

Stock Code: 4533



SHIEH YIH MACHINERY INDUSTRY CO.,LTD.

2024 ANNUAL REPORT

Printed on May 8, 2025

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

I. Name, title, telephone number, and e-mail address of the spokesman or acting spokesman

Spokesman:

Name: Chen-Wei Lee

Title: President

Tel: 03-3525466

Email: spokesman@seyi.com

Acting spokesperson:

Name: Tsