report for March 2025.	None.	N/A
2025/05/06	E-Mail	Audit report for April 2025.	None.	N/A
2025/05/08	Meeting	1. Follow-up results on annual improvements for 2024. 2. Execution status of internal audit operations for the first half of 2025. 3. Internal control procedures and internal audit reviews related to the management of sustainability	None.	N/A

		information		
2025/06/02	E-Mail	Audit report for May 2025.	None.	N/A
2025/07/08	E-Mail	Audit report for June 2025.	None.	N/A
2025/08/04	E-Mail	Audit report for July 2025.	None.	N/A
2025/09/03	E-Mail	Audit report for August 2025.	None.	N/A
2025/10/07	E-Mail	Audit report for September 2025.	None.	N/A
2025/11/04	E-Mail	Audit report for October 2025.	None.	N/A
2025/11/07	Meeting	Follow-up results of improvements for the first half of 2025.	None.	N/A
2025/12/5	E-Mail	Audit report for November 2025.	None.	N/A
2026/01/06	E-Mail	Audit report for December 2025.	None.	N/A
2026/02/03	E-Mail	Audit report for January 2026.	None.	N/A
2026/03/03	E-Mail	Audit report for February 2026.	None.	N/A

(3) Difference between the corporate governance implementation and the provisions in the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons.

Evaluation item	Implementation			Difference compared the provisions in the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Brief description	
1. Did the Company establish and disclose its Corporate Governance Best-Practice Principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies?	✓		The Company's Board of Directors has adopted the "Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies" on April 29, 2012, which have been disclosed on the Company's website. In response to subsequent amendments to relevant laws and regulations, updates have been made in a timely manner, and have been disclosed on the Company's website.	The implementation is in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
2. Company ownership structure and shareholders' equity				
(1) Did the Company establish internal operation procedures for handling shareholders' suggestions, questions, disputes, and litigations, and implement these procedures?	✓		(1) The Company has established a spokesperson and deputy spokesperson and the email address for investors to properly receive suggestions from shareholders or resolve disputes. The Company also amended the "Rules of Procedure for Board of Directors Meetings" that added the operation procedure for the Company handling the requirements from directors. Relevant contact information is fully disclosed on the Company's website.	The implementation is in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
(2) Does the Company maintain a list of major shareholders of the Company and the ultimate beneficiary owners of the major shareholders?	✓		(2) The Company grasps the information of shareholders through the register of shareholders on the book closure date and the shareholders holding more than 10% of the total number of shares of the Company for the previous month to the Company. The list of the Company's top ten shareholders is disclosed in the annual report and the Company's website.	
(3) Did the Company establish and implement the risk control and fire wall mechanism between the Company and its affiliates?	✓		(3) The Company has stipulated "Regulations Governing the Control and Management on Subsidiaries" and "Regulations Governing the Management on the Transactions of the Group, Specific Companies, and Relevant Party" to clearly specify the management on the personnel, finance, and business between the Company and affiliates.	
(4) Did the Company stipulate internal regulations to prevent insiders to securities trading on undisclosed information?	✓		(4) The company, through a resolution passed by the board of directors, has established the "Management for Preventing Insider Trading" and the "Internal Major Information Processing Procedures" to regulate members' avoidance of conflicts of interest related to their duties, and prohibits the use or disclosure of non-public information they have knowledge of to others, in order to prevent engaging in insider trading. The company has also established internal regulations in the "Corporate Governance Practice Code" regarding insiders abstaining from trading the company's stocks during the closed periods starting from when they become aware of relevant financial conditions and performance in the company's financial reports, specifically thirty days before the annual financial report announcement and fifteen days before each quarterly financial report announcement. Additionally, the company conducts educational campaigns on the provisions of Article 157-1 of the	

Evaluation item	Implementation			Difference compared the provisions in the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Brief description	
			<p>Securities and Exchange Act for employees, covering reminders about the silent period, the scope and subjects of the prohibition of insider trading, the scope and disclosure methods of information significantly affecting stock prices, penalties, and related legal regulations, in order to concretely implement the prevention of insider trading. The Company sends e-mails or notification letters to directors and insiders to inform them about TPEX's letter on the "Patterns of Violation of the Securities and Exchange.</p> <p>The company conducts online educational campaigns when employees join; before each employee training course, a presentation on "Insider Trading and Insider-Related Legal Regulations" is conducted.</p> <p>In 2025, relevant educational campaigns have been completed for current directors, managers, and employees.</p>	
<p>3. The composition and duties of the Board of Directors</p> <p>(1) Has the Company established and implemented policies for diversity among members of the Board of Directors and the solid management goals?</p> <p>(2) In addition to the establishment of the Salary and Remuneration Committee and Audit Committee as required by law, did the Company establish committees with other functions voluntarily?</p> <p>(3) Did the Company stipulate the Regulations Governing the Performance Evaluation on the Board of Directors, conduct the performance evaluation on a regular basis, and submit the result of performance evaluation to the Board of Directors as the reference for the individual directors' remuneration and re-election nomination?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The Company has drafted the diversity of directors in the "Corporate Governance Best-Practice Principles." In addition, the nomination of the directors is under a strict selection procedure. Apart from the diverse professional background, professional skills, and experience in the industry, the personal morality and reputation in leadership are also taken into consideration. Currently, Board of Directors consists of nine directors with rich company operation experience or professionalism. We rely on the rich knowledge, personal insight, and business judgment of directors. In addition, there is one female director. As for the specific management goals and achievements of the diversity policy on the formation of the Board of Directors as well as the implementation status of the policy are described below, referred to in the "Diversity and independence of the Board of Directors" on page 14-17 of this annual report; this has been disclosed on the Company's website.</p> <p>(2) To perfect the decision making function and enhance the management mechanism, the Company has established the Salary and Remuneration Committee and Audit Committee. Other functional committees may be established in the future based on the actual operation demands.</p> <p>(3) The Company has stipulated the "Regulations Governing the Performance Evaluation of the Board of Directors" after the resolution of the Board of Directors meeting on April 29, 2010. These were amended on December 21, 2022. The 2025 performance evaluation was completed in early 2026. Please refer to "Implementation of the evaluation on the Board of Directors" for the evaluation cycle, period, scope, method, and the content. The performance evaluation result was submitted to the Board of Directors on March 5, 2026. The directors perform their duties with the attitude of</p>	<p>The implementation is in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.</p>

Evaluation item	Implementation			Difference compared the provisions in the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Brief description	
(4) Did the Company assess the independence of the CPAs on a regular basis?	✓		<p>high self-discipline and prudence and with due care. The evaluation results have been disclosed on the company's website.</p> <p>(4) The company's Corporate Governance Practices Code stipulates that the suitability and independence of the appointed accountants should be assessed at least once a year, based on Audit Quality Indicators (AQIs). The results of this evaluation are then reported to the Audit Committee and the Board of Directors for review and approval. Both the Audit Committee and the Board of Directors annually evaluate the independence and suitability of the auditors, confirming that they meet the company's standards for both. The auditors are deemed qualified to serve as the company's auditors and may issue an independence statement.</p> <p>Results of the accountant independence assessment: Please refer to Appendix 1.</p> <p>It has been confirmed that, aside from the fees for financial statement audits and tax-related matters, there are no other financial interests or business relationships between the accountants and the company. The accounting firm (auditors and audit team members) has also not violated independence requirements.</p> <p>Furthermore, referring to AQI indicators, it is confirmed that the auditors and the firm possess experience comparable to industry standards, with training hours aligned with industry averages. They also employ innovative audit tools and have digitized processes to improve audit quality. The evaluation for the most recent year was discussed and approved by the Audit Committee on March 5th, 115, and the Board of Directors passed the resolution regarding the accountant's independence assessment on the same date.</p>	
4. Does the TWSE/TPEX- listed company have in place an appropriate number of qualified corporate governance personnel, and a designated a corporate governance officer to be responsible for corporate governance-related matters (including but not limited to providing directors and supervisors with the information required to conduct business, assist directors and supervisors in legal compliance, handling matters related to board meetings and shareholders' meetings in accordance with law, and preparing minutes of the board and shareholders' meetings)?	✓		<p>In order to promote corporate governance and effectively exert the functions of the Board of Directors, the Company has appointed a corporate governance officer in accordance with Article 23 of the "Taipei Exchange Directions for Compliance Requirements for the Appointment and Exercise of Powers of the Boards of Directors of TPEX Listed Companies" upon approval of the Board of Directors on June 12, 2023. Professionals was appointed as the Corporate Governance Officer in compliance with Article 23 of the Directions related to the corporate governance officer.</p> <p>The main duties are as follows:</p>	The implementation is in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Evaluation item	Implementation			Difference compared the provisions in the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Brief description	
			<p>1. Take care of the Audit Committee, Remuneration Committee, Board of Directors, and shareholders' meetings in accordance with the law.</p> <p>2. Prepare the meeting minutes for the Audit Committee, Remuneration Committee, Board of Directors, and shareholders' meetings.</p> <p>3. Assist in the inauguration of directors and their continuous education.</p> <p>4. Provide information required by directors when performing their duties.</p> <p>5. Assist the directors in compliance matters.</p> <p>6. Conduct matters specified in the Articles of Corporation or contracts.</p> <p>Implementation status:</p> <p>1. Assist the independent directors and directors to perform their duties, provide required information and arrange directors for continuing education.</p> <p>2. Provide the latest related laws and regulations to all board members and assist the directors in compliance matters.</p> <p>3. Provide the company information required by the directors, and maintain smooth communication between the directors and business managers.</p> <p>4. Review and announce important resolutions of the Board of Directors after the meeting to ensure their legitimacy and accuracy and protect the investors in terms of equality in trading information.</p> <p>5. Assist every board member to complete more than 6 hours of continuing education courses every year.</p> <p>6. The Company take out liability insurance for directors and reports to the Board of Directors on renewal of the insurance.</p> <p>7. In 2028, a total of seven Board meetings, six Audit Committee meetings, four Remuneration Committee meetings and one shareholders meeting were convened.</p> <p>8. Perform 2025 Board of Directors performance evaluation.</p>	
5. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers) and set up an area dedicated to stakeholders on the Company website? Does the Company respond appropriately to corporate social responsibility issues that stakeholders consider important?	✓		The company provides communication channels and contact points for stakeholders through its website. In addition, an ESG section has been set up on the company's website to disclose information related to the company's sustainability initiatives in a transparent manner. Financial and business information is regularly announced on both the Public Information Observation Station and the company's website. The company also promptly releases major updates regarding events that could potentially impact stakeholders.	The implementation is in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
6. Has the Company appointed a professional shareholder services agent to handle shareholders' meeting matters?	✓		The company entrusts stock agent -Stock Agent Department, SinoPac Securities Corporation to handle the shareholders' meeting and designates	The implementation is in compliance with the Corporate Governance

Evaluation item	Implementation			Difference compared the provisions in the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Brief description	
			personnel to handle relevant matters.	Best-Practice Principles for TWSE/TPEX Listed Companies.
7. Information disclosure				
(1) Has the Company created a public website to disclose financial, operational, and corporate governance information?	✓		(1) The Company has established a Chinese website to disclose the financial, business, and corporate governance information and designated personnel to maintain and update the website.	The implementation is in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
(2) Has the Company adopted other methods of information disclosure (e.g. setting up an English website, designating a specialist responsible for gathering and disclosing Company information, setting up a spokesperson system, uploading recordings of investor conferences onto the Company website)?	✓		(2) The Company designates personnel to be responsible for the collection and disclosure of Company information, and the spokesperson speaks on behalf of the Company. These measures ensure the information that may affect the decision making of shareholders and stakeholders may be promptly and properly disclosed.	
(3) Does the Company publicly announce and register the annual financial report within two months of the end of the fiscal year, and publicly announce and register Q1, Q2, and Q3 financial reports and the monthly operating status earlier than the deadline?	✓		(3) The Company announces and reports the annual financial reports and the Q1, Q2, and Q3 financial reports, and monthly operation status within the statutory deadline.	
8. Does the Company have other important information to facilitate better understanding of the Company's corporate governance practices (including, but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, director and supervisor training regimes, implementation of risk management policies and risk measurement standards as well as the implementation of client policies and the Company's purchase of liability insurance for its directors and supervisors)?	✓		<p>(1) Employee's benefits: The Company conducts relevant matters pursuant to the Labor Standards Act, provides benefit measures, and implement education training. The Company strives to achieve harmonious labor relations and values employees' right to express their opinions. In addition, the Company holds monthly meeting, where all heads of the departments will attend to communicate with employees and reach consensus in order to ensure the harmonious labor relations and sustainable development of the Company.</p> <p>(2) Employee caring: The Company provides excellent benefit measures, including subsidies for domestic or overseas travel, group insurance, birthday bonus, and encourages employees to receive on-the-job training.</p> <p>(3) Investor relation: The Company establishes spokesperson system, which provides a communication channel for shareholders, investors, and stakeholders. The Company upholds the principle of information transparency. The information disclosure is conducted in accordance with the applicable laws and regulations. In addition, the Company establishes its official website, which contains the information of Company product, business content, and information disclosure so that the public is able to learn the status of the Company.</p> <p>(4) Supplier relation: The Company has been striving for the medium and small size of backlight module for a long time and accumulated the network with the upstream suppliers of key components and parts. The Company upholds the principle of community of life and the spirit of collaboration and maintains stable and close cooperation with the upstream</p>	The implementation is in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Evaluation item	Implementation			Difference compared the provisions in the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Brief description	
			<p>suppliers of key raw materials.</p> <p>(5) The rights of stakeholders: The Company continues to refine itself on the business, seeks for excellent operation performance, and tries its best to achieve the mission of “take care of employees, serve customers, and give back to shareholders.” As a result, the Company is committed to operating with integrity for employees, customers, suppliers, shareholders, and the whole society, abides by the laws and business moral regulations, improves the competitiveness of the industry, creates benefits for stakeholders, and cares for the society.</p> <p>(6) Director’s training: Please refer to (11) Director’s Training of the corporate governance section in this annual report.</p> <p>(7) When attending the Board of Directors meetings, the directors will assess and measure the risks of the operation of the Company and understand, analyze, and make decision on all significant businesses.</p> <p>(8) The Company’s purchase of liability insurance for its directors: The Company has purchased liability insurance for directors. Please visit the MOPS for detailed information.</p>	
<p>9. Please explain improvements that have been made in response to the results of the Corporate Governance Evaluation issued by the Taiwan Stock Exchange Corporate Governance Center and submit the priority improvement matters and measure for the deficiencies that have not yet been improved. (A company not evaluated may leave it blank)</p> <p>In accordance with the 10th Corporate Governance Evaluation in 2023, the improvements on items that need to be improved and the descriptions for the items that have not yet been improved are as follows: The Company attaches great importance to issues of risk management, environmental protection/energy conservation, and carbon reduction. Starting from 2024, the Company will report its operating status to the Board of Directors at least once a year; it was completed the sustainability report in 2024. The Company will maintain effective corporate governance in all operating aspects, implement the transparency of information disclosure, and increase the equity of shareholders.</p>				

Appendix 1: CPA Independence Assessment Criteria

Independence Assessment Items	Independence
1. Not an employee of the Company or any of its affiliates.	Yes
2. Not a director or supervisor of the Company or any of its affiliated companies except for the independent director of a subsidiary in which the Company indirectly holds more than 50% of the voting shares).	Yes
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.	Yes
4. Not a spouse, relative within the second degree of kinship or lineal relative within the third degree of kinship, of an officer under the preceding three sub-paragraphs.	Yes
5. Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company; or directors, supervisors or employees of the top five corporate shareholders.	Yes
6. Not a director, supervisor, manager or shareholder holding 5% or more of the shares of a specific company or institution in a business or financial relationship with the Company	Yes
7. Not a spouse or relative within the second degree of kinship of another director.	Yes
8. No situations prescribed in Article 30 of the Company Act are found.	Yes
9. Not elected as a government, legal person or its representative in accordance with Article 27 of the Company Act.	Yes
10. Did not serve as a director or officer or pose material effect on audits in the most recent years.	Yes
11. Whether or not the "Declaration of Independence" issued by the assigned CPAs has been obtained.	Yes

(4) Composition, Duties and Operation of the Salary and Remuneration Committee

The Salary and Remuneration Committee faithfully performs the following duties with due care and submits the suggestions to the Board of Directors for discussion.

1. Stipulate and review the performance evaluation standard for directors and managerial officers, annual and long-term performance goals, and the policy, system, standard and structure of the salary and remuneration on a regular basis.
2. Evaluate the performance achievement status for directors and managerial officers on a regular basis, determine their salary and remuneration based on the performance evaluation results and propose revision suggestion.
3. Information of the members of the Salary and Remuneration Committee

March 31, 2026

Name	Term	Professional qualification and experience	Independence analysis	Number of other public companies in which the individual is concurrently serving as an independent director
Chang, Chia-Hsing (Independent Director)		1. Department of Public Finance, National Chengchi University, EMBA , National Chiao Tung University ; Held the position of Assistant Manager of Management Department/Chief Financial Officer of Global Material Science Taiwan Co. Ltd. 、 Supervisor, ACULA Technology Corp. 、 Instructor of Industrial Technology Graduate Program, Feng Chia University 、 Instructor of Corporate Leader Program, Asia University, Taiwan. 2. Currently holds the position of Chairman of Tong Hsin Chi Yuan Management Consulting Co., Ltd., Chairman of Dingcheng Investment Co., Ltd., Independent Director of Axman Enterprise Co., Ltd., Independent Director of Yu Chen System Technology Co., Ltd. 3. With rich industry experience and no circumstances as specified in Article 30 of the Company Act. 4. Mr. Chang Jiaying has previously served as a senior executive in banking, securities, and related industries, and successfully completed a factory establishment project in China, with extensive industry experience.	In the two years prior to the election and during the period of their appointment, the three independent directors listed above fully participated in the decision-making process and expressed their opinions and have independently performed the related duties and responsibilities pursuant to the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission and Article 14-3 of the Securities and Exchange Act.	3
Lin, Yu-Sheng (Independent Director)		1. Bachelor's degree, Department of Economics, National Chengchi University Master of Business, St. Louis University 、 LL.M., National Chengchi University 、 Master of Business, National Taiwan University, PhD Candidate, Graduate Institute of Technology, Innovation and Intellectual Property Management, National Chengchi University ; Held the position of Chairman of Taishin Investment Development Co.,		None

Name	Term	Professional qualification and experience	Independence analysis	Number of other public companies in which the individual is concurrently serving as an independent director
		<p>Ltd., Vice-President of Taishin Leasing and Financing Co., Ltd. 2. Currently holds the position of Director of IIIH Biomedical Venture Fund I Co., Ltd., Director of Tetanti Agribiotech Inc. Director of Xin Yao Biotech Investment Co., Ltd , Director of Jing Ying Investment Co., Ltd., Director of Guoyu Internationality Performing arts Co., Ltd. ,Director of PlusPay Fintech Co., Ltd. President of Taishin Venture Capital Investment Co., Ltd. and Independent Director of Shian Yih Electronic Industry Co., Ltd. ° 3. With rich industry experience and no circumstances as specified in Article 30 of the Company Act. 4. Mr. Lin, Yu-Sheng has expertise in law, finance, and business, along with professional capabilities in financial investment and industry research.</p>		
Huang, Lan-Ying (Independent Director)		<p>1. Bachelor's degree, Department of Economics, Fu Jen Catholic University, MBA, Cleveland State University ° DBA (majored in international enterprise), Nova Southeastern University ; Held the position of Chair of Department of Business Administration, National Changhua University of Education. 2. Currently holds the position of Professor, Department of Business Administration, National Changhua University of Education, Independent Director of Niching Industrial Corporation and Axman Enterprise Co., Ltd. Independent Director of SDI Corporation, Independent Director of Shian Yih Electronic Industry Co., Ltd ° 3. With rich industry experience and no circumstances as specified in Article 30 of the Company Act. 4. Ms. Huang, Lan-Ying serves as a university professor and has extensive research experience and professional skills.</p>		2

4. The operation of the Salary and Remuneration Committee

(1) The Salary and Remuneration Committee of the Company consists of three members.

(2) The term of the current committee: May 26, 2025 – May 25, 2028.

(3) The attendance of the Committee members in 2025 is as follows:

Title	Name	The number of times attendance was required	Actual attendance in person	By proxy	Attendance rate (%)	Note
Convener	Chang, Chia-Hsing	4	4	0	100%	
Member	Lin, Yu-Sheng	4	4	0	100%	
Member	Huang, Lan-Ying	4	4	0	100%	

5. The content of the Remuneration Committee agenda, the resolutions passed, and the company's handling of the committee's recommendations are as follows:

Date	Agenda content	Resolution results	The Company's response to the opinion of the Salary and Remuneration Committee
2025.02.25	<ol style="list-style-type: none"> The 2024 distribution of remuneration of directors and supervisors and remuneration of employees of the Company. The definition and scope of the company's basic-level employees. Amendment to the company's articles of incorporation. Salary adjustment proposal for the managers of the subsidiary, Chian Yih Optotech Co., Ltd. 	Approved by all members of the Committee in unanimity	Submitted to the Board of Directors and approved by all attending directors in unanimity
2025.06.19	<ol style="list-style-type: none"> Election of the Chairperson of the Remuneration Committee. Chairman's remuneration proposal. General Manager's remuneration proposal. Remuneration proposal for the Director of the Planning Department. Remuneration proposal for the Deputy General Manager of Shian Yih (Dongguan) Electronic Industry Co., Ltd 	Approved by all members of the Committee in unanimity	Submitted to the Board of Directors and approved by all attending directors in unanimity
2025.08.07	<ol style="list-style-type: none"> Discussion on the 2024 distribution of remuneration of directors and supervisors. Discussion on the 2024 distribution of remuneration of employees. Discussion on the 2025 distribution of Mid-Autumn Festival bonus. Discussion on the distribution of 	Approved by all members of the Committee in unanimity	Submitted to the Board of Directors and approved by all attending directors in unanimity

Date	Agenda content	Resolution results	The Company's response to the opinion of the Salary and Remuneration Committee
	performance bonus for subsidiaries.		
2025.12.22	<ol style="list-style-type: none"> 1. Discussion on the 2025 distribution of year-end bonus for managerial officers. 2. Discussion on the 2025 distribution of year-end bonus for managerial officers of subsidiaries. 3. Amendment of the Internal Control System to add Chapter 5 on Payroll and Compensation Cycle. 4. Amendment to add Chapter 5 on Payroll Audit in the Internal Audit System and Implementation Guidelines. 	Approved by all members of the Committee in unanimity	Submitted to the Board of Directors and approved by all attending directors in unanimity

(5) Implementation of Sustainable Development and Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Brief description	
1. Does the Company have a governance structure for sustainability development and a dedicated (or ad hoc) sustainable development organization with Board of Directors authorization for senior management, which is reviewed by the Board of Directors?	✓		<p>The structure of the sustainability development of the Company is as follows: The President serves as the main convener, the Financial Department is the ad hoc unit of the sustainability development. The personnel of each department in charge of related functions are responsible for implementation, review, and continuous improvement. These are included in discussions at policy management meetings and are reviewed and managed on a regular basis. The Board of Directors supervises and guides the issues related to the environment, social, and corporate governance in sustainability development.</p> <p>Although the Company has not yet established a functional committee-level Sustainable Development Committee, the President serves as the convener to set up an environmental sustainability, corporate governance, and social engagement group to promote sustainable development policies. A meeting is held at least once a year to review the Company's and related management policies and the effectiveness of concrete promotion plans.</p> <p>The convener of the sustainable development promotion team reports the implementation results of sustainable development and future work plans to the Board of Directors on a quarterly basis.</p>	No significant difference.
2. Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operation and establish risk management related policy or strategy?	✓		<p>Based on the insights from the Sustainability Task Force, stakeholders, and internal/external experts, the Company categorized 11 ESG issues into Environmental, Social, and Economic/Governance dimensions. We established significance thresholds grounded in these professional opinions and developed a Materiality Matrix, through which 7 material topics were identified. Following the resolution of the Sustainability Task Force, the results were formally reported to the Board of Directors.</p> <p>Based on the assessed risks, the relevant risk management policies are established as follows:</p>	No significant difference.

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3. Environmental Topic (1) Has the Company set an environmental management system designed to industry characteristics?	✓		The production process of the subsidiaries of the Company passes the certification of ISO 9000, ISO 14001, and IATF 16949 in order to minimize the pollution to the environment. The management system is in compliance with the environmental protection laws and regulations. Internally, the Company has stipulated management operation for environmental safety, actively implements the self-management on the safety and health, and implement the pollution operation to ensure the safety and health of the working environment of employees and maintain the ecological equilibrium.	No significant difference.						
(2) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact?	✓		The Company and its subsidiaries continue to develop materials with less pollution to replace the original raw materials used for products and to recycle and reuse the production leftovers. Continue to improve energy efficiency, including paperless, energy saving, reduction of	No significant difference.						

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
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			household wastes, and recycling to reduce the impact on the environment.	
(3) Does the Company evaluate current and future climate change potential risks and opportunities and take measures related to climate related topics?	✓		Promote the energy saving and carbon reduction concept to employees randomly and fully introduce LED lighting. Include the issue of reduction of greenhouse gas in the risk management procedure, continue to assess the potential risk and opportunity of climate change on the Company, and actively promote energy saving, carbon reduction, reduction of water usage, and other wastes management project.	No significant difference.
(4) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set greenhouse gas emissions reduction, water usage reduction and other waste management policies?	✓		<p>Environmental Performance Summary (2024–2025)</p> <p>The Company has compiled the greenhouse gas (GHG) emissions, water consumption, and total waste weight for the past two years.</p> <p>1. Greenhouse Gas Emissions</p> <p>The total \$CO_2e\$ emissions (Scopes 1-3) for all facilities in 2024 and 2025 were 1,074.517 kg and 724.917 kg, respectively, representing a 32% reduction. This performance significantly exceeds our annual reduction target of 1%. The decrease is attributed to specific measures including improving equipment efficiency and sustaining reduction efforts through optimized procedures, objective-based management, and employee awareness programs.</p> <p>2. Water Consumption</p> <p>Total water consumption for all facilities in 2024 and 2025 was 4,794 (metric tons) and 7,265 (metric tons), respectively, an increase of 52%.</p> <p>Water Policy: The primary industrial water use is for the chilled water system, which utilizes a recycled water loop and accounts for a small proportion of total use. For domestic use, we implement water-saving awareness measures. While domestic water consumption decreased in 2025, the overall increase was due to a complete replacement of the chilled water circulation tank and a</p>	No significant difference.

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			<p>third-party pipeline rupture incident near our facility.</p> <p>3. Waste Management Waste is categorized into domestic and industrial waste, further classified into non-recyclable and recyclable. Total industrial waste for all facilities in 2024 and 2025 was 53.223 metric tons and 40.93 metric tons, respectively, a year-on-year reduction of 23%. This was primarily due to a decrease in manufacturing waste resulting from order volume fluctuations and optimized outer packaging designs.</p> <p><u>Waste Policy:</u> We implement Green Packaging strategies by optimizing packaging volume and materials at the design stage. Additionally, domestic food waste is managed through collaboration with certified environmental recycling partners.</p>	
4. Social Topic (1) Does the Company stipulate management policies and procedures in compliance with regulations and international human rights covenants?	✓		The Company stipulates “work rules” and “payroll and personnel cycle” in accordance with the Labor Standards Act, relevant laws and regulations, and international human rights covenants to protect the legal rights and interests of employees. The Company is in compliance with the current laws and regulations, including Labor Standards Act, Employment Service Act, and Act of Gender Equality in Employment and protects employees’ rights and interests through the promotion of internal work rules of the company and complaint channel. We believe each employee shall receive equal treatment and respect. The Company has never employed child labor, forced labor, nor infringed on human rights.	No significant difference.
(2) Has the Company established appropriate employee benefit measures (include salary and remuneration, leave and benefits), and link operational performance or achievements with employee salary and compensation?	✓		The company implements humane management and benefit measures. In accordance with the Articles of Incorporation, where there is profit as a result of the yearly accounting closing, the Company shall distribute 2% to 10% as the remuneration of employees(including no less than 25% as the remuneration distributed to grass-root employees), and the Board of Directors may determine the remuneration	No significant difference.

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	Yes	No	Brief description	
			<p>should be distributed in shares or cash. Stipulate and implement reasonable employee benefit measures, including salary and remuneration, leaves, and other benefits, and properly reflect the operating performance on the salary and remuneration of employees:</p> <ol style="list-style-type: none"> 1. The Board of Directors establishes the Salary and Remuneration Committee, which is responsible for the policy, system, standard, and structure of salary and remuneration. 2. Performance evaluation: The evaluation result serves as the basis of promotion, bonus distribution, and remuneration distribution. 3. Distribution of bonus: Bonuses are in accordance with the Performance Management Regulations and correlated to the operating performance and annual net profit of the Company and the employee performance evaluation. 	
(3) Does the Company provide employees with a safe and healthy working environment and offer regular safety and health training?	✓		<ol style="list-style-type: none"> 1. The Company provides employees with health checkups, occupational safety instructions, fire and accident prevention education and training, and drills to protect the health of the employees and the safety of the working environment. In 2015, the Company promoted a friendly and equal working environment, prohibiting sexual harassment and bullying in the workplace, and providing safe complaint channels 2. The Company stipulates the “Disaster Emergency Response Measures,” “Work Rules for Safety and Health,” “Regulations Governing the Safety and Health of Labors” and “Labor Safety and Health Occupational Disaster Prevention and Automated Inspection Plan.” 3. No employee suffered from occupational hazards in 2025, and the proportion of occupational hazards to the total number of employees is 0%. 4. The Fire competent authority conducts 2 fire prevention seminars per year. 5. The Company has no fire incidents in 2024. 	No significant difference.
(4) Has the Company established effective career	✓		To improve the skills of employees and increase the overall	No significant difference.

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development training plans for employees?			competitiveness of the organization, apart from stipulating internal educational training, the Company also encourages employees to participate in the internal and external competency training courses. Encourage employees to improve themselves and participate in competency training courses for different competencies to improve professional abilities, fulfill the career development goals of employees and achieve the operating goals of the Company.	
(5) Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling and set policies to protect consumers' or customers' rights and consumer complaint procedures?	✓		The Company does not sell products directly to end consumers. However, we maintain seamless communication channels with our corporate clients and proactively cooperate with their requirements to continuously enhance customer satisfaction. We have established various communication channels on our official website, including a dedicated customer service hotline and email, to facilitate direct dialogue with stakeholders and provide platforms for grievances. Regarding the marketing and labeling of our products and services, the Company strictly adheres to the local regulations and international standards of both our customers and suppliers. Furthermore, through internal audits, risk prevention measures, and employee training, we have strengthened the protection of customer data privacy. We are committed to safeguarding customer rights and ensuring information security, and we strictly prohibit any deceptive, misleading, fraudulent, or harmful practices that could undermine consumer trust or interests.	No significant difference.
(6) Does the Company stipulate supplier management policy and request suppliers to comply with related regulations on the topics of environmental, occupational safety and health or labor right, and their implementation status?	✓		1. The Company has formulated the "Supplier Management Measures," which covers supplier selection criteria and sustainable management guidelines. Suppliers must comply with the principles of sustainable management and demonstrate their commitment to quality, environment, and social responsibilities. 1.1 Quality management: Adopt international standards (such as ISO9001) to ensure the stable quality of products and services.	No significant difference.

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
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			<p>1.2 Environmental protection: Comply with relevant regulations (<i>e.g.</i>, RoHS, REACH) to fulfill environmental protection responsibilities and reduce negative impacts on the ecology.</p> <p>1.3 Social responsibility: Strictly comply with the conflict mineral policy to ensure respect for human rights and ethical standards in the procurement and production process.</p> <p>2. The Company requires all new suppliers to complete a Supplier Qualification Self-Assessment Form. The evaluation criteria encompass product quality, design management, production management, business management, and the monitoring of hazardous substances to ensure supply chain stability and sustainable development. In 2024, all three new suppliers successfully completed this assessment. Starting in 2025, in addition to requiring documentation from new suppliers during the onboarding process, the Company has initiated a phased update of documents and commitment letters for existing suppliers with active transactions. These include the "Supplier Code of Conduct and Social Responsibility Commitment" and the "Conflict Minerals-Free Statement." These measures aim to continuously strengthen supply chain compliance with Environmental, Social, and Governance (ESG) standards.</p> <p>3. If a registered supplier has not met the supplier's incoming material quality target set by the Company in the past three months (<i>i.e.</i>, unstable quality), in addition to meeting the improvement conditions of the previous evaluation defects, coordination will be conducted with the supplier's key personnel to suggest improvement approaches and request for improvement. The effectiveness of the improvement measures will be confirmed within 3 months until the case is closed. If the improvement effect is not good, after approval by the</p>	

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			<p>responsible manager is obtained, orders from the supplier will be reduced until the transfer is completed, The Procurement Department will fill out the “New/Modified Application Form Supplier Information” for the application of “Disqualified Supplier” and submit to the supervisor in charge for approval and disqualification of subsequent supply.</p> <p>4. In accordance with the Supplier Management Process, the Company conducts annual periodic evaluations of qualified suppliers with active transaction records. The selection of evaluation targets is based on criteria such as annual transaction volume and the frequency of incoming material batches. Suppliers that do not meet the evaluation threshold may be excluded from the annual assessment; however, this exclusion does not apply to suppliers of critical products or specific applications. The evaluation process is executed through document-based assessments using the "Supplier Evaluation Form."</p> <p>The Company selects annual suppliers of key raw materials and physical properties, and conducts on-site inspections of suppliers for evaluation based on the "Annual Raw Material Supplier Audit Plan" and the evaluation result is qualified</p>	
5. Does the Company refer to international reporting rules or guidelines to publish Sustainability Report to disclose non-financial information of the Company? Has the said Report acquired third-party verification or statement of assurance?		✓	<p>The Company established the Sustainability Task Force in December 2023 and provides quarterly progress reports on the preparation of the Sustainability Report to the Board of Directors.</p> <p>According to the "Sustainable Development Roadmap for TWSE/TPEX Listed Companies," the Company—classified as a firm with paid-in capital under NT\$2 billion—successfully completed the filing of its 2024 Parent Company Only Sustainability Report before the end of August 2025, as required. Moving forward, the Company will proceed to obtain third-party assurance from an independent verification body in accordance with the regulatory schedule.</p>	In progress.

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Brief description	
6. If the Company has established its sustainable development code of practice according to “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies,” please describe the operational status and differences: The Company has not yet stipulated the “Sustainable Development Best-Practice Principles for TWSE/TPEX-Listed Companies.” However, the Company has implemented the corporate social responsibility in accordance with the spirit. The Company may stipulate such principles based on the development demand of the Company in accordance with the laws and regulations.				
7. Other important information to facilitate better understanding of the Company’s implementation of sustainable development: The Company has disclosed the system and measures adopted for fulfilling the social responsibility in the annual report.				

(5-1) Climate-related information

1. Execution Status of Climate-related Information

Items	Execution Status
I. State the Board's managers oversight and governance of climate related risks and	The Company established the Sustainability Promotion Task Force in December 2023, with the General Manager serving as the convener. The Task Force is structured into three functional categories: Environmental, Governance, and Social. The Environmental Group is led by the Administrative Department, tasked with overseeing greenhouse gas (GHG) inventories and tracking climate-related issues. Furthermore, the progress and scheduled timelines of these initiatives are formally incorporated into the Board of Directors' reporting items.
II. Describe how the identified climate risks and opportunities affect the business, strategy, and finance (short-term, medium-term and longterm) of the enterprise.	In 2025, through deliberations by the Sustainability Promotion Task Force, the Company compiled a comprehensive list of climate-related risks and opportunities aligned with domestic and international trends. Key risks and opportunities were prioritized based on the voting results from the task force members. For detailed identification of these climate-related risks, opportunities, and their respective impacts, please refer to Note 1.
III. Describe the financial impacts of extreme weather events and transformational actions.	Amid the increasing frequency of extreme climate events, the Company identified four key climate risks in 2025. These include transition risks such as "Requirements and regulations for existing products and services," "Changes in customer behavior," and "Rising raw material costs," as well as physical risks like "Extreme weather events (e.g., typhoons and floods)." In response, we have formulated transition actions and assessed the financial impacts for these four risks; please refer to the table in Note 1 for details.
IV. Describe how the climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>The Company's "Risk Management Regulations" were approved by the Board of Directors in 2020. These regulations explicitly define the following risk categories:</p> <ol style="list-style-type: none"> 1. External Risks: Changes in environment, politics, economy, law, technology, and industry. 2. Internal Operational Risks: Sales and marketing, production cycles, supply chain, information security, human resources, occupational health and safety, regulatory compliance, intellectual property, and internal controls. 3. Financial Risks: Finance and investment. 4. Other Risks: Natural disasters, pandemics, wars, etc. <p>The scope of these risk categories encompasses environmental, social, and economic governance (ESG) across internal and external dimensions, including climate change issues. In 2025, the Sustainability Promotion Task Force compiled a list of climate-related risks and opportunities based on domestic and international trends. Key risks and opportunities were determined through a voting process. Subsequently, department heads evaluated current operations and available resources to develop feasible and effective management policies for significant risk items. These policies have been integrated into the Company's enterprise risk management (ERM) framework for ongoing assessment and tracking.</p>
V. When utilizing scenario analysis to assess resilience against climate change risks, the Company shall specify the scenarios employed, along with the parameters, assumptions, analytical factors, and the primary financial impacts involved.	The Company has not yet adopted the scenario analysis of climate change.
VI. If there is a transformation plan for managing climate related risks, describe the plan and the metrics and targets used to identify and manage physical and transformation risks.	The company has no transformation plan yet.
VII. If internal carbon pricing is used as a planning tool, the basis for the pricing should be described.	The company currently has no plans for internal carbon pricing.
VIII. If climate related targets are set, the	The Company has not yet established specific climate-related targets, nor has it

Items	Execution Status
<p>activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress of achievement should be stated; and if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon credits to be offset or the quantity of renewable energy certificates (RECs) should be stated.</p>	<p>utilized carbon offsets or renewable energy certificates (RECs).</p>
<p>IX. Greenhouse gas inventory and confirmation status with reduction targets, strategies, and specific action plans.</p>	<p>Please refer to the table below</p>

Note 1: **2025 Climate-Related Risks and Opportunities Identification Table**

* **Time Horizon Definitions:** Short-term refers to 1–3 years; Medium-to-long-term refers to 3–5 years.

Risk/Opportunity Category	Risk/Opportunity Factor	Description of Risk/Opportunity	Time Horizon	Impact on Strategy, Operations, and Financials	Mitigation & Adaptation Strategies	Financial Impact of Response Measures
Transition Risk – Policy and Legal	Requirements and regulations for existing products and services	Rising climate regulations and heightened customer demands have placed pressure on LED backlight modules regarding energy efficiency and low-carbon transition. Failure to comply may compromise product competitiveness and sales.	Medium-to-long-term	Existing products may require redesign or process optimization, leading to increased R&D and validation efforts. This will result in higher R&D, equipment, and testing costs in the short term.	Product design is optimized across three dimensions: <ul style="list-style-type: none"> • Utilization of recyclable materials. • Adoption of assembly methods compatible with automated production. • Design of standardized packaging for universal use across different products or components. 	Short-term increases in R&D, testing, and capital expenditure for equipment. However, in the medium-to-long term, this may enhance product competitiveness and customer stickiness. Improved energy efficiency can also reduce unit energy costs.
Transition Risk – Market	Changes in customer behavior	Climate change has heightened the sustainability requirements of customers. LED backlight modules are under pressure to transition toward low-carbon and high-efficiency solutions. Failure to adapt may adversely affect order acquisition and collaboration terms.	Medium-to-long-term	Customers may demand low-power product designs and carbon-reducing production processes. Meeting these requirements involves optimizing product design and establishing projects for automated production lines, which will increase development and facility setup costs.	<ul style="list-style-type: none"> • Develop all-time-domain low-power display products to meet future market demand for energy efficiency and carbon reduction. • Establish unmanned automated production lines based on market needs to comply with requirements for carbon reduction, low loss, and gradual carbon footprint reduction, supporting customers in their decision-making and disclosure efforts. 	Short-term increases in R&D costs for product design adjustments. In the medium-to-long term, these measures mitigate revenue risks arising from rapid shifts in customer behavior.
Transition Risk – Market	Rising raw material costs	Driven by environmental trends and the phased implementation of climate policies, shifts in the supply and demand of raw materials may occur. This leads to upward cost pressures and	Medium-to-long-term	• Rising raw material costs directly increase procurement expenditures, compressing gross profit margins and affecting pricing strategies and	The Company adopts a flexible risk-diversification management approach, featuring key measures as follows: <ul style="list-style-type: none"> • Continuously gather and analyze market price intelligence to monitor raw material trends as a basis for 	• Short-term: Operational costs may increase due to market intelligence gathering, alternative material validation, and safety stock allocation. However, flexible

Risk/Opportunity Category	Risk/Opportunity Factor	Description of Risk/Opportunity	Time Horizon	Impact on Strategy, Operations, and Financials	Mitigation & Adaptation Strategies	Financial Impact of Response Measures
		supply instability, potentially impacting product price competitiveness.		market competitiveness. <ul style="list-style-type: none"> Operationally, price and supply instability increase the complexity of procurement and production scheduling. Financially, this elevates cost control pressures and the risk of profit volatility. 	price negotiations. <ul style="list-style-type: none"> Maintain strong relationships with major suppliers through real-time communication and flexible pricing mechanisms. Promote dual-sourcing or alternative supply source evaluations to mitigate dependence on single sources. Collaborate with internal units (R&D/Manufacturing/Sales) to evaluate and validate alternative materials and optimize material usage efficiency. Adjust procurement batch sizes according to market conditions and collaborate with relevant units on buffer stock strategies to balance cost and supply stability. 	procurement and risk-diversification mechanisms mitigate the impact of price volatility. <ul style="list-style-type: none"> Medium-to-long-term: Diversified sourcing, enhanced price monitoring, and material validation reduce the impact of drastic price fluctuations. This stabilizes overall cost variations and enhances financial predictability.
Physical Risk – Acute	Extreme weather events (e.g., typhoons and floods)	Impacted by climate change, the increasing frequency of extreme weather events such as typhoons, heavy rainfall, and floods may lead to disruptions at operating sites or within the supply chain, affecting production, lead times, and business continuity.	Short-term	<ul style="list-style-type: none"> Work stoppages, operational disruptions, or delayed deliveries caused by typhoons and floods will impact revenue and customer relationships. Direct losses may include structural damage to plants, equipment failure, water damage to stored products, and logistics delays. 	<ul style="list-style-type: none"> Establish an Emergency Response Task Force. Identify potential disaster scenarios (strong winds, water shortages, mudslides, power outages, equipment damage) and develop corresponding disaster prevention plans. Conduct regular inspections of emergency power systems and Uninterruptible Power Supply (UPS) facilities; install water storage systems to ensure stable supply during disasters. Construct onsite solar power generation facilities. Invest in Voltage Sag Mitigation 	Short-term increases in disaster prevention facilities and response resources will raise operating costs; however, these measures mitigate potential losses stemming from work stoppages or delivery delays.

Risk/Opportunity Category	Risk/Opportunity Factor	Description of Risk/Opportunity	Time Horizon	Impact on Strategy, Operations, and Financials	Mitigation & Adaptation Strategies	Financial Impact of Response Measures
					equipment and configure UPS for critical production machinery and computer systems to reduce the risk of voltage drops causing power interruptions.	
			Long-term	Frequent repairs due to flood damage or insufficient daily water supply requiring external water purchases will lead to increased operational costs.	<ul style="list-style-type: none"> Reinforce plant structures to withstand earthquakes and high winds; implement flood control gate designs to prevent damage from mudslides and flooding. Implement water conservation and recycled water circulation systems. 	Long-term investment in structural reinforcement and water recycling systems will increase capital expenditure ; however, it mitigates potential losses from repairs and work stoppages, thereby enhancing operational resilience.
Opportunity Resource Efficiency	– Use of more efficient modes of transport and distribution	Amid rising energy prices and heightened carbon reduction requirements, optimizing transport and distribution planning can reduce energy consumption and carbon emissions. This simultaneously enhances resource efficiency and generates cost optimization benefits.	Short-term	<ul style="list-style-type: none"> Incorporating logistics and distribution efficiency into operational management and carbon reduction goals can lower the operating cost structure. Logistics process optimization reduces transit times and product carbon emissions, thereby enhancing corporate image and customer satisfaction. 	<ul style="list-style-type: none"> Design and implement Information Management Systems to provide real-time updates on logistics processes, quotations, and labor handling costs. Continuously monitor logistics performance and energy efficiency improvements to achieve annual targets for reducing transport-related carbon emissions. 	<ul style="list-style-type: none"> Optimization of logistics processes and system adjustments may incur initial planning and management costs; however, they lead to lower transportation costs in the medium-to-long term. Ongoing review of logistics performance and energy efficiency will increase management costs but contributes to improved operational efficiency and financial performance.
Opportunity	– Shifts in customer	As sustainability trends	Medium-to-l	Incorporating	Strengthen communication with	Developing products and

Risk/Opportunity Category	Risk/Opportunity Factor	Description of Risk/Opportunity	Time Horizon	Impact on Strategy, Operations, and Financials	Mitigation & Adaptation Strategies	Financial Impact of Response Measures
Products and Services	or consumer preferences	deepen, customer preferences are shifting toward low-carbon, energy-efficient, and eco-friendly products. Increased market acceptance of high-efficiency, low-environmental-impact products creates opportunities for product differentiation and brand value enhancement.	long-term	sustainability and low-carbon features into product and service positioning can serve as a key driver for differentiation and market expansion. This enhances market competitiveness and creates potential revenue growth opportunities.	customers on sustainability issues and enhance R&D and design capabilities to capture and respond to shifting customer preferences.	services that meet market demands may increase R&D and promotional costs; however, in the medium-to-long term, these efforts will boost revenue performance.

1-1 Recent two-year company greenhouse gas inventory and verification status

1-1-1 Greenhouse Gas Inventory Information:

Greenhouse Gas Inventory Information: The organizational boundary is limited to the entire Apex Taiwan plant. The operational scope encompasses direct emissions (Scope 1) as well as indirect emissions (Scope 2 and Scope 3).

Category / Type	Unit	2024	2025
Scope 1	tCO ₂ e	56.645	16.953
Scope 2	tCO ₂ e	968.339	660.111
Total Scope 1 & 2 Emissions	tCO ₂ e	1,024.98	677.064
Scope 3	tCO ₂ e	49.533	47.853
Parent Company Only Revenue	NT\$ millions	857	810
GHG Emissions Intensity (Total Scope 1 & 2 / Revenue)	tCO ₂ e / NT\$ millions	1.196	0.836

Note 1: The greenhouse gases included in the inventory are carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O).

Note 2: The inventory boundary covers the Taiwan operational sites of the parent company, Xianyi Electronics (Plant 1: No. 22, Gongye 24th Rd., Nantun Dist., Taichung City; Plant 2: No. 8-1, Gongye 12th Rd., Xitun Dist., Taichung City).

Note 3: The standard applied is based on ISO 14064-1:2018, adopting the operational control approach. Scope 1 corresponds to Category 1 under ISO 14064-1:2018; Scope 2 corresponds to Category 2; Scope 3 corresponds to Categories 3 to 6. However, Xianyi Electronics currently only inventories emissions from waste transportation and employee commuting fuel use (gasoline and diesel).

Note 4: The emission factors are sourced from those published by the Ministry of Environment.

Note 5: The above data are self-reported by the company and have not been verified by a third party.

Note 6: The annual individual operating revenue figures in the above table are based on the audited annual financial statements certified by KPMG.

1-1-2 Greenhouse Gas Assurance Information: None.

1-2 Greenhouse Gas Reduction Targets, Strategies and Specific Action Plans:

1-2-1 Reduction Targets

Reduce greenhouse gas emissions by 1% annually compared to the previous year.

1-2-2 Reduction Strategies and Action Plans Purchased electricity is the Company's primary source of GHG emissions; therefore, reducing electricity consumption is our core strategy.

Specific Action Plans:

1. Design and Upgrade Process Equipment: Gradually replace existing machinery with energy-efficient and high-performance devices.
2. Lighting Optimization: Transition all workplace lighting to energy-saving LED fixtures.
3. Green Transportation: Replace corporate fleet vehicles with low-emission Hybrid or Battery Electric Vehicles (BEVs); encourage carpooling for business trips and daily commutes.
4. Paperless Initiative: Promote the use of electronic systems for document signing and technical drawing management to minimize paper consumption.

(6) Ethical Corporate Management Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies”

Evaluation item	Implementation			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Brief description	
<p>1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures</p> <p>(1) Has the Company stipulated a clear ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures and commitment regarding the implementation of such policy from the Board of Directors and the top management team?</p> <p>(2) Has the Company established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the operation with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Paragraph 2, Article 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM-Listed Companies?</p> <p>(3) Has the Company established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures and periodically reviews and revises such policies?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) In order to demonstrate the Company's willingness to assume social and environmental responsibilities, comply with corporate ethical standards, improve the Company's social image, and observe international labor, health and safety, environmental protection, and ethical standards, the Company has formulated the "Procedures for Ethical Management and Guidelines for Conduct," "Code of Ethical Conduct," and "Work Rules," which stipulate the punishment provisions for the recusal for conflicts of interest, compliance with legal specification, strict business confidentiality, whistleblowing of illegal or unethical conduct for the Board of Directors, Company's employees, and all employees of subordinates. Reliable internal control and financial statements are also adopted for regulation and monitoring.</p> <p>(2) The Company's "Procedures for Ethical Management and Guidelines for Conduct" and "Code of Ethical Conduct" were amended and implemented after being approved by the shareholders' meeting on June 12, 2023. All employees of the Company shall absolutely comply with the "Procedures for Ethical Management and Guidelines for Conduct," "Code of Ethical Conduct," and "Work Rules." In case of corruption or fraud incidents among employees, they will be punished according to relevant regulations.</p> <p>(3) All employees have signed the "Declaration for Compliance with Ethical Corporate Management Policy," which specifies compliance with the “Procedures for Ethical Management and Guidelines for Conduct” formulated by the Company, and the execution rate reached 100%. When new employees report for duty, they shall be informed about relevant regulations of the Company, and sign the “Declaration of Compliance with Ethical Corporate Management Policy” to strengthen the education, training and promotion to new employees. Punishment will be imposed by the Company for any violations, and the contract</p>	No significant difference.

Evaluation item	Implementation			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Brief description	
			will be terminated in severe cases.	
2. Implementation of Ethic Management				
(1) Does the Company evaluate the ethical records of the businesses with which it has dealings and include clear ethical corporate behavior provisions in contracts with such counterparties?	✓		(1) Prior to establishing business relations with others, the Company will evaluate the legality and ethical management policy of agents, suppliers, customers, or other counterparties and whether any of them are involved in unethical conduct to ensure the business operation is fair and transparent and will not request for, provide or receive bribes.	No significant difference.
(2) Has the Company set up a special unit affiliated to the Board of Directors to promote corporate ethical management that periodically (at least once per year) reports to the Board of Directors on the status of the implementation of ethical management policies, the plan for unethical conduct prevention, and the implementation of supervision?	✓		(2) The Management Department of the Company is the dedicated unit that is responsible for promoting the ethical management of the Company, maintaining the ethical management principles. The unit reports its implementation status to the Board of Directors at least once a year, and the most recent report was made to the Board of Directors on November 7, 2025. The Company's implementation of the ethical corporate management policy in 2025 has been disclosed on the Company's website.	
(3) Has the Company stipulated and implemented policies to prevent conflicts of interest and provide appropriate complaint channels?	✓		(3) To prevent conflicts of interest, the company has established the "Integrity Management Procedures and Code of Conduct," the "Code of Ethical Behavior," and the "Work Rules." These are executed and implemented in accordance with the stated regulations. If any unlawful or unethical behavior is reported, employees may file a complaint through the "Whistleblower Management System" as outlined in the company's procedures.	
(4) Has the Company established an effective accounting system and an internal control system for the implementation of ethical management? Has the Company's internal audit unit used the results of ethical management risk assessments to draw up relevant audit plans and examined compliance with the plan for unethical conduct prevention or entrusted an accountant to perform such an audit?	✓		(4) The Company has established the internal control system. To ensure the continuous effectiveness of the design and implementation of the system, the audit personnel conducts review and amendments every year to establish sound corporate governance and risk control mechanism. The actual implementation of the audit plan shall be reported to the Board of Directors on a regular basis.	
(5) Does the Company provide internal and external educational training on the ethical conduct programs	✓		(5) The Company has conducted online education promotion for employees when they join the Company. Prior to each education and training course, a presentation of "Ethical Corporate Management Promotion". and posts the "Procedures for Ethical Management and Guidelines for Conduct" on the intranet of the Company for promotion. These Procedures are also posted on the Company's website or MOPS for external personnel, such as investors.	

Evaluation item	Implementation			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Brief description	
on a regular basis?				
<p>3. Implementation of Complaint System</p> <p>(1) Does the Company establish specific complaint and reward system, set up conveniently accessible complaint channels, and designate responsible personnel to handle the complaint received?</p> <p>(2) Has the Company established standard operation procedures for the investigation on the complaints received, follow-up measures after investigation are completed, and ensuring such complaints are handled in a confidential manner?</p> <p>(3) Does the Company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) The Company formulated measures for the administration of the accusation system and established a complaint system internally and externally to receive the reporting of any illegal or unethical conducts. The independent dedicated unit is responsible for the investigation and keeps the identity and content of the reported case confidential. Channels for reporting misconduct:</p> <p>a. For reporting improper conduct related to integrity management, please e-mail to shianyih8020@mail.com or call the hotline : 04-23590111 #8020, Ms. Yu.</p> <p>b. For cases of illegal workplace violations or situations where the company's current management regulations, systems, or work practices harm an individual's legal rights, please email syhr@shianyih.com.tw</p> <p>(2) According to the Company's " Whistleblower Management System Guidelines ", grievances are treated as confidential information, and will be handled by the relevant management personnel who are necessary to participate in the case.</p> <p>(3) According to the Company's "Code of Ethical Conduct," "Integrity Management Procedures and Code of Conduct," and "Whistleblower Management System Guidelines," the Company shall protect the safety of whistleblowers from retaliation, and the Company prohibits any officer or employee from taking revenge or holding a grudge against the whistleblower. There was no whistleblowing case in 2025.</p>	No significant difference.
<p>4. Enhance Information Disclosure</p> <p>(1) Does the Company disclose the content of the Ethical Corporate Management Best-Practice Principles as well as implementation result on its website and MOPS?</p>	<p>✓</p>		The Company established the official website to disclose the Company summary status and announce relevant information on the MOPS.	No significant difference.
<p>5. If the Company has established Ethical Corporate Management Best-Practice Principles in accordance with the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies, please describe any deviation between the Principles and the implementation: The Company adopted the "Ethical Corporate Management Procedure and Code of Conduct" of Shian Yih Electronic Industry Co., Ltd. on December 22, 2011, which were amended in June 2022. The overall operation is of no major difference from the</p>				

Evaluation item	Implementation			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Brief description	
“Sustainable Development Best Practice Principles for TWSE/TPEX- Listed Companies”.				
<p>6. Other important information to facilitate better understanding of the implementation of the Company’s corporate ethical conduct:</p> <p>(1) The Company's "Rules of Procedure for Board of Directors Meetings" stipulates the conflict of interest system for directors. The directors of the Company are highly disciplined. For proposals that have conflict of interests with themselves or the represented juristic person, they may express their opinion and answer inquiries, but do not participate in the discussion and recuse themselves from voting. They must recuse themselves from the meeting when discussion or voting is taking place. They also do not act as a proxy to exercise the voting right.</p> <p>(2) The Company has established the "Regulations Governing the Management on the Prevention of Insider Trading" and "Operation Procedures for Material Internal Information", specifying that directors, managerial officers and employees shall not disclose any material inside information known to others, and shall not seek information from personnel knowing the Company’s material inside information or collect any undisclosed material inside information of the Company irrelevant to their job duties. In addition, for any undisclosed material inside information of the Company learned not due to performance of one’s job duty, it is prohibited to disclose such information to others.</p> <p>(3) The Company has established the "Procedures for Ethical Management and Guidelines for Conduct." In order to achieve the business philosophy of honesty, transparency, and responsibility, the Company has formulated policies based on ethics, and established sound corporate governance and risk control mechanisms to create Business environment for sustainable development.</p> <p>(4) Regarding the various operating procedures of daily operating activities, the Company has designed an appropriate internal control mechanism for the operations that may have potential corruption risks, in order to reduce the possibility of corruption and prevent it in the first place. The Company's audit unit regularly evaluates the internal control system, formulates an appropriate audit plan, and executes the relevant audits accordingly, and reports the audit results to the Audit Committee and the Board of Directors on a regular basis. To enable management to understand the current corporate governance of the Company and to achieve the purpose of management.</p> <p>(5) For other information on the Company's ethical management, please refer to the company’s Sustainability Report or visit the ESG section on the company’s website for further details..</p>				

(7) Other Significant Regarding Corporate Governance:

The inquiry method is as follows:

1. The “Operation Procedures for Material Internal Information” for the management of internal material information of the Company has been disclosed to all directors, supervisors, managerial officers and all employees. These Procedures have been posted on the intranet of the Company for the compliance of all employees in order to prevent any violations or insider trading.
2. The Corporate Governance section on the website of the Company <http://www.shianiyih.com.tw>

(8) Implementation of Internal Control

1. Internal Control Statement

Shian Yih Electronic Industry Co., Ltd.

Internal Control Statement

Date: March 5, 2026

For the 2025 internal control system, the Company hereby, based on the result of self-evaluation, makes the statement as follows:

1. The Company has acknowledged that it is the responsibility of the Board of Directors and Managers of the Company to establish, implement, and maintain the internal control system. The Company has established the internal control system. The purpose of the internal control system is to provide reasonable assurance on the goals of effect and efficiency of operation (including profits, performance, and protection on the assets), reliability, timeliness, transparency and compliance of reports and compliance with laws and regulations.
2. The internal control system has its innate limits. No matter how perfect the design of the system is, an effective internal control system can only provide reasonable assurance to the achievement of the aforementioned three targets. In addition, the effectiveness of the internal system may change when the environment or situation changes. However, the self-monitoring mechanism is established in the internal control system of the Company. Once the deficiency is identified, the Company will take corrective actions.
3. The Company judges whether or not the design and implementation of the internal control system are effective based on the items for the effectiveness of the internal control system prescribed in the “Regulations Governing Establishment of Internal Control Systems by Public Companies” (hereinafter referred to as these Regulations). The judgment items for internal control system adopted in these Regulations divide the internal control system into 5 components based on the process of management control: 1. control environment; 2. risk assessment; 3. control activities; 4. information and communication; and 5. supervision activities. Each component includes several items. Please refer to these Regulations for the aforementioned items.
4. The Company has adopted the aforementioned judgment items of the internal control system to evaluate the effectiveness of design and implementation of the internal control system.
5. In accordance with the aforementioned assessment result, the Company believes the design and implementation of the internal control system as of December 31, 2025 (including the supervision and management of subsidiaries), including understanding the performance of operation and the achievement level of the efficiency goal, the reports are reliable, timely, and transparent and in compliance with relevant regulations, and the compliance of laws and regulations, are effective to ensure the aforementioned goals are reasonably achieved.
6. This Statement will be major content of the annual reports and prospectus of the Company and will be disclosed. Where the disclosed content above contains false or omitted information, it is subject to the legal liabilities prescribed in Article 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This Statement has been approved by the Board of Directors on March 5, 2026. All attending 9 directors agreed with the content of the Statement in unanimity.

Shian Yih Electronic Industry Co., Ltd.

Chairman: Wang, Hui-Min

Manager: Huang, Kung-Lung

2. If the Company has commissioned external auditors to review the Company's internal control system, the external auditor's report should be disclosed: None.
- (9) Major resolutions of Shareholders' Meetings and Board of Directors Meetings during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:
1. Major resolution and implementation of the 2025 shareholders' meeting:

Shareholders' meeting/Board of Directors meeting	Date	Major resolution
Shareholders' Meeting	2025.5.26	<ol style="list-style-type: none"> 1. 2024 Business report. 2. The Audit Committee reviewing the 2024 financial statements. 3. The 2024 distribution of the remuneration of employees and remuneration of directors and supervisors. 4. 2024 earnings distribution. 5. Acceptance of 2024 business report and financial statements. 6. Acceptance of 2024 earnings distribution. Implementation: The 2024 earnings distribution allocated NT\$48,940,000 of cash dividends, which is NT\$0.8 per share. The said cash dividends was distributed on August 28, 2025. 7. Amendment to the company's articles of incorporation. 8. Election of the 17th Board of Directors (including independent directors). 9. Proposal to lift the non-compete restrictions for newly appointed directors.

2. Statement of major resolution of the Board of Directors meeting between January 1, 2025 and March 31, 2026 (publication date):

Session Date	Major resolution
The 16th Term The 19th meeting 2025.2.25	<ol style="list-style-type: none"> 1. Discussion on the 2024 distribution of remuneration of directors and remuneration of employees of the Company. 2. Discussion on the 2024 business report and financial statements of the Company. 3. Review the 2024 earnings distribution of the Company. 4. Review the “2023 Internal Control Statement” submitted by the Company. 5. Definition and scope of entry-level employees of the Company. 6. 1. Discussion of amendments to the corporate charter. 7. Re-election and review of independent director nominations for the 17th board. 8. Approve the lifting of non-competition for new directors. 9. Discussion on the time, location and agenda of the 2025 shareholders’ meeting. 10. Resolution on the matters related to the rights of 2024 shareholders’ meeting receiving proposals from shareholders and nomination of candidates for directors (independent directors). 11. Discussion on the change of CPA coping with the internal adjustment of the accounting firm. 12. Review the independence and competency of the CPAs. 13. Reappointed the list of directors to the subsidiary, Chian Yih Optotech Co., Ltd. 14. Adjustment of the salary of managers of the subsidiary Chian Yih Optotech Co., Ltd.
The 16th Term The 20th meeting 2025.5.8	<ol style="list-style-type: none"> 1. Discussion on the approval of 2025 Q1 Financial Statement
The 17th Term The 1th meeting 2025.5.26	<ol style="list-style-type: none"> 1. Election of the company's Chairman. 2. Discussion on the appointment of the 6th-term members of the "Remuneration Committee". 3. Election of the company's Vice Chairman.
The 17th Term The 2th meeting 2025.6.19	<ol style="list-style-type: none"> 1. Discussion on the record date for the 2024 earnings distribution in cash. 2. Proposal regarding the remuneration of the Chairman. 3. Proposal regarding the appointment and remuneration of the General Manager. 4. Proposal regarding the appointment and remuneration of the Head of the Planning Department. 5. Proposal regarding the remuneration of independent directors. 6. Proposal regarding changes in the Head of R&D. 7. Proposal regarding the appointment and remuneration of the Deputy General Manager of Shian Yih (Dongguan) Electronic Industry Co., Ltd. 8. Proposal regarding the company’s organizational restructuring. 9. Proposal regarding the custodian of the company and responsible person’s seals for registration with the Ministry of Economic Affairs.
The 17th Term The 3th meeting 2025.8.7	<ol style="list-style-type: none"> 1. Discussion on the approval of the 2025 Q2 financial statements and Audit Report of the Company. 2. Discussion on the 2024 distribution of remuneration of directors and supervisors. 3. Discussion on the 2024 distribution of remuneration of employees. 4. Discussion on the 2025 distribution of Mid-Autumn Festival bonus. 5. Discussion on the distribution of performance bonus for subsidiaries.

Session Date	Major resolution
	<ol style="list-style-type: none"> 6. Discussion on the liability insurance for the directors and managerial officers. 7. Proposal regarding the re-election of directors and supervisors of the subsidiary Chian Yih Optotech Co., Ltd. 8. Proposal to prepare the company's 2024 Sustainability Report. 9. Discussion on renewing the contract of bank line of credit. 10. Proposal regarding the change of joint guarantor for bank credit facilities.
<p>The 17th Term The 4th meeting 2025.11.7</p>	<ol style="list-style-type: none"> 1. Discussion on the approval of 2025 Q3 Financial Statement. 2. Amendments to the "Regulations Governing the Management on the Transactions of the Group, Specific Companies, and Relevant Party." 3. Discussion on the short-term borrowing to subsidiary Shian Yih (Dongguan) Electronic Industry Co., Ltd. and Dongguan Fair Lumi Optronics Co., Ltd. 4. Discussion on renewing the contract of bank line of credit. 5. Discussion on serving as the joint guarantor for the bank line of credit for the subsidiary. 6. Discussion on the bank credit for subsidiary Chian Yih Optotech Co., Ltd. 7. Discussion on the short-term borrowing to subsidiary Chian Yih Optotech Co., Ltd.
<p>The 17th Term The 5th meeting 2025.12.22</p>	<ol style="list-style-type: none"> 1. Plan to approve the 2026 audit plan of the Company. 2. Plan to approve the 2026 financial forecast and operation plan of the Company. 3. Discussion on the 2025 distribution of year-end bonus for managerial officers. 4. Discussion on the 2025 distribution of year-end bonus for managerial officers of subsidiaries. 5. Discussion on the estimated contribution rate of the remuneration of employees and remuneration of directors and supervisors. 6. Amendment to the Internal Control System, adding Chapter 5 on the Payroll and Compensation Cycle. 7. Amendment to add Chapter 5 on Payroll Audit to the Internal Audit System and Implementation Guidelines. 8. Review of the specific implementation plan for improvement items listed in the letter issued by the Taipei Exchange (TPEX).
<p>The 17th Term The 6th meeting 2026.03.05</p>	<ol style="list-style-type: none"> 1. Distribution of directors' remuneration and employees' compensation for the year 2025. 2. 2025 Business Report and Financial Statements. 3. Earnings distribution for the year 2025 . 4. Issuance of the "2025 Internal Control Statement." 5. Determination of the date, venue, and agenda for the 2026 Annual General Shareholders' Meeting. 6. Handling of shareholder proposal rights for the 2026 Shareholders' Meeting. 7. Appointment of the CPAs for auditing the 2026 financial statements, and evaluation of their independence and qualifications. 8. Review of CPA service fees.

- (10) Major issues of record or written statements made by any director or supervisor dissenting with important resolutions approved by the Board of Directors during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

(11) Director's Training:

Title	Name	Date of training	Host unit	Name of the Course	Training hours
Chairman	Wang, Hui-Min	2025/05/08	Taiwan Corporate Governance Association	Trump 2.0, the Death of Globalization, and Regional Wars	3 hours
		2025/11/07	Taiwan Corporate Governance Association	Board of Directors Cybersecurity Governance and Oversight Strategy	3 hours
		2025/12/19	Taiwan Corporate Governance Association	International Trends and Experience Sharing on Corporate Integrity Management and Senior Management Accountability Systems	3 hours
Director	Wang, Wei-Sih	2025/05/08	Taiwan Investor Relations Institute	Trump 2.0, the Death of Globalization, and Regional Wars	3 hours
		2025/11/07	Taiwan Project Management Association	Board of Directors Cybersecurity Governance and Oversight Strategy	3 hours
Director	Teng, Chia-Wen	2025/05/08	Taiwan Investor Relations Institute	Trump 2.0, the Death of Globalization, and Regional Wars	3 hours
		2025/11/07	Taiwan Corporate Governance Association	Board of Directors Cybersecurity Governance and Oversight Strategy	3 hours
		2025/12/05	Taiwan Investor Relations Institute	Cybersecurity Challenges and Governance Strategies in 2026 from the Perspective of the AI Wave	3 hours
Director	Yao, Pai-Chou	2025/05/08	Taiwan Corporate Governance Association	Trump 2.0, the Death of Globalization, and Regional Wars	3 hours
		2025/10/22	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3 hours
		2025/11/07	Taiwan Corporate Governance Association	Board of Directors Cybersecurity Governance and Oversight Strategy	3 hours
Director	Chang, Yu-Chang	2025/05/08	Taiwan Corporate Governance Association	Trump 2.0, the Death of Globalization, and Regional Wars	3 hours
		2025/07/22	Taiwan Corporate Governance Association	Corporate Integrity Management and Senior Management Accountability System: International Trends and Experience Sharing	3 hours
		2025/11/07	Taiwan Corporate Governance Association	Board of Directors Cybersecurity Governance and Oversight Strategy	3 hours
Director	Wang, Jih-Chun	2025/05/08	Taiwan Corporate Governance Association	Trump 2.0, the Death of Globalization, and Regional Wars	3 hours
		2025/11/07	Taiwan Corporate Governance Association	Board of Directors Cybersecurity Governance and Oversight Strategy	3 hours
Independent Director	Chang, Chia-Hsing	2025/05/08	Taiwan Corporate Governance Association	Trump 2.0, the Death of Globalization, and Regional Wars	3 hours

Title	Name	Date of training	Host unit	Name of the Course	Training hours
		2025/11/07	Taiwan Corporate Governance Association	Board of Directors Cybersecurity Governance and Oversight Strategy	3 hours
Independent Director	Lin, Yu-Sheng	2025/05/08	Taiwan Corporate Governance Association	Trump 2.0, the Death of Globalization, and Regional Wars	3 hours
		2025/11/07	Taiwan Corporate Governance Association	Board of Directors Cybersecurity Governance and Oversight Strategy	3 hours
Independent Director	Huang, Lan-Ying	2025/05/08	Taiwan Corporate Governance Association	Trump 2.0, the Death of Globalization, and Regional Wars	3 hours
		2025/11/07	Taiwan Corporate Governance Association	Board of Directors Cybersecurity Governance and Oversight Strategy	3 hours

(12) Participation of Managers Participating in Corporate Governance Training:

Title	Name	Date of training	Host unit	Name of the Course	Training hours
Manager	Chen, Hsiu-Chen	2025/04/25	Taiwan Corporate Governance Association	Design of Executive Compensation and ESG Performance Systems	3 Hours
		2025/05/08	Taiwan Corporate Governance Association	Trump 2.0, the Death of Globalization, and Regional Wars	3 Hours
		2025/06/24	Taiwan Corporate Governance Association	Corporate Governance Officer and Meeting Management	3 Hours
		2025/08/01	Taiwan Corporate Governance Association	Corporate Governance Officer and Members of the Board of Directors	3 Hours
		2025/09/16	Taiwan Corporate Governance Association	Corporate Governance Officer and Members of the Board of Directors	3 Hours
		2025/11/07	Taiwan Corporate Governance Association	Board of Directors Cybersecurity Governance and Oversight Strategy	3 Hours

(13) The license acquisition required by the competent authority for personnel related to the financial information transparency of the Company: None.

4. Information of CPA Professional Fees

Unit: Thousand NTD

Name of the Accounting Firm	Name of Auditors	Audit Period	Audit Fees	Non-audit Fees	Note
KPMG Taiwan	Chen, Yen-Hui	2025.01.01 - 2025.12.31	2,565	Non-audit Fees - Others include tax certificate (Include CFC) NT\$310 thousand; transfer pricing NT\$180 thousand; salary inspection for non-supervisor positions NT\$10 thousand; Sustainability report consulting service NT\$450 thousand; Business Registration NT\$45 thousand.	
	Chen, Cheng-Hsueh				

- (1) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.
- (2) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage and reason(s) therefor shall be disclosed: None.

5. Information of Change of CPAs: None.

6. 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, shall be disclosed: None.

7. Any transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

- (1) Changes in shareholding of directors, supervisors, managerial officers and major shareholders:

Unit: Shares

Title	Name	2025		2026 as of March 26	
		The increased (decreased) number of shares held	The increased (decreased) number of shares pledged	The increased (decreased) number of shares held	The increased (decreased) number of shares pledged
Chairman	Wang, Hui-Min	65,000	-	-	-

Title	Name	2025		2026 as of March 26	
		The increased (decreased) number of shares held	The increased (decreased) number of shares pledged	The increased (decreased) number of shares held	The increased (decreased) number of shares pledged
Director	Wang, Wei-Sih	1,000	-	-	-
Director	Teng, Chia-Wen	-	-	-	-
Director	Yao, Pai-Chou	-	-	-	-
Director	Chang, Yu-Chang	-	-	-	-
Director	Wang, Jih-Chun	119,000	-	16,000	-
President	Huang, Kung-Lung	5,000	-	-	-
Assistant Manager	Liu, Pin-Cheng	-	-	-	-
Assistant Manager	Yang, Kuo-Hua	-	-	-	-
Assistant Manager	Huang, Hsiang-Yu	-	-	-	-
Assistant Manager	Su, Chieh- Liang	-	-	-	-
Assistant Manager	Lin, Yu- Jeng	-	-	-	-
Finance Manager	Chen, Jui-Sui	-	-	-	-

(2) Information of transfer of equity interests in which the counterparty is a related party: None.

8. The appellation or name and relationship, if among the Company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship:

March 26, 2026

Name	Shareholding of the director		Shareholding of spouse and minor		Shareholding by nominee arrangement		The appellation or name and relationship, 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		No Note
	Shares	Shareholdings Ratio	Shares	Shareholdings Ratio	Shares	Shareholdings Ratio	Name	Relationship	
Huei Kai Investment Co., Ltd. Representative: Wang, Chien-Kai	5,762,151	9.42%	-	-	-	-	Corporate Power Investments Ltd.	The same person of the representative of the company	
Wang, Wei-Sih	3,757,815	6.14%	2,225,927	3.64%	-	-	Wang Chen, Li-Jung Corporate Power Investments Ltd.	Spouse Father of the representative of the company	
Group Trading Ltd Representative: Teng, Fu-Shun	3,674,448	6.01%	-	-	-	-	Chengrong Investment Co., Ltd. Cheng Yu Investment Co., Ltd. Fortune Goal Investments Ltd.	The same person of the representative of the company The same person of the representative of the company The company's representative is a father and daughter.	
Okaya (Hong Kong) Limited Representative: Ma, Fa-Wei	2,824,063	4.62%	-	-	-	-	-	-	
Cheng Yu Investment Co., Ltd. Representative: Teng, Fu-Shun	2,729,000	4.46%	-	-	-	-	Fortune Goal Investments Ltd. Group Trading Ltd	The company's representative is a father and daughter. The same person of the representative of the company	
Fortune Goal Investments Ltd. Representative: Teng, Yu-Rong	2,719,449	4.45%	-	-	-	-	Chengrong Investment Co., Ltd. Group Trading Ltd.	The company's representative is a father and daughter. The company's representative is a father and daughter.	
Chengrong Investment Co., Ltd. Representative: Teng, Fu-Shun	2,675,000	4.37%	-	-	-	-	Fortune Goal Investments Ltd. Group Trading Ltd.	The company's representative is a father and daughter. Representative	
Wang Chen, Li-Jung	2,225,927	3.64%	3,757,815	6.14%	-	-	Wang, Wei-Sih Corporate Power Investments Ltd.	Spouse Mother of the representative of the company	
Corporate Power Investments Ltd. Representative: Wang, Chien-Kai	2,117,952	3.46%	-	-	-	-	Wang, Wei-Sih Wang Chen, Li-Jung	Father of the representative of the company Mother of the representative of the company	
Teng, Chiung-Hui	1,981,125	3.24%	358,863	0.59%	-	-	-	-	

9. **The total number of shares and total equity stake held in any single enterprise by the Company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the Company:**

May 31, 2026 Unit: Thousand shares

Reinvestment	Invested by the Company		Investment of a director, supervisor, managers and entities directly or indirectly owned		Comprehensive Investment	
	Shares	Shareholdings Ratio	Shares	Shareholdings Ratio	Shares	Shareholdings Ratio
Shian Yih (Samoa) Electronic Industry Co., Ltd.	10,500	100%	-	-	10,500	100%
Chian Yih Optotech Co., Ltd.	2,950	49.17%	1,225	20.42%	4,175	69.56%
Fair Some (Samoa) Industrial Ltd.	-	-	10,500	100%	10,500	100%
Wise Development Group Ltd.	-	-	16,650	100%	16,650	100%
Dongguan Fair Lumi Optronics Co., Ltd. (Dongguan City)	-	-	-	100%	-	100%
Shian Yih Electronic Industry Co., Ltd. (Dongguan City)	-	-	-	100%	-	100%

III. Fund Raising Status

1. Capital and Shares

(1) Source of Capital

A. the Formation of capital

Year/Month	Par value	Authorized capital		Paid-in Capital		Note				
		Shares	Amount	Shares	Amount	Source of Capital	Equity capital contributed by assets other than cash	Effective date	Letter No.	Other
October 1979	10	600,000	6,000,000	600,000	6,000,000	Founding capital	None	1979/10/11	Jian-San-Zi Letter No. 193181	
August 1984	10	1,600,000	16,000,000	1,600,000	16,000,000	Capital increase of NT\$10,000,000	None	1984/08/27	Jian-San-Zi Letter No. 216037	
July 1996	10	2,880,000	28,800,000	2,880,000	28,800,000	Capital increase of NT\$12,800,000	None	1996/07/02	Jian-San-Zi Letter No. 190887	
April 2005	10	70,000,000	700,000,000	32,880,000	328,800,000	Capital increase of NT\$300,000,000	None	2005/04/18	Jing-Shou-Chong-Zi Letter No. 09431984920	
May 2006	10	70,000,000	700,000,000	47,880,000	478,800,000	Capital increase of NT\$150,000,000	None	2006/05/22	Jing-Shou-Chong-Zi Letter No. 09532213590	
June 2006	10	70,000,000	700,000,000	52,469,011	524,690,110	Capital increase out of capital surplus of NT\$23,940,000 Capital increase out of employee bonus of NT\$21,950,110	None	2006/07/28	Jing-Shou-Shang-Zi Letter No. 09501163540	
April 2008	10	100,000,000	1,000,000,000	59,465,011	594,650,110	Capital increase of NT\$69,960,000	None	2008/04/18	Jing-Shou-Shang-Zi Letter No. 09701093380	
September 2009	10	100,000,000	1,000,000,000	59,898,011	598,980,110	Employee stock option certificates converted into ordinary shares of NT\$4,330,000	None	2010/01/12	Jing-Shou-Shang-Zi Letter No. 09901005640	
December 2009	10	100,000,000	1,000,000,000	60,089,011	600,890,110	Employee stock option certificates converted into ordinary shares of NT\$1,910,000	None	2010/04/21	Jing-Shou-Shang-Zi Letter No. 09901078300	
March 2010	10	100,000,000	1,000,000,000	60,100,011	601,000,110	Employee stock option certificates converted into ordinary shares of NT\$110,000	None	2010/07/09	Jing-Shou-Shang-Zi Letter No. 09901146860	

Year/Month	Par value	Authorized capital		Paid-in Capital		Note				
		Shares	Amount	Shares	Amount	Source of Capital	Equity capital contributed by assets other than cash	Effective date	Letter No.	Other
July 2010	10	100,000,000	1,000,000,000	60,170,011	601,700,110	Employee stock option certificates converted into ordinary shares of NT\$700,000	None	2010/09/10	Jing-Shou-Shang-Zi Letter No. 09901207260	
September 2010	10	100,000,000	1,000,000,000	60,319,011	603,190,110	Employee stock option certificates converted into ordinary shares of NT\$1,490,000	None	2011/01/12	Jing-Shou-Shang-Zi Letter No. 10001002920	
November 2010	10	100,000,000	1,000,000,000	60,432,511	604,325,110	Employee stock option certificates converted into ordinary shares of NT\$1,135,000	None	2011/04/07	Jing-Shou-Shang-Zi Letter No. 10001066140	
January 2011	10	100,000,000	1,000,000,000	60,438,511	604,385,110	Employee stock option certificates converted into ordinary shares of NT\$60,000	None	2011/07/08	Jing-Shou-Shang-Zi Letter No. 10001151220	
December 2011	10	100,000,000	1,000,000,000	60,761,011	607,610,110	Employee stock option certificates converted into ordinary shares of NT\$3,225,000	None	2012/01/19	Jing-Shou-Shang-Zi Letter No. 10101012780	
March 2012	10	100,000,000	1,000,000,000	61,032,511	610,325,110	Employee stock option certificates converted into ordinary shares of NT\$2,715,000	None	2012/07/10	Jing-Shou-Shang-Zi Letter No. 10101123480	
June 2012	10	100,000,000	1,000,000,000	61,175,011	611,750,110	Employee stock option certificates converted into ordinary shares of NT\$1,425,000	None	2013/09/03	Jing-Shou-Shang-Zi Letter No. 10101183130	

B. Total amount of issued shares

March 26, 2026

Share types	Authorized capital			Note
	Outstanding shares	Un-issued shares	Total	
Common share	61,175,011	38,824,989	100,000,000	The authorized capital includes NT\$100,000 thousand for the issuance of employee stock option certificate.

C. Information of shelf registration method: None.

(2) List of Major Shareholders

March 26, 2026

Name of Major Shareholders	Number of shares held	Shareholdings Ratio
Huei Kai Investment Co., Ltd.	5,762,151	9.42%
Wang, Wei-Sih	3,757,815	6.14%
Group Trading Ltd.	3,674,448	6.01%
Okaya (Hong Kong) Limited	2,824,063	4.62%
Cheng Yu Investment Co., Ltd.	2,726,000	4.46%
Fortune Goal Investments Ltd.	2,719,449	4.45%
Chengrong Investment Co., Ltd.	2,675,000	4.37%
Wang Chen, Li-Jung	2,225,927	3.64%
Corporate Power Investments Ltd.	2,117,952	3.46%
Teng, Chiung-Hui	1,981,125	3.24%

(3) Company's dividends policy and implementation

A. Dividends policy:

According to Article 26 of the Article of Incorporation, the amount of dividends distributed shall be based on the annual earnings and the cumulative surplus in the previous years of the Company as well as taking into consideration of the Company's earnings, capital structure and the future operational demand. The distribution of the dividends shall, depending on the factors of the capital demand and the dilution effect of earnings per share, adopt the policy of distributing stock dividends with cash dividends at the same time. As for the ratio of cash dividends distribution, it shall be not less than twenty percent (20%) of the total dividends distribution of the year.

(a) Principle of Dividend

The board of directors made the resolution by referencing the above-mentioned Article of Incorporation that in accordance of the company's financial and business development goals and plans, and without other special conditions that taken into account, the company distribution of dividend shall be made by the principle of distributing 0% to 80% of the after tax surplus for the current year

(b) Procedures of Distribution of Dividend

When the Company distributes dividends, cash dividends shall be distributed in accordance with Article 25-1 and Article 25-2 of the Articles of Incorporation of the Company, authorising the board of directors for making resolution, and reported to the shareholders' meeting. When distributing stock dividends, the board of directors shall propose the distribution amount and submit it to the shareholders' meeting for resolution.

B. The proposed dividend distribution in this Board of Directors meeting: The 2025 earnings distribution was approved by the resolution of the Board of Directors meeting on March 5, 2026. Cash dividends of NT\$0.5 per share will be distributed with the total amount of

NT\$30,587,506 which is submitted to the 2026 shareholders' meeting.

C. Description where it is expected to have significant changes in the dividend policy: None.

(4) The effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted in this shareholders' meeting: Not applicable.

(5) The distribution of remuneration of employees and remuneration of directors and supervisors:

A. The scope of remuneration of employees and directors and supervisors prescribed in the Articles of Incorporation of the Company:

Where there is profit as a result of the yearly accounting closing, the Company shall distribute no less than 2% and no more than 10% of the profit as the remuneration of employees. Of which, not less than 25% shall be allocated as remuneration for basic-level employees. And no more than 2% of the profits as the remuneration of directors and supervisors. However, where there are cumulative losses, the Company shall first set aside the reserve amount.

B. The basis for estimating the amount of remuneration of employees and directors and supervisors, for calculating the number of shares to be distributed as stock bonuses, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: The Company estimates the amount of remuneration of employees and directors and supervisors in accordance with the dividend policy stipulated in the Articles of Incorporation. Where there is any difference between the actual distribution amount and the estimated amount, it will be adjusted upon distribution based on the changes in accounting estimates.

C. The distribution of remuneration approved by the Board of Directors:

(a) Remuneration of employees and directors to be distributed in cash approved by the Board of Directors:

Unit: NTD

2025 distribution item	The distribution amount approved by the Board of Directors (A)	2025 estimated expense amount (B)	Difference amount (A-B)	Reason for the difference and disposition
Remuneration of Employees	3,813,536	3,813,536	-	No difference
Remuneration of Directors	847,452	847,452	-	

(b) The amount of any proposed distribution of remuneration of employee in shares and the size of such an amount as a percentage of the sum of the net income for the current period and total remuneration of employee: Not applicable.

D. The actual distribution of remuneration of employees, directors, and supervisors 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:

Unit: Thousand NTD

2024 distribution item	The distribution amount approved by the Board of Directors (A)	2024 estimated expense amount (B)	Difference amount (A-B)	Reason for the difference and disposition
Remuneration of Employees	5,902	5,902	-	No difference
Remuneration of Directors	1,967	1,967	-	

(6) Status of Company repurchasing its own shares: None.

2. Implementation of corporate bonds: None.

3. Implementation of preferred shares: None.

4. Implementation of participation in the issuance of global depository receipt: None.

5. Implementation of employee stock options: None.

6. New restricted employee shares: None.

7. Status of new shares issuance in connection with mergers and acquisitions: None.

8. Implementation of capital allocation plan:

The Company does not have the situation that, for the period as of the quarter preceding the date of publication 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 most recent 3 years but have not yet fully yielded the planned benefits.

IV. Operations Overview

1. Business Activities

(1) Business scope

A. Main business of the Company:

The businesses recorded on the Business Registration Certificate and Certificate of Incorporation of the Company are as follows:

- (1) C805050 Industrial Plastic Products Manufacturing.
- (2) CC01080 Electronics Components Manufacturing.
- (3) CC01110 Computer and Peripheral Equipment Manufacturing.
- (4) CE01030 Optical Instruments Manufacturing.
- (5) CQ01010 Mold and Die Manufacturing.
- (6) F106030 Wholesale of Molds.
- (7) F113030 Wholesale of Precision Instruments.
- (8) F113050 Wholesale of Computers and Clerical Machinery Equipment.
- (9) F119010 Wholesale of Electronic Materials.
- (10) F401010 International Trade.
- (11) I501010 Product Designing.
- (12) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

B. The current main products and its business ratio of the Company:

Unit: Thousand NTD: %

Main products	2025 Consolidated turnover	Business ratio
LED backlight module	1,134,847	87.60%
Others	160,612	12.40%
Total	1,295,459	100.00%

C. Developing new products and services:

To enlarge the differentiation, the Company developed innovative applications and the display technology of next generation. The Company currently lists the in-vehicle monitor, industrial control panel, and smart watch as the key development items to respond to the customers' demands.

(2) Industry summary

1. The current situation and development of the industry

(1) The summary of the downstream application market for the backlight products

In recent years, China has become a global power in the panel area and has a leading position in the panel industry. China's panel manufacturers not only have huge production capacity, but also dominate the price. In addition to wearable applications such as smart watches and bracelets, the Company is actively shifting to the smart cockpit market, the integration of generative AI and smart cockpits and value-added applications. These will be the main development directions of the Company. With the continuous advancement of automotive technology, the level of intelligence inside vehicles is getting higher and higher. Vehicle display panels play an important role in the smart cockpit system. It is used to display various information and control functions of the vehicle. As consumers' demand for smart cockpits increases, the demand for automotive display panels increases accordingly. The electric vehicle market is growing rapidly, and electric vehicles are usually equipped with more electronic systems and display panels to provide more information and functions. Therefore, as the penetration rate of electric vehicles increases, the demand for panels will increase, too.

(2) Status quo of vehicle mounted backlight

These are the best of times and the worst of times. The advancement of technology has brought many new possibilities. The future mobility model will be closer to the needs of consumers. The prospect of the automotive industry is full of opportunities and imagination, as well as uncertainties and challenges. In addition to the possible decline in sales and intensified competition, traditional car manufacturers must also keep an eye out for new disruptive innovations. The vehicle mounted monitor market has higher customization level, so it requires different scales of monitors to match the brand values of different vehicles. Usually design and production have longer life cycle. Vehicle mounted monitors must support 5 years of car production cycle. As a result, the business opportunity is huge if the Company cooperates with vehicle manufacturers. The Company currently lists the industrial control panel and in-vehicle monitor as the key development items to respond to the customers' demands and enlarges the differentiation to seek stable orders and upgrade technologies.

As the electric cars develop rapidly and the internet inside and outside of the vehicle, IoT, auto-pilot technology, advanced driver assistance system become mature, the vehicle industry will massively introduce in-vehicle panels to replace the mechanic dashboard and video/audio control interface. The massive application of electronic equipment in the vehicle allows drivers to obtain sufficient driving assistance information and allows passengers to have more convenient and diverse video and audio interaction during the journey. Under these causes, the application of in-vehicle monitor becomes more diverse.

With the rise of self-driving and vehicle-to-everything technologies, the functions and importance of in-vehicle displays are increasing day by day, which also puts forward higher requirements for in-vehicle backlight technology. In the future, automotive backlight technology will continue to develop in the direction of high performance, multi-function, and intelligence to meet the changing market demand.

(3) The competition and cooperation in the backlight industry

In recent years, coupled with the increase in the level of automotive electronics, the development of automotive panels has begun to gain momentum and panel makers have spared no effort in upgrading the specifications. In terms of size, most of the early automotive panels were under 10 inches in size. In recent years, the development of products over 10 inches and even over 20 inches has begun. In order to increase the size of the screen, most panel manufacturers can provide the method of splicing, or the method of ultra-wide single-chip displays.

The outlook for in-vehicle displays in 2026 will focus on the key themes of larger screen sizes, higher resolution, and curved designs, along with the maturation of OLED and Micro LED technologies. These advancements will be further integrated with AI capabilities to enable intelligent cockpit experiences. In-vehicle displays will no longer serve merely as information display units; instead, they will become a central visual interface for the smart cockpit and software-defined vehicles (SDVs). As a result, in-vehicle display and infotainment systems are expected to become a major growth driver for the electronics and automotive electronics industries.

The diversification of product applications and high demand for customized designs have made the overall coordination of the structures more difficult. The Company adheres to advanced technology and production capability and continues to provide products of high quality, high brightness and high uniformity to meet market demand for emerging applications. In the future, the panel industry needs to continue to focus on technological innovation and industrial upgrading, strengthen cooperation with other related industries and explore new markets and application areas. At the same time, it is necessary to continuously pay attention to the changes in market demands and trends, and adjust the product portfolio flexibly.

2. The future development of backlight industry

(1) Changes in automotive panel specifications

The global panel market is characterized by fierce competition, oversupply, and the rise of manufacturers in China. The panel makers are facing many challenges. The market trend is deeply affected by the global economy, technological trends and changes in the policy of the industry.

The proportion of “automotive panels” in the panel industry is growing at an alarming rate, and it continues to grow in the high-end large-size car market. Panel manufacturers are also actively deploying carborne applications and ushering in a period of explosive growth. The automotive panels, which were mainly used for entertainment in the past, have gradually shifted to the digitization of instrument panels, and now they have further developed into the “smart cockpit.”

China’s new energy vehicle industry runs into disorderly competition. Car manufacturing has become a national movement to make China the world’s largest automobile manufacturing country. Now, all of China’s production capacity is full, and the price is extremely bloody. Chinese car manufacturers have impacted the car making countries that have been in the industry for more than a century: Germany and Japan. Faced with the extreme slaughter of Chinese cars, European car manufacturers can do nothing. The market competition dominated by price continues, and the excessive involution in the industry is still intensifying. Business operations are under tremendous pressure and anxiety continues to spread.

(2) Smart watches and bracelets

Smart watches have gradually become a popular wearable device. Social media, emails, messages and notifications, health and health tracking, GPS and mobile payments are part of the increasing functions. These functions make the life easier and help users to stay connected. Meanwhile, the entertainment function also pushes the growth of the wearable devices.

In the future, the device we use most frequently may no longer be the smartphone, but rather an AI-powered companion worn on the body that can perceive, think, and interact. From wristwatches and in-ear earbuds to rings on our fingers, as well as glasses, wearable patches, and even exoskeletons, AI wearable devices are penetrating daily life at an unprecedented pace.

AI wearables are rapidly evolving from trend-setting consumer electronics into essential everyday necessities. The next generation of technology is already quietly being worn on our bodies and seamlessly integrating into our lives.

(3) Application and development trend in the industry

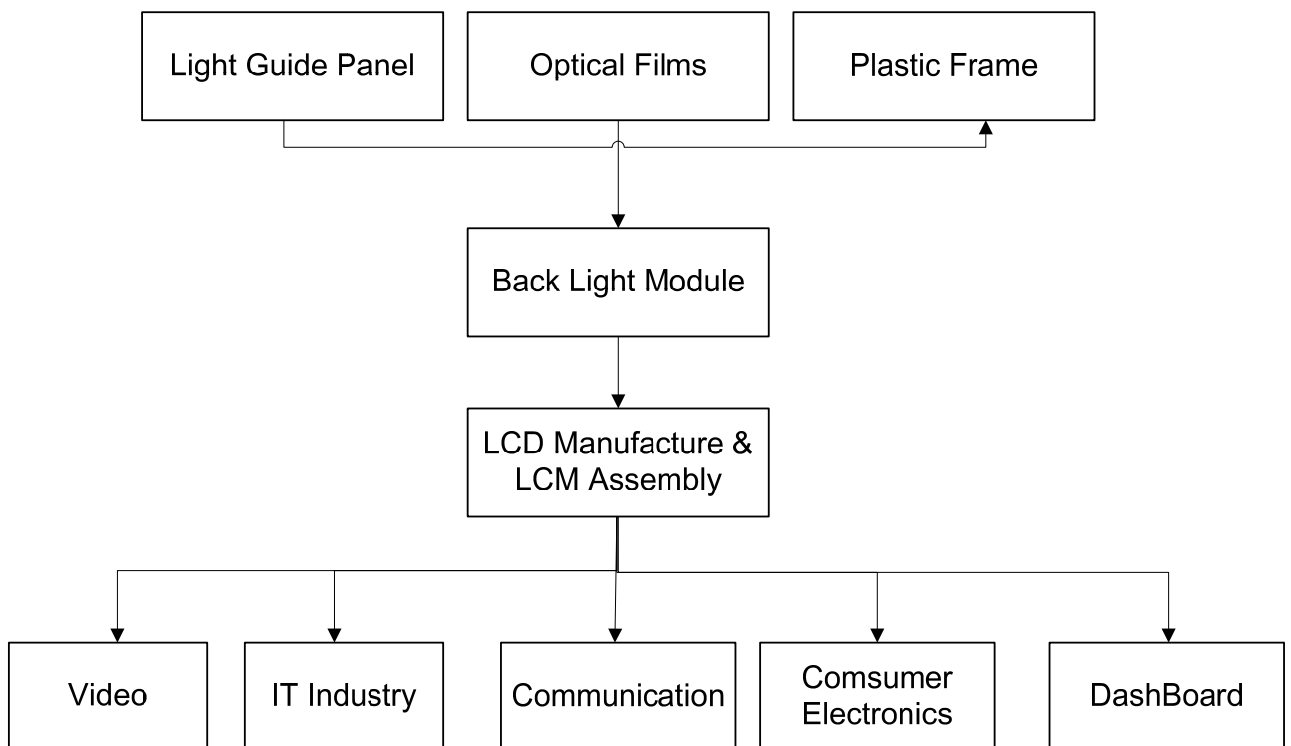
The entire panel industry has a structural change. In order to meet the needs of the mobile device and notebook market, the design of backlight modules is developing towards thinner and lighter. High-performance LED and light guide plate technology are optimized to improve light efficiency and reduce energy consumption in order to meet environmental protection requirements. Due to the large number of manufacturers, the price competition is fierce, and manufacturers continue to introduce new technologies, such as OLED and Micro-LED, posing a threat and challenge to LCD backlights.

LCD backlights maintain their competitiveness in the market by virtue of their advantages of low cost, mature technology, good display effect and wide application. Despite the challenges of new technologies, through continuous innovation, LCD backlights can still occupy an important position in the future market. At present, the Company is under pressure in the high-end market, but still has advantages in the low-end market.

(4) The impact of external environment on the industry

The net zero carbon emission in the world is no longer a slogan but has become an action. It will have significant impact on the Company. As the costs of substitute energy are high, towards the development of low-power and environmentally-friendly materials to reduce energy consumption and meet environmental protection requirements, the costs from raw materials to products will increase accordingly, which will affect the operations of the Company.

3. The relation among the upstream, mid-stream and downstream of the industry:



The LED backlight module industry chain includes LED chips, LED packaging, LED backlight module, and Liquid Crystal Display Module (LCM). The upstream raw materials mainly rely on imports as the self-sufficiency capacity is low. In response to the backlight demand incurred from fixed wave of cell phone replacement wave and multiple backlight module applications, there are more and more upstream and downstream companies entering the backlight module assembly. As the industry

becomes stable and grows on both sides of the straight and to respond to the competition from lowering the costs, the upstream, mid-stream and downstream will develop and integrate in multiple ways to present a comprehensive industry chain.

The panel industry has experienced many challenges and changes in recent years, but it has demonstrated strong adaptability and innovation. The panel market is becoming increasingly competitive. For panel makers, how to adapt to market changes and adjust business strategies is crucial issue. The Company has had more than 20 years of experience as an LCD and LCM panel component supplier. We will observe the LCD and LCM panel supply and demand status, conduct vertical integration, adjust inventory and make ourselves ready to communicate with customers. There are still many opportunities and prospects in the panel industry. New technologies, such as cloud computing, artificial intelligence, big data, 5G/6G and IoT, will be widely applied in various fields and further drive the growth of demand for panel products.

4. Product development trend and competition:

Opto-electronic products :

Automotive display modules used in instrument clusters are trending toward smaller sizes, approximately 7–12 inches LED backlight modules. In contrast, in-vehicle video playback and central display systems are shifting toward medium-to-large sizes, approximately 15–30 inches, utilizing Mini LED or local dimming backlight modules.

A. Improvement in the development of new materials and technologies

The costs of materials for backlight module account for 70%-80% of total costs. The three main components, namely the LED light source, light guide plate and optical film, have become the key to the cost. In terms of design and production technology, the architecture of the backlight modules varies significantly in different applications. Therefore, from the previous thin design of light guide plates, LED configuration methods to the improvement of the assembly process, we provide complete solutions to customers and pursue cost reduction and maintenance of the product yield. These are all great challenges to backlight module manufacturers.

B. Diversified product applications

When the companies in China enter the market with production capacity and price advantage, it is testing how the decision makers are responding to the challenge.

When the supplies exceeds the demand in the market, endurance and survival are the key operational aspects. The keys are whether or not the Company is capable of responding to the demand of the market and customers while being able to perfectly control the production costs. In the future, the panel industry needs to continue to focus on technological innovation and industrial upgrading, strengthen cooperation with other related industries, explore new markets and application areas, and flexibly adjust product portfolios to meet the market's demand for emerging applications.

The era of making massive profits by only producing standards is over. It is now the time to show what the Company is really made of. In the short term, properly adjusting the production capacity and production lines and focusing on the application with high profits will be the key strategy; in the mid-term to long term, developing innovative application and the next generation of display technology will be the key to survive in the market.

(3) Summary of technology and research and development

1. Technology and research and development of its business

(1) Technology of products

A. Product Quality Management

Through the advantages of vertical integration—including optical microstructure design and analysis, module product assembly and automation, mold design, plastic injection molding, optical film cutting, surface adhesive application technology, and cleanroom assembly—a product ID traceability system is established to ensure production quality traceability. Additionally, automated assembly, SMT production lines, and precision dispensing technologies are paired with in-line inspection and modular AOI (Automated Optical Inspection) systems to ensure high-quality transformation of R&D results into stable mass production. Rigorous testing under varying temperatures, humidity, and impact conditions is also conducted to verify the reliability and durability of the products.

The company has established a product quality management policy, with the following implementation results for the year 2025:

1. Maintained an open and responsive customer complaint mechanism at all times. Upon receiving any customer complaints regarding product quality, we provided timely attention and promptly resolved the issues.
2. Distributed annual customer satisfaction surveys to sales clients to assess their evaluation of our products and identify areas for improvement.
3. There were zero product recalls in 2025 due to quality issues, and no financial losses were incurred.
4. The company had no violations of health and safety regulations related to products or services during 2025.

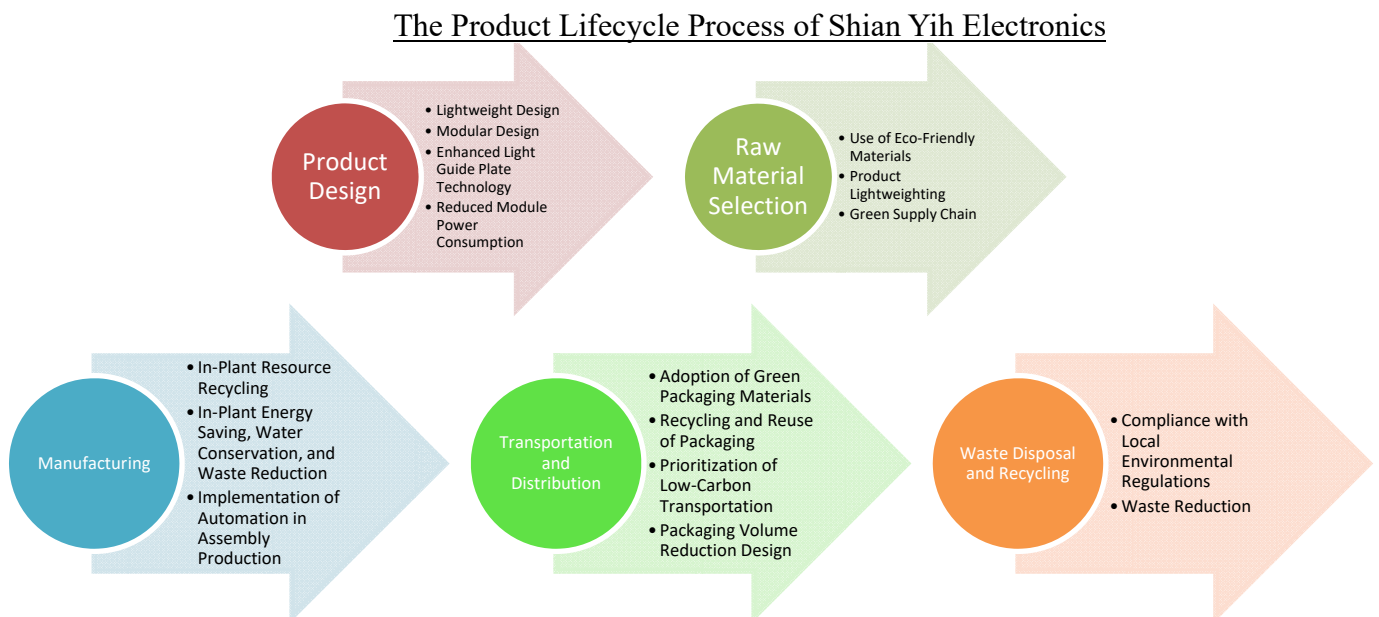
All products manufactured by Shian Yih must comply with the RoHS Directive on the restriction of hazardous substances in electrical and electronic equipment. Safety Data Sheets (SDS) are maintained and simultaneously submitted to customers. The company recognizes the importance of product and service information and labeling, as well as the corporate social responsibility it bears. Therefore, we label the RoHS emblem on the outer packaging of our products.

In accordance with automotive project requirements, all material substances are disclosed in the IMDS.

In 2025, the company had no violations of regulations related to product and service information and labeling, nor were there any breaches of voluntary standards.

B. Product Lifecycle Management

Shian Yih places strong emphasis on core values such as R&D innovation, environmental policy and management, and product quality, with sustainable operations as a fundamental principle. The company manages its product lifecycle comprehensively—from product design, raw material selection, manufacturing, and transportation, to end-of-life disposal and recycling. Shian Yih is committed to controlling potential environmental impacts throughout the entire lifecycle. Moving forward, we will conduct annual reviews of our overall management processes to determine if adjustments are necessary, in order to proactively reduce the environmental and social impact of our production and operations.



C. Product Inspection System

A customized automatic inspection system has been developed to achieve 100% automated testing of brightness, uniformity, and wavelength, with automatic rejection of products exhibiting abnormal data, thereby meeting customers' shipping quality requirements.

An Automated Optical Inspection (AOI) system has been developed, along with the proactive implementation of full-screen optical measurement, viewing angle luminance testing, and 3D curved surface dimensional measurement technologies to address the demands of the automotive market. In 2022, the full-screen scanning

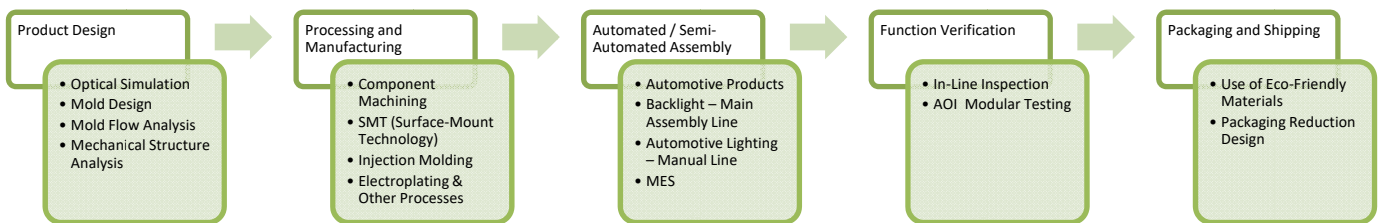
system LMK-65 was introduced, along with enhanced All-scan optical dot pattern design.

(2) Research and development:

A. Management of R&D and Technological Innovation

The R&D team at Shian Yih Electronics is dedicated to technological innovation and the expansion of product applications. Through structured R&D management mechanisms and strategic resource investment, the company enhances product competitiveness and ensures market adaptability. To stay abreast of the latest technological developments and market trends, the R&D team regularly participates in technical seminars, trade shows, and collaborative technology meetings. These efforts strengthen forward-looking R&D capabilities and promote the application of customized designs and efficient manufacturing technologies.

Shian Yih Electronics is committed to excellence in quality, sustainability, and innovation. The company has obtained multiple international certifications, including ISO 9001, ISO 14001, IATF 16949, and AEO, demonstrating its adherence to global standards in quality management, environmental responsibility, and supply chain security. In alignment with global sustainability goals, Shian Yih actively promotes smart manufacturing and low-carbon transformation. By integrating R&D outcomes with environmental strategies and continuously optimizing its R&D management system, the company enhances the efficiency of technological innovation. These efforts ensure stable product supply and reinforce the company's competitive edge in the global market.



B. Optical Simulation System

The optical simulation system utilizes ANSYS SPEOS, offering integrated functions for optical design, simulation, and analysis. Its powerful computational capabilities cover light guide plate uniformity, chromaticity, and visual quality analysis, as well as optical simulation of lenses and automotive lighting, and lighting environment scene analysis.

During the design phase, the optical performance of the actual product is simulated. Designers use CAD software to build models of light sources, mechanical structures, and optical components for various applications. These models are then imported into the simulation system to perform optical simulations. The system

analyzes various light paths based on physical principles, significantly enhancing the efficiency of both design and analysis processes.

In response to the growing diversification of application products, ANSYS SPEOS optimization features were introduced in 2023. These tools enable optimization of increasingly complex light guide components and multi-structure designs. By cross-validating simulation results with physical prototypes, engineering time for optical component design can be significantly reduced. Additionally, simulations allow for early evaluation, minimizing development resource consumption while enhancing both efficiency and accuracy.

C. Optical Technology Development

Based on its technology development roadmap, Shian Yih Electronics continues to invest in optical design, material applications, and process technology research. The company focuses on the development of high-performance, low-power, lightweight, and uniform LED backlight modules and automotive/motorcycle headlamp modules. Collaborative development efforts are carried out with both customers and suppliers to achieve upstream and downstream integration in mechanical and optical evaluations. In response to future ESG-driven energy-saving requirements, front-light technology is being developed, along with the introduction of advanced manufacturing processes and the development of module product design and manufacturing capabilities. This aims to meet future product and market demands and establish the foundation for the company's sustainable operations.

In the backlight sector, Shian Yih's services include flat and curved light guide plates, Mini LED technologies, and the development of high-value-added products for applications in automotive, industrial control, wearable devices, and various electronic products. In response to market trends, the company has adopted QD film to enable high color rendering local dimming backlight modules.

Beyond backlight modules, product applications also extend to lighting environment simulation, lens and headlamp design, irregular-shaped light guide development, Mini/Micro LED simulation, secondary optical component design, and front lighting module development. These advancements position the company for future cross-disciplinary product innovation and broader market expansion.

D. New Material, Process, and Structural Development

By integrating various backlight sources and lighting systems, high-precision microstructure machining tools and collision-point V-CUT development systems are utilized for mold core or product structure processing. This enables optimal light utilization, ensuring that light guide plates maintain high brightness and uniformity even under ultra-thin design constraints.

Deep collision-point technology has been developed to replace chemical etching, and was introduced into automotive backlight modules in 2019. This advancement

improves optical stability, enhances full-screen scan uniformity, and increases production consistency.

Unlike common front light guide plates on the market that use laser or LIGA microstructure processes, Shian Yih Electronics applies its proprietary microstructure machining capabilities to the development of front light plates. This approach significantly improves visual appearance, image clarity, and contrast.

2. Research and development personnel and their education and experience

As of March 31, 2026, the distribution of education level and average service tenure for research and development personnel is as follows:

Item	Number
Doctor	-
Master	6
Bachelor	25
High School	5
Below High School	1
Total	37
Average Tenure (year)	9.42

3. The annual R&D investment expenses of the merged company in the most recent 5 fiscal years

Unit: Thousand NTD

Item Year	2021	2022	2023	2024	2025
R&D expenses	66,045	62,286	61,527	54,936	56,326

4. Technologies or products that were successfully developed in the most recent 5 fiscal years

Year	Parts/Materials	Product	Optical technology development
2021	Complex profile TFT-LCD	Rear mirror LCM module automated assembly machine.	Micro structure diffusion plate. Type-A/Type-C heterogeneous light guide component.
2022	Dual-dose polyurethane potting compound and sealant.	Front-mounted car lens signal amplifier.	Optical design for the diverse structure optical components of microphones for meeting purpose. Introduce the full-screen scanning equipment LMK-65 and enhance the design of all scan optical network.
2023		1. 12.3-inch curved backlight. 2. Finished products of electronic label.	Development of a new microstructure - circular cut-out dots, applied to adjustment of

Year	Parts/Materials	Product	Optical technology development
			beams and front light modules. Charging pile ring-shaped light bar design.
2024	7-inch FPGA driver board including components.	1. High color gamut 12.3 backlight module. 2. High color gamut 7-inch mini LED backlight module.	Optimization of the lighting optical components of the charging gun. The microstructure design of the front light plate and the optimization of visual taste. Development of the Microstructural Process for the Front Light Panel
2025	Front-light display technology / module	Design and analysis technology for microstructures and dot-pattern layout of front-light panels, and the development of module products compatible with various types of reflective displays (LCM), including electronic paper (EPD), cholesteric liquid crystal displays (ChLCD), and reflective liquid crystal displays (RLCD), in order to meet future market demand for outdoor display modules across different applications.	Front-light panel technology development Microstructure design and analysis Dot pattern layout and analysis technology for front-light panels integrated with reflective liquid crystal displays Front-light module manufacturing and assembly technology Module development technology (optomechanical / optoelectronic) Large-size front-light tooling and mold technology Mass production optimization technology

(4) Long- and short-term business development plan

1. Short-term plan

(1) Business aspect

- A. Optoelectronic product – the backlight module is mainly ODM or OEM, and the main markets are Taiwan, China, and Japan.
- B. The Company sells the backlight module on its own through participation in the domestic and overseas exhibitions and marketing.
- C. continue to develop customers of backlight module and distribute the customer sales ratio.

(2) R&D aspect

- A. Consolidate self-owned technologies and maintain competitiveness.
- B. Improve manufacturing process and production technology and effectively reduce costs, including front-light module development technology, OCA lamination, LCM assembly, and production line evaluation and establishment technology.
- C. Continue to invest in R&D, recruit talents and cooperate with relevant research institutions.
- D. Develop new technologies, expand markets for new products and improve competitiveness in areas other than the main business, including micro-feature design

and analysis technology, mechatronics and opto-mechanical integration, and modular development and assembly integration technology.

(3) Production aspect

- A. Control the quality, costs, and delivery time and aim at increasing the self-product rate of materials.
- B. Increase production capacity to meet the economies of scale and meet the market demand to increase market share.

(4) Human resources aspect

Replenish mid-rank management cadres, technicians and the operators at the basic level to meet the demand of expanding the plants.

(5) Finance aspect

Use the funds with flexibility to meet the operating demand.

2. Long-term plan

(1) Business aspect

- A. Expand customer groups to distribute risks.
- B. Establish overseas sales points based on the market demand.
- C. Long-term profit is the major consideration for product types and target of sales.

(2) R&D aspect

- A. Application of light sources with high efficiency and low energy consumption and research on other substitutable products to lower the costs and expand the area of optoelectronic products.
- B. Develop the self-production capacity of materials and substitutions to respond to the market changes or increase the procurement flexibility.
- C. Invest in optics research, develop medium and large size of light guide plates / front-light panels, high-efficiency LED backlight module, mini LED backlight module and develop the manufacturing technology of non-backlight optical components.
- D. Expand the diversity of optical simulation and introduce optimized functions in response to the complex structure and heterogeneous light guide component.
- E. Establishing modular production line technology to achieve vertically integrated modular line design and automated manufacturing capabilities, thereby creating comprehensive solutions for the company's diversified product design, production, and service offerings.

(3) Production aspect

- A. Establish overseas production sites or outsourcing with macro vision to diversify the production lines and maintain the competitiveness advantage in pricing.
- B. Produce part of the materials on its own, reduce costs and improve production autonomy.
- C. Increase the ratio of automated production and improve the efficiency.

D. Plan the shop floor control (SFC) system, digitalize data of the manufacturing site for the production efficiency analysis. The system was introduced in 2020.

E. Introduce the vacuum reflow technology, which reduces the porosity in SMT manufacturing process below 5% and increases the product reliability.

(4) Human resources aspect

A. Recruit and train high-ranking management cadres and technicians of all levels in response to the demand of domestic and overseas long-term development.

B. Enhance diverse skill training and utilize human resources efficiently to improve the overall competitiveness of the Company.

(5) Finance aspect

A. Maintain safe cash position and strengthen the financial structure in response to the economic fluctuation.

B. Establish diverse channels for funds to better acquire funds at lower costs in response to the long-term operation demand.

2. Market and sales summary

(1) Market analysis

1. Main areas of product sales

Unit: Thousand NTD

Area \ Year	2025		2024	
	Amount	%	Amount	%
Taiwan	354,987	28	461,553	29
China	482,729	37	714,102	45
United States	270,470	21	233,908	15
Others	187,273	14	172,006	11
Total	1,295,459	100	1,581,569	100

2. Main competitors and market share

(1) Main competitors

In the past, Japanese manufacturers occupied the majority of the market of medium and small size backlight modules. As the domain shifts, manufacturers in Taiwan and Korea have increased their production capacity, reduced material costs and established complete supply chain. Currently, there are professional backlight module manufacturers in Taiwan and Korea with the technology transfer from Japanese manufacturers. The production capacity of these manufacturers has surpassed the Japanese manufacturers.

The major manufacturers mainly focusing on the production of medium and small size backlight modules in Taiwan are listed in the Table below:

Major manufacturers mainly focusing on the production of medium and small size backlight modules in Taiwan

Competitor	Business item	Competition item
Radiant Opto-Electronics Corporation	Backlight modules and front light panel	Backlight modules
San Ho Enterprise Co., Ltd.	Backlight modules and light guide plates	Backlight modules
Coretronic Corp.	Backlight modules	Backlight modules
Epoch Chemtronics	Backlight modules and light guide plates	Backlight modules

Source: Annual reports of all companies and message from downstream customer end

(2) Market share

Given that the domestic LCD panel manufacturers continue to expand the production equipment and production lines, increase the domestic self-sufficiency rate of key parts and components, and the production yield and sizes may vary based on the customer demand, the sizes of product output and amount of backlight module manufacturers cope with the change of demand. As a result, it is hard to fairly evaluate the market share.

3. The future supply and demand and growth of the market

The supply and demand status of backlight modules is determined by the future supply and demand of TFT-LCD panel market. The products includes cell phones, digital camera, industrial panel, in-vehicle products, tablets, and wearable devices. Despite the backlight modules of some products are replaced by OLED, majority of these products rely on backlight module as the light source.

The main size develops from 7 inches to 8 inches and 10.1 inches and above, and the in-vehicle panel develops in the trend of smart cars. The panel penetration rate is expected to dramatically increase.

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4. Competitiveness niche

(1) Macro global operation principle

Ever since the incorporation, the Company has upheld the operation principle of “based in Taiwan and reach out to the world.” The Company continues to innovate technologies to inspire the growth of domestic and overseas customers. The Company also cultivate international marketing and technology personnel in the long term. It has excellent reputation in customer service.

(2) Strict and comprehensive management system

To seek efficient operation and maximum profits for shareholders, the Company has gradually implemented the comprehensive accounting, internal control, internal audit and internal management information systems. In addition, the Company became the first company to acquire ISO 9002 certificate in 1998, acquired ISO 9001 in 1999 and QS 9000 international quality certificate in 2003. In 2007, the Company introduced a stricter automobile product quality regulations ISO/TS16949. In response to the expanding Company scale, apart from actively integrating the internal resources, the Company also fully utilizes the internal management information system to meet the goal of minimum human resources with upmost efficiency.

(3) Clear medium- and long-term goals of the Company

To effectively achieve the operational goals, the Company has established clear short and long-term development plan for the organizational functions of human resources, finance, business, production and R&D. The sustainable operations of the Company is consolidated by the interim operational strategies and achievements of goals.

(4) Flexible business foundation

The sales personnel of the Company has engineering ability in order to fully communicate with customers, pay attention to the conditions of customers and market and report to the Company for the reference of marketing strategy adjustment. The flexible sales ability can reduce the inventory risk and maximize the profit of the Company.

(5) Excellent R&D ability (mold development, optics design and application of new materials)

The gross profit of medium and small size products is under severe challenge brought by the active investment in China. Under the usual low-price competition in the BTO market, some brands also adopt the low-price strategy in the market. In 2014, some famous panel manufacturers suffered loss in the smart phone market and started to move to panel market with higher gross profit and high-end technologies, such as LTPS, aiming at improving the revenue and gross profit. The high gross profit market, such as vehicle mounted products, requires high reliability verification; apart from the thinness, the high-end panel technology also requires high brightness and high uniformity under

the restriction of LTPS aperture ratio. As the LED components develop towards the direction of thin and high brightness, the backlight module will need to seamlessly cooperate with it.

Apart from the medium and small size backlight products, the Company started to develop medium and large size backlight products above 7 inches in 2014. The panel plants also started deploying resources in the middle and low-end cell phone market and Chinese BTO market. The Company actively deploys resources in the development of medium and small size thin light guide plates. It develops injection compression molds with advanced high-speed compression injection machine technology to develop thin light guide plates with high brightness. The Company successfully introduced multiple thin products with high brightness and coped with the development of touch market of customers, which allowed the Company to be recognized by customers in the improvement of technology. For the medium and large size products, the Company has massively produced and delivered 10.2", 12.1" and 12.3" industrial control products. The Company aims at the 15" product as the interim limit.

From the deployment in current complex light guide plates, industrial control and in-vehicle backlight products, to then light guide plates, the Company rapidly reduces the product develop time and improves competitiveness using the optical data standardization based on current development experience and specification of mold development.

For the development of new technology, the Company collaborates with existing customers in the development of new technology of high-brightness module, which consists of backlight modules with high color saturation and high-brightness micro structure light guide plates with special lens structure and single optical film. The Company also collaborates with suppliers in developing Flip Chip backlight module structure in order to actively deploy resources in new technologies and new products.

The current high-brightness LGP lighting structure mainly rely on V-CUT and the required material for manufacturing the mechanics is "electroplating nickel." This manufacturing process requires longer preparation time. To accelerate the development schedule, the Company developed its self-owned processing technology "V-CUT LIKE." The purpose of this technology is to acquire the brightness close to the V-CUT, which effectively shortens the mold manufacturing time, increases product yield and dramatically reduces the maintenance costs.

For the development of light guide plates, the Company introduced the stable mechanic process micro structure to the thick light guide plates to replace the laser engraving and chemical etching to improve the light efficiency of the module that further improve the brightness of the module and the stability of the full screen measurement.

In response to the development of direct diffusion plate, the Company purchases different scales of diffusion materials for injection forming tests to accumulate the

experiment data and experience. In addition, the Company performs the mixing experience with PC transparent material with the diffusion material to expand the database. The Company uses the optical simulation software SPEOS to test the actual physical characteristics of diffusion materials in the simulation and reflect the results to the practice via the optical design. Afterwards, the diffusion material injection will be applied to the development of self-made micro structure diffusion plates and complex heterogeneous light guide components, such as Type-A/Type-C and microphones for meeting purpose. Through the cross-comparison between the simulation and practice, the Company may save the engineering time and crafting costs on the design of optical components. The ability of diffusion component injection forming can not only be applied to the products requiring blending lighting and light projecting effects, but also avoid outsourcing and procurement, which reduces the development costs.

In response to the raise of human resources costs, the Company will focus on the simplified module design and joint development with customers. Use automated assembly to reduce the reliance on human resources and achieve the self-sufficient parts for consistent operation of backlight modules by utilizing self-owned module processing and injection forming plant, including self-produced packing boxes, SMT production lines, precision dispensing, and self-owned cutting technology for optical film and compound tapes. These measures realize the simplified design and increase the assembly yield and production efficiency that achieve the win-win goals of improving quality and reducing costs.

(6) Excellent production ability (self-production ratio, mass production experience, quality control, time control, and production capacity planning)

To reduce the labor costs and provide services closer to the customers, the Company transfers the orders via triangular trades to plants in China where the products are produced and delivered and actively focuses on the production of self-manufacturing products with high-added value.

To ensure the quality of products, most of the manufacturing processes take place in dust-free workshops. Under the quality regulations of QS 9000, In 2007, our company established an automotive quality management system in accordance with ISO/TS 16949, and achieved ISO/TS 16949:2002 certification at our China production facilities in 2008. To stay aligned with evolving international automotive industry standards, we fully implemented and passed the IATF 16949:2016 certification in 2019. Additionally, the professional inspectors and the application of precise measuring devices allow the yield to be above 90%. Moreover, the Company fully copes with the delivery schedule and quality requirement of customers. The Company's advantage in integration, regardless of the quality, technology, costs, and delivery time, is far ahead of other competitors in the industry.

5. Response strategy to favorable and unfavorable factors in the development

Favorable factors:

(1) Advanced and independent technology is the key to competitiveness

The injection and forming of light guide plates require precise mold design technology. If the Company is unable to develop independently, it will incur high development expenses, and the technology and manufacturing processing will be controlled by others. The reliability on the Company from customers will be reduced if they cannot obtain satisfied and fast services. The Company continues to invest in the development of new technologies and recruits talents in the optical field. The Company has made progress in increasing the brightness and reducing the thickness of the backlight modules. The development of advanced technologies also saved the Company a huge amount of premium expenses.

(2) Stable yield and output capacity

High yield not only saves the Company huge amount of material and manufacturing expenses, but also delivers the goods in time that meets the customers' demand. The output of overseas plants of the Company covers small to medium sizes of products, and the mass production technology and quality has certain level of stability, which is ahead of other companies in the industry.

(3) Develop new materials to reduce procurement costs

As number of backlight module manufacturers in Taiwan increases, the business opportunities for the upstream raw materials of backlight modules gradually emerge, which attracts many companies to invest in it. The increasing number of raw materials suppliers will be beneficial for backlight module manufacturers to control the source of raw materials and reduce the costs under the healthy competition.

(4) Effective manufacturing process that reduces the labor costs

As the backlight module requires large number of labors in assembly, the outsourcing model that transfers production to overseas collaborate companies is inevitable. The Company has established a production base in China. Currently the manufacturing, delivery and human resource management are on the track. The Company has also gradually introduced the automated production equipment, which will be beneficial for improving the competitiveness of the Company. In addition, the Company often conduct research on developing more efficient manufacturing process and labor allocation, which not only shortens the manufacturing process, but also meets the customers' demand in delivery time.

(5) Design product as solution

To enhance competitiveness, the Company conducts design and integration with customers. It does not only expand the service scope in the collocation and design of

optics and mechanics, but also to customize production technology and optical inspection system based on customers' demand. The Company evolves from a simple backlight module manufacturer to the solution of the manufacturing of the entire module.



Unfavorable factors:

(1) Increasing price competition

Due to the intense competition in the medium and small size panel industry, it is expected that the panel parts and components procurement will also increase. The backlight module accounts for certain percentage of costs in the panel materials. The Company and other manufacturers will be under the pressure of price cut from panel manufacturers.

Response strategy: The Company can increase the gross profit of products through increasing product value, increasing self-manufacturing ratio, and reducing costs of materials.

A. In increasing the self-manufacturing ratio, it can be divided into the increase in the self-manufacturing ratio of mold and light guide plate injection forming, self-manufacturing of optical film cutting, and strategic alliance with suppliers. In the aspect of mold and light guide plates injection forming, the self-manufacturing ratio for light guide plates and molds has reached more than 90%. The Company also integrates other upstream parts and components, such as optical film cutting, aiming at increasing the self-manufacturing ratio of raw materials.

B. In reducing the costs of materials, the Company also reduces the costs of materials through the methods below to increase the gross profit of backlight modules:

- (a) Supply chain management.
- (b) Analysis and statistics of cost structure of products.
- (c) Product design – standardization of parts.
- (d) Replace raw materials with substitute materials.
- (e) High development expenses for new technologies

(2) The rise of OLED technology

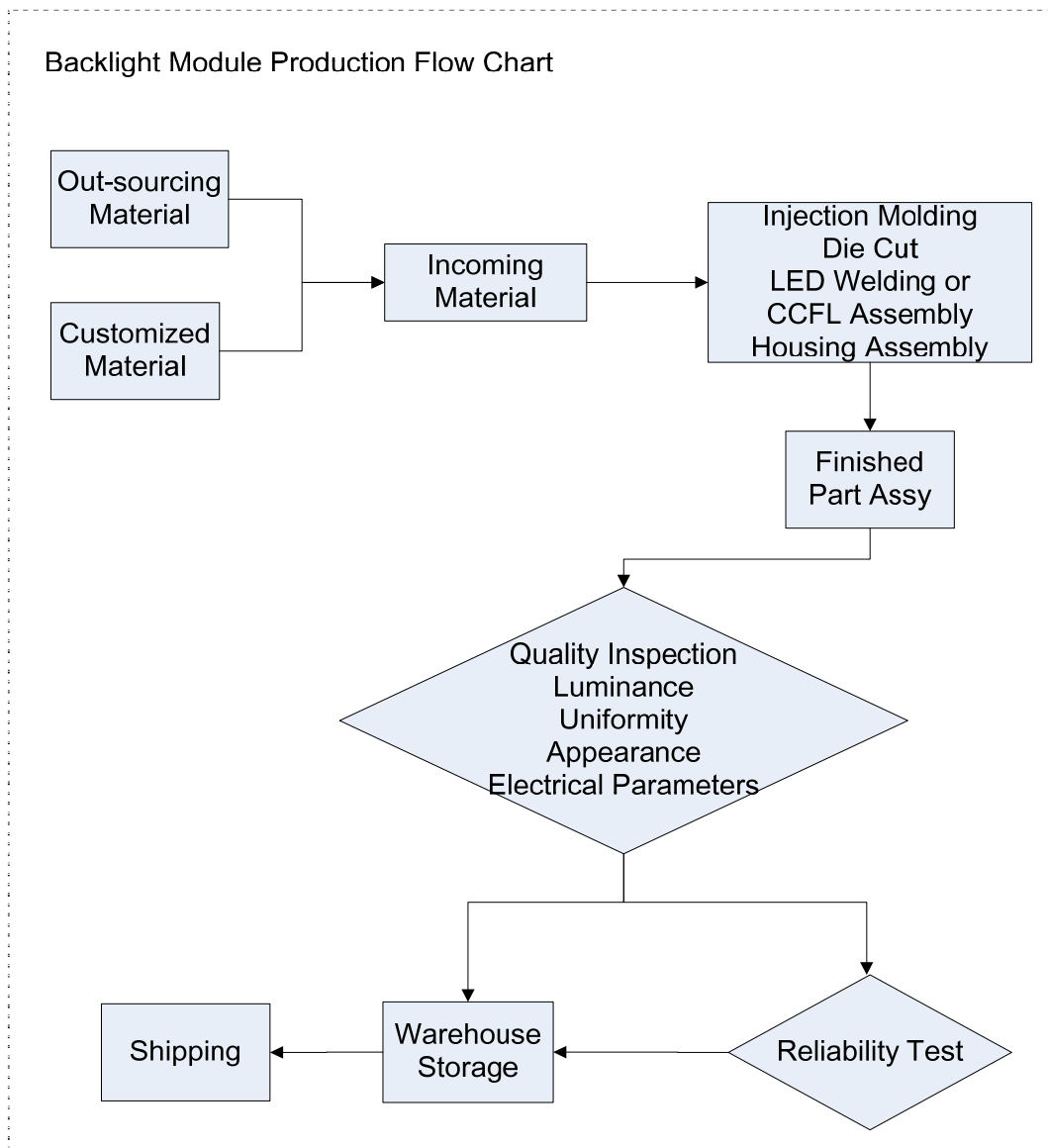
For AMOLED panel market, currently Korean manufacturers dominate the OLED panel market, but the output of other panel manufacturers are gradually increasing. Currently the AMOLED manufacturing process has become mature, the yield is increasing, and the costs of modules are declining.

(2) Significant purposes and manufacturing process of major products

1. Significant purposes of major products:

Product or services	Significant purposes or functions
LED backlight module	Applied in communication and consumer electronic products, such as laptops, LCD, LCD TV, digital camera, PDA, cell phones, industrial panels and in-vehicle display panels.

2. The manufacturing process of major products:



(3) Supply of main raw materials:

Supply of main raw materials

Main products	Main raw materials	Major suppliers	Supply status
LED backlight module	LED backlight module	Shian Yih (Dongguan) Electronic Industry Co., Ltd.	Excellent
LED backlight module	LED backlight module	Dongguan Fair Lumi Optronics Co., Ltd.	Excellent

(4) The list of customers that once accounted for 10% of the total procurement and sales amount in any of the most recent 2 years and the procurement (sales) amount and ratio:

1. The list of customers that once accounted for 10% of the total sales amount in the most recent 2 years

Unit: Thousand NTD

Item	2024				2025			
	Name	Amount	Accounted for the annual net sales amount (%)	Relationship with the issuer	Name	Amount	Accounted for the annual net sales amount (%)	Relationship with the issuer
1	Company A	491,904	31	None	Company A	311,357	24	None
2	Company B	203,472	13	None	Company B	235,071	18	None
3	Company C	180,244	11	None	Other	749,031	58	-
4	Other	705,949	45	-				-
	Net Sales	1,581,569	100	-	Net Sales	1,295,459	100	-

(1) Company A

It is an advanced automobile electronics and system manufacturers, and it focuses on the internationalization layout of smart products.

(2) Company B

The company as the international automobile parts manufacturing in charge of the design and the manufacturing of internal rearview mirror systems and external sideview mirror systems.

(3) Company C

The company was incorporated in 1989 in Switzerland, and the R&D headquarter is in the United States. It has comprehensive product layout in aerial, marine, and vehicle markets. It is a leading brand in aerial, marine, vehicle, sports and fitness products.

2. The list of customers that once accounted for 10% of the total procurement amount in the most recent 2 years Unit: None

(1) Company E

It is a public listed company in Taiwan mainly engaged in the design, manufacture, and R&D of TFT-LCD, and is a supplier of TFT LCD glass modules.

3. Employee information

Employee information during the most recent 2 years or during the current fiscal year up to the date of publication of the annual report

Year		2024	2025	As of March 31, 2026
Number of employees	Managerial Officer	29	24	24
	Indirect labor	365	356	357
	Direct labor	529	321	306
	Total	923	701	687
Average age		38.2	41.1	41.4
Average service tenure		6.3	11.4	8.1
Gender	Male(%)	48.6%	47.5%	47.6%
	Female(%)	51.4%	52.5%	52.4%
Education distribution ratio	Doctor	0	0	0
	Master	6	9	9
	Bachelor	162	165	165
	High School	180	169	167
	Below High School	575	358	346

4. Environmental Protection Expenditure

- (1) Loss incurred from polluting the environment in the most recent 2 years: None.
- (2) Response strategy: Not applicable.

5. Labor Relations

- (1) The employee benefit measures, on-the-job training, training, pension system and their implementation, and the labor–employer agreement and measures for the protection of employee benefits:
 1. Employee benefit measures:
 - Flexible working hours system
 - Group insurance and casualty insurance
 - Monthly birthday party and birthday allowance
 - Comprehensive educational training and smooth promotion channel
 - Distribution of employee remuneration, mid-Autumn Festival bonus and year-end bonus based on the performance
 - Domestic and overseas travel
 - Wedding allowance, birth subsidy, on-the-job training subsidy, health examination, and hospitalization sympathy
 2. Employee on-the-job training and training status:

Item	2025		
	Number of persons	Number of hours per person	Total expenses
1. New employee training	161	758	0
2. Professional competency training	1,228	5,047	123,416
3. Supervisor talent training	141	720	20,500
4. General training	427	919.60	17,506
Total	1,957	7,444.60	161,422

3. Pension system and implementation:

In accordance with the Labor Standards Act, the Company established the "Retirement Management Regulations" in 2011 and updated and amended them in 2018. Employees' retirement eligibility and the calculation standard of employee pension are handled in accordance with relevant requirements.

The pension system of the Company is conducted in accordance with the Labor Standards Act and Labor Pension Act. For employees to whom the new system is applicable, the Company has allocated 6% of employee's salary to their personal pension account under the Bureau of Labor Insurance in accordance with the Labor Pension Act.

For voluntary contributions, the voluntary contribution rate shall be withheld in the individual pension account on a monthly basis, up to a maximum of 6%.

In accordance with the Retirement Management Regulations for employees, an employee may apply for voluntary retirement if he/she meets one of the following conditions:

Those who have served the Company for more than 15 years and are at least 55 years old.

Those who have served the Company for more than 25 years and are at least 60 years old.

In addition, the Company may impose a compulsory retirement on an employee when he/she is at least 65 years old or physically or mentally disabled beyond his/her ability to perform their duties. If the mental or physical disability of an employee with compulsory retirement imposed on him/her is due to the performance of their duties, the Company will give an additional 20% of the pension as required by law. In addition, employees who reach the mandatory retirement age of 65 will retire in accordance with regulations. The company may also, depending on job requirements, extend the retirement age through mutual consultation and agreement.

Eligibility for pension claim:

The age of the claim is 60 years old. Workers aged 60 or above who have worked for less than 15 years may claim the pension in a lump sum. Workers who have served for 15 years or more may choose to claim a monthly pension or the pension in a lump sum. If employees continue to work and appropriate the pension after receiving the pension, they

may apply for a continuation of the pension claim one year after the previous pension claim was made. A worker under the age of 60 but incapacitated may apply for an early pension payment.

4. Labor agreement and measure for the protection of employee benefits:

Under the principle of harmonious labor–employer relation and valuing the opinions of employees, the Company stipulates comprehensive and reasonable regulations regarding salary, working hours, leaves, pensions, and compensation and firmly implements the beneficial measures, such as safety and health and educational training. In addition, the Company also put great emphasis on the communication, negotiation and resolution of disputes with employees. The Company is trusted and supported by our employees. There has been no loss incurred from the labor disputes, so the labor–employer relation is harmonious.

5. Work environment and protection measures for the safety of labors:

Item	Content
Access control	The access control and CCTV is 24/7
Friendly work environment	Protect employees from workplace bullying and unlawful harassment or infringement.
Disaster prevention measures and responses	1. The Company stipulates the “Disaster Emergency Response Measures,” “Work Rules for Safety and Health,” “Regulations Governing the Safety and Health of Labors” and “Labor Safety and Health Occupational Disaster Prevention and Automated Inspection Plan.” 2. The Fire competent authority conducts 2 fire prevention seminars per year.
Physical health	1. Health examination: The Company provides free health examination for employees on a yearly basis. 2. The offices are cleaned and sanitized on a regular basis.
Insurance and hospitalization sympathy	1. The Company provides labor and health insurance in accordance with the laws and regulations. 2. Enroll in public liability insurance and group insurance to enhance employee protection.

(2) The loss the Company suffers from labor disputes during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report and disclose the estimate amount of current and future possible labor disputes and response measures:None

(3) Code of Conducts for employees:

For the compliance and guidance for employees’ behaviors, the Company stipulates “Work Rules” handbook and labor safety and human resources management rules for employees, which allow employees to learn their rights and interests and code of conducts. The Company also plans benefits and salary and remuneration measure based on the

performance evaluation system. Employees are able to display the work ethics in a harmonious working environment and this inspires morale.

6. Information and communication security management

- (1) Specify the structure of information and communication security management, information and communication security policy, solid management plan, and the resources invested in the information and communication security management.

1. Structure of information risk and security management

Although the Company has not established a cross-departmental information security committee, it has established an information and communication security policy implementation team in 2023. A dedicated information security officer and a dedicated information security person have been appointed to ensure the operation of the information and communication security management system and to identify internal and external issues related to the information and communication security management system, as well as the requirements and expectations that stakeholders have toward the information and communication security of the Company.

2. Information and communication security policy

- (1) Regularly conduct inventory checks of data center servers and personal computer hardware and software assets, perform risk management based on information security and personal data risk assessments, and implement relevant control measures.
- (2) The Company holds educational training and promotion regarding information security and personal data protection. All new employees are required to sign the confidentiality agreement.
- (3) Outsourcing contractors are required to sign the confidentiality agreement to ensure the information companies that use the information services provided by the Company or implement relevant information business are responsible for protecting the information assets of the Company to prevent any unauthorized loading, tempering, damage, and improper disclosure. We communicate the Company's latest information security regulations and precautions on a regular basis.
- (4) The Company has established proper backup or monitoring mechanism for material information system or equipment and performs drills on a regular basis to maintain their availability.
- (5) Anti-virus software is installed in all personal computers, and the virus signatures are updated on a regular basis. Unauthorized software is prohibited.
- (6) The Company requires the employees to fulfill the custody and usage responsibility for account, password, and authorization and change passwords on a regular basis.

(7)The Company has established a business continuity management mechanism, enhance employees' vigilance against social engineering attacks via e-mails, implement phishing e-mail defense and detection, and conduct regular tests and drills to maintain its applicability.

(8)The Company implements internal audit on a yearly basis, improve employee safety awareness to ensure the effectiveness of information security and personal data protection management system.

3. Solid management plan and the resources invested in the management of information and communication safety

The Company includes the information security and personal data protection inspection control operation in the items of the annual audit, and the audit unit shall perform an audit per year. The Company will summarize the implementation performance of internal control based on the self-inspection operation of the internal control system and submit it to the Board of Directors for review, and it will present the Internal Control Statement based on the evaluation result.

- (2) List any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

7. Major Contracts

Company	Nature of contracts	Party	Start and end date of the contracts	Major content	Restriction clauses
Shian Yih Electronic Industry Co., Ltd.	Medium and long term credit extension	Mega International Commercial Bank	2019.11.11-2029.11.11	Loans for plants	Project for investments by Taiwanese Firms
Shian Yih Electronic Industry Co., Ltd.	Medium and long term credit extension	Mega International Commercial Bank	2019.10.31-2026.10.31	Working capital amount	Project for investments by Taiwanese Firms
Shian Yih Electronic Industry Co., Ltd.	Medium and long term credit extension	Bank of Taiwan	2019.12.24-2026.12.24	Loans for machinery equipment	Project for investments by Taiwanese Firms

V. Review of Financial Conditions, Financial Performance and Risk Matters

1. Financial conditions:

Unit: Thousand NTD

Item \ Year	2025	2024	Difference	
			Amount	%
Current assets	2,038,595	2,151,841	-113,246	-5%
Property, plant and equipment	208,724	208,209	515	0%
Intangible assets	3,080	5,193	-2,113	-41%
Other assets	83,561	106,918	-23,357	-22%
Total assets	2,333,960	2,472,161	-138,201	-6%
Current liabilities	413,335	444,558	-31,223	-7%
Non-current liabilities	41,271	111,940	-70,669	-63%
Total liabilities	454,606	556,498	-101,892	-18%
Capital	611,750	611,750	-	-
Capital surplus	669,790	669,678	112	0%
Retained earnings	699,293	730,171	-30,878	-4%
Other equity	-123,406	-114,877	-8,529	7%
Equity attributable to the owners of the Company	1,857,427	1,896,722	-39,295	2%
Non-controlling equity	21,927	18,941	2,986	16%
Total equity	1,879,354	1,915,663	-36,309	2%

The description for the significant variation items (the variation ratio reaching 20% or more and the variation amount reaching NT\$10 million or more):

- Other assets: Mainly due to a decrease in right-of-use asset amortization and a reduction in deferred tax assets resulting from inventory recovery gains.
- Non-current liabilities: Mainly due to the repayment of long-term borrowings upon maturity.

2. Financial performance:

(1) Analysis on the variation on the financial performance in the most recent 2 fiscal years:

Unit: Thousand NTD

Item	Year	2025	2024	Amount of increase or decrease	Variation ratio
					%
Operating revenue		1,295,459	1,581,569	-286,110	-18%
Operating Costs		1,070,052	1,396,045	-325,993	-23%
Gross profit		225,407	185,524	39,883	21%
Operating expenses		228,217	227,580	637	0%
Operating net profit		-2,810	-42,056	39,246	93%
Non-operating income and expenses		45,784	145,371	-99,587	-69%
Profit before tax of continuing operation		42,974	103,315	-60,341	-58%
Current net profit		15,660	82,582	-66,922	-81%
Current other comprehensive income		-8,529	33,577	-42,106	-125%
Total other comprehensive income		7,131	116,159	-109,028	-94%
Current net profit attributable to the owners of the Company		18,062	82,647	-64,585	-78%
Total comprehensive income attributable to the owners of the Company		9,533	116,224	-106,691	-92%
Earnings per share (NTD)		0.30	1.35	-1.05	-78%

The description for the significant variation items (the variation ratio reaching 20% or more and the variation amount reaching NT\$10 million or more):

- Decrease in Cost of Goods Sold (COGS): The decline in revenue led to a proportional decrease in operating costs. Additionally, the loss on inventory valuation decreased compared to the same period last year.
- Increase in Gross Profit and Operating Income: While the cost structure (material, labor, and overhead) remained stable and decreased in line with revenue, the significant reduction in inventory valuation loss resulted in a larger overall decrease in costs, thereby driving the growth in gross profit and operating income.
- Decrease in Non-operating Income and Expenses, Net Income, and Other Comprehensive Income: This was primarily due to fluctuations in the TWD/USD exchange rate, which led to a decrease in foreign exchange gains compared to the same period last year.

3. Cash Flow:

(1) 2025 cash flow variation analysis:

Unit: Thousand NTD

Cash balance as of January 1	Annual net cash flow from operating activities	Annual net cash flow from investment and financing activities	Annual exchange rate variation effects	Residual cash
1,396,693	172,406	(438,582)	(8,945)	1,121,572

Description for the changes in the increase or decrease in ratio:

- Operating activities: It was mainly caused by the net cash inflow from operating activities.
- Investment activities: It was mainly caused by the increase in other financial assets.
- Financing activities: It was mainly for the repayment of long-term and short-term borrowings and distribution of cash dividends.

(2) Make-up measures for insufficient cash and liquidity analysis: None.

(3) Cash flow analysis for the next fiscal year:

Unit: Thousand NTD

Cash balance as of January 1	Annual net cash flow from operating activities	Annual cash inflow	Residual (insufficient) cash	Make-up measures for insufficient cash	
				Investment plan	Property management plan
1,121,572	110,964	215,302	1,336,874	-	-

The description on the consolidated cash flow variation for the next fiscal year:

- Operating activities: It is mainly caused by the expected operating gains.
- Investment activities: It was mainly for the purchase of property, plant and equipment.
- Financing activities: It is mainly for the distribution of cash dividends.

4. The impact of significant capital expenditures on the finance in the most recent fiscal year:
None.

5. The main reason and improvement plan of profit or loss of the reinvestment policy in the most recent fiscal year and the investment in the next fiscal year:

1. The reinvestment policy of the Company:

The Company's management team conducts reinvestment based on the operation demand or for the purpose of future growth of the Company. The Company also established an investment task force, which is responsible for submitting the investment plan. The investment task force will conduct careful assessment on the organization type, purpose of investment, and the location, market status, business development, possible joint venture, shareholding ratio, reference price and financial condition of the new business. The assessment will be used for the decision makers for the investment determination. In addition, the Company also controls the business operation status of the investee and analyzes the investment performance, which are beneficial for the decision makers to conduct follow-up assessment after the investment.

2. Main reason of the profit or loss from reinvestment, improvement plan, and future investment plan:

Unit: Thousand NTD

Description Item	Initial investment	Policy	Main reason of the profit or loss	Improvement plan	Future investment plan
Dongguan Fair Lumi Optronics Co., Ltd.	USD16,650	Overseas production base	The main business items are the assembly of backlight modules and the manufacturing and sales of plastic injection products. This company had a profit of NT\$16,956 thousand this year due to the change of product portfolio and enhancing the internal cost control.	None	It depends on the operation status
Shian Yih (Dongguan) Electronic Industry Co., Ltd.	USD5,000	Overseas production base	The main business items are the assembly, manufacturing, and sales of backlight modules. This company had a profit of NT\$26,041 thousand this year due to the change of product portfolio and enhancing the internal cost control.	None	It depends on the operation status
Chian Yih Optotech Co., Ltd.	NTD65,000	Headlight light source module plant	This plant was established in November 2016, and it is still expanding business capacity. Therefore, there has been no sufficient revenue, and it is experiencing operating loss.	None	It depends on the operation status

3. Investment plan for the next fiscal year: The Company will uphold the reinvestment policy. The investment assessment task force will conduct professional investment assessment and the investment will be discussed and determined by decision makers.

6. The risk analysis and assessment during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

- (1) The impact of the change of interest rate and exchange rate and inflation on the profit or loss of the Company and future response measures:

Item/Year	2025	2024
Net interest income	47,765	49,018
Net interest income to the net operating revenue	3.69%	3.10%
Net interest income to the net profit before tax	111.15%	47.45%
Exchange gains or losses	(50,372)	82,653
Exchange gains or losses to the net operating revenue	(3.89%)	5.23%
Exchange gains or losses to the net profit before tax	(117.22%)	80%

(A) Interest rate changes:

The interest revenue and expenditure of the consolidated company in 2025 was NT\$49,961 thousand and NT\$2,196 thousand, respectively. Apart from the operation funds that are used for supporting the overall operation, loans from banks are also one of the sources of funds. The Company and subsidiaries evaluate the interest rate of loans, adjust the fund utilization based on the changes in the interest rate and adopt necessary measures to respond to the interest rate risk.

(B) Exchange rate changes:

The main quotation currency for the exported goods is USD, and part of the important raw materials are procured overseas quoted in USD or JPY. As a result, the changes in the exchange rate will have certain level of impact on the Company's income and cultivation of export trade. Response measures for exchange rate changes:

- A. The fund allocation personnel pays attention to the trend and changes of all major currencies in the international exchange market to control the exchange rate trend.
- B. For USD positions, the Company adopts the natural hedge, which is the net income from accounts receivable offsetting the accounts payable, to avoid the risk of exchange rate fluctuation.
- C. Maintain excellent relationship with banks to receive more exchange information and favorable exchange rate quotation.

(C) Inflation

The Company pays attention to market price fluctuation at all times and maintain excellent relationships with suppliers and customers to avoid the significant impact of inflation on the Company. The Company also continues to improve manufacturing process to reduce the costs.

- (2) Policies, main reasons for profit or loss with respect to high risk, high leveraged Investments, lending or endorsement and guarantees and derivatives trading and future response measures:
- A. The Company does not engage in any high risk, high leveraged investments and derivatives trading. The lending or endorsement and guarantees are conducted in accordance with the policy and response measures stipulated in “Operational Procedures for Loaning Funds to Others” and “Operational Procedures for Making Endorsements/Guarantees.”
 - B. When engaging the aforementioned trading in the future, the Company will be in compliance with the “Operational Procedures for Loaning Funds to Others,” “Operational Procedures for Making Endorsements/Guarantees” and “Operational Procedures for The Acquisition and Disposal of Assets.”
- (3) Future research development project and estimated investment in research and development:
- The Company’s R&D expenses in 2025 was NT\$56,604 thousand and it is expected to be NT\$26,741 thousand. The Company will develop products with higher brightness and quality. The R&D expenses may be increased on a yearly basis based on the operation scale. Please refer to II. Operation Overview for the R&D status.
- (4) The impact of changes in domestic and overseas significant policies and laws on the finance of the Company and response measures:
- The Company pays attention to the changes in domestic and overseas significant policies and laws at all times and proposes response measures properly. The finance of the Company has not been affected by the changes in domestic and overseas significant policies and laws during the current fiscal year up to the date of publication of the annual report.
- (5) The impacts of changes in technologies and industries on the finance of the Company and response measures:
- The backlight modules produced by the Company are mainly for automotive products. The automotive design capabilities and complete material supply chain accumulated over the years are able to correspond to Tier 1 OEMs. At the same time, the Company is actively investing in the research and development of new technologies and processes to increase product applications. The short-term changes in the market will unlikely have a significant impact on the finance and business of the Company.

- (6) The impact of changes in corporate image on corporate risk management, and the response measures:

There has been no significant event that has an impact on the corporate image during the current fiscal year up to the date of publication of the annual report.

- (7) The expected benefits and possible risks of mergers and response measures:

The Company did not have any merger plan during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report. Where there is merge plan in the future, the Company will carefully assess the possibility and take into consideration of the merger effect to protect the interests of shareholders.

- (8) The expected benefits and potential risks of any plant expansion and response measures:

The Company did not have any plant expansion plan during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report. Where there is any plant expansion plan in the future, the Company will carefully assess the possibility and take into consideration of the effect to protect the interests of shareholders.

- (9) The risks associated with any consolidation of purchasing or sales operations and response measures:

A. The risk of consolidation of purchasing:

The Company has distributed the material supply chains, so there is no consolidation of purchasing from single supplier. To continue to prevent the risk of consolidation of purchase, the Company continues to develop new raw material suppliers and the R&D team develops new materials and designs to reduce the use of raw materials or to look for substitute materials, which may reduce the risk of monopoly of raw materials from upstream suppliers.

B. The risk of consolidation of sales:

The targets of sales for the Company concentrate on certain customers, which are the downstream LCM manufacturers. However, this is the nature of the backlight module industry, and it happens to other companies in the same industry. However, to reduce the credit risk, the Company has assessed the financial condition and actual receivable status of its customers and promptly adjusted the credit line and period. The Company also actively develops new customers and adds non-cell phone products. It will continue to distribute the risks of consolidation of customers and products.

- (10) The impact on and risk to the Company if a major quantity of shares belonging to a director or shareholder holding greater than a 10% of shares of the Company has been transferred or has otherwise changed hands and response measures:

The Company does not encounter such situation during the current fiscal year up to the date of publication of the annual report.

- (11) The impact on and risk to the Company associated with any change in governance personnel or top management and response measures:

The Company does not have any change in governance personnel or top management during the current fiscal year up to the date of publication of the annual report.

- (12) If there has been any material impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving the company that was finalized or remained pending during the most recent 2 fiscal years or up to the date of publication of the annual report, the annual report shall disclose the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case:

The Company does not encounter such situation during the current fiscal year up to the date of publication of the annual report.

- (13) Other important risks and response measures:

Information risk assessment analysis:

A. Information security management mechanism: The Company stipulates internal control computer cycle, Regulations Governing the Management on the Protection of Personal Data in accordance with the laws and regulations and the business demand of the Company for employees to comply with.

B. Information security management plan: The Company confirms the unfavorable impact level of information risk on the operation of the Company based on the result of risk identification and risk assessment and adopts corresponding management measures. After the assessment on the information risk, the Company plans the following information security control projects: (1) email management control; (2) installation of anti-virus software; (3) firewall installation; (4) system program data access; and (5) information system disaster recovery plan. As of now, the Company does not have any significant information security risk.

7. Other important matters:

- (1) Disclose the assessment basis for the recognition of valuation items of assets and liabilities:

A. Allowance for doubtful accounts

The Company calculates the age of overdue receivables on a monthly basis in accordance with the IAS regulations. The age of overdue receivables less than a year is calculated using the roll rate, and the Company calculates the possible loss rate as the provision for doubtful accounts. Accounts receivable that are overdue over a year are recognized as 100% doubtful accounts, and proper allowance for doubtful accounts shall be set aside. In addition, the Company also assesses the recoverable accounts receivable on a regular basis, prepares the accounts receivable aging table and record the receivables that are expected to be recovered on a monthly basis.

B. Allowance for loss on decline in the value of inventories

Inventories include raw materials, materials, products, work-in-progress and commodity, which are measured based on the lower of the costs and net realizable value. The costs are calculated using weighted average method and the net realizable value is the estimated selling price in the normal operation on the balance sheet date less the costs and selling expenses to be invested before the completion of the products. In addition, the Company assesses the possibility of obsolescence by the end of the period based on the inventory aging analysis and market condition by the end of the period and sets aside the allowance for inventory obsolescence loss. The policy for setting aside the allowance based on aging inventory is as follows:

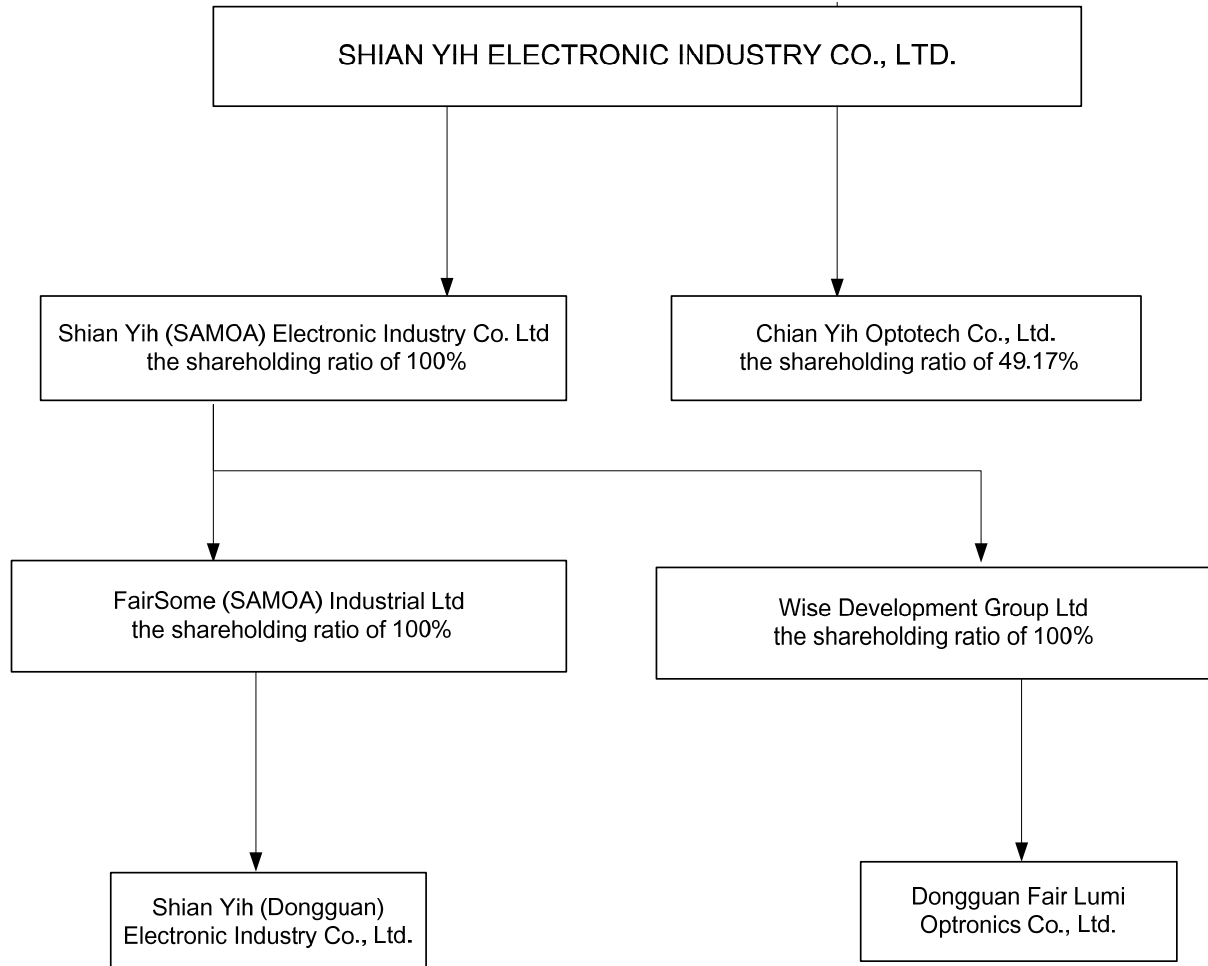
Inventory aging	180-360 days	Over 1 year
Allocation ratio	80%	100%

VI. Special Items

1. Information of Affiliates

(1) Business report of Affiliated Company

A. The organizational chart of affiliates



B. Basic information of each affiliate

Unit: Thousand NTD

Name of Company	Incorporation date	Address	Amount of paid-up capital	Major business item
ShianYih(Samoa)ElectronicIndustryCo.,Ltd.	2004.6.25	Offshore Chambers, P.O.Box21, Apia, Samoa	US\$10,500	Investment holding
FairSome(Samoa)Industrial Ltd.	2004.6.25	Offshore Chambers, P.O.Box21, Apia, Samoa	US\$10,500	Investment holding
Wise Development Group Ltd.(Note 1)	2006.2.27	Offshore Chambers, P.O.Box21, Apia, Samoa	US\$16,550	Investment holding
Dongguan Fair Lumi Optronics Co., Ltd.	2007.6.20	No.3 Plain vim Industrial Park, Dong Keng Township, Dongguan City	US\$16,650	Manufacturing and sales of backlight modules
Shian Yih (Dongguan) Electronic Industry Co., Ltd.	2013.8.29	No.122 Junda West Road, Dongkeng Town, Dongguan City,	US\$5,000	Manufacturing and sales of backlight modules
Chian Yih Optotech Co., Ltd.	2016.11.21	No. 70-20, Shishan, Zhunan Township, Miaoli County	NT\$60,000	Manufacturing and sales of LED headlight lighting modules

C. Information of directors, supervisor, president of all affiliates

Name of Company	Title	Name or representative	Number of shares held	
			Shareholding (Investment Amount)	%
Shian Yih (Samoa) Electronic Industry Co., Ltd.	Director	Shian Yih Electronic Industry Co., Ltd. Representative: Wang, Hui-Min Teng, Chia-Wen	10,500,000	100%
FairSome (Samoa) Industrial Ltd.	Director	Shian Yih (Samoa) Electronic Industry Co., Ltd. Representative: Wang, Hui-Min Teng, Chia-Wen	10,500,000	100%
Wise Development Group Ltd.	Director	Shian Yih (Samoa) Electronic Industry Co., Ltd. Representative: Wang, Hui-Min Teng, Chia-Wen Huang, Kung-Lung	16,650,000	100%
Dongguan Fair Lumi Optronics Co., Ltd.	Director Director Director Supervisor	Wise Development Group Ltd. Representative: Wang, Hui-Min Teng, Chia-Wen Huang, Kung-Lung Chang, Yu-Chang	(US\$16,650,000)	100%
Shian Yih (Dongguan) Electronic Industry Co., Ltd.	Director Director Director Supervisor	FairSome (Samoa) Industrial Ltd. Representative: Wang, Hui-Min Teng, Chia-Wen Huang, Kung-Lung Chang, Yu-Chang	(US\$5,000,000)	100%
Chian Yih Optotech Co., Ltd.	Director	Shian Yih Electronic Industry Co., Ltd. Representative: Fang, Chien Jen	2,950,000	49.17%
	Chairman	Cheng Yu Investment Co., Ltd. Representative: Teng, Chia-Wen	1,225,385	20.42%
	Director	Wang, Cheng	453,846	7.56%
	Supervisor	Chang, Yu-Chang	-	-

D. Operation overview of affiliates

Unit: Thousand NTD

Name of Company	Capital amount	Total assets	Total liabilities	Net value	Operating revenue	Operating (loss) profit	Current profit or loss (after tax)	Earnings per share (NTD) (after tax)
ShianYih(Samoa) Electronic IndustryCo.,Ltd.	USD10,500 NTD348,724	798,434	-	798,434	-	(50)	(41,185)	-
Chian Yih Optotech Co., Ltd.	NTD60,000	51,664	8,526	43,138	11,960	(6,649)	(4,746)	-
FairSome(Samoa)IndustrialLtd.	USD10,500 NTD348,724	482,709	362	482,347	-	(477)	(10,344)	-
WiseDevelopmentGroupLtd.	USD16,650 NTD524,311	315,994	-	315,994	-	(59)	(30,792)	-
Dongguan Fair Lumi Optronics Co., Ltd.	USD16,650 NTD515,676	509,994	201,387	308,607	419,543	(29,260)	(31,045)	-
Shian Yih (Dongguan) Electronic Industry Co., Ltd.	USD5,000 NTD148,136	507,951	197,422	310,529	697,316	(15,628)	(20,848)	-

(2) Consolidated financial statements of affiliates:

Representation Letter

The entities that are required to be included in the combined financial statements of Shian Yih Electronic Industry Co., Ltd as of and for the year ended December 31, 2025 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Shian Yih Electronic Industry Co., Ltd and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Shian Yih Electronic Industry Co., Ltd

Chairman: Wang, Hui-Min

Date: March 5, 2026

(3) Affiliates report: None.

2. **Private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.**
3. **Other matters that require additional description: None.**
4. **Any of the situations listed in Subparagraph 2, Paragraph 2, Article 36 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the Company's securities, has occurred during the current fiscal year up to the date of publication of the annual report: None.**

Shian Yih Electronic Industry Co., Ltd.

Chairman: Wang, Hui-Min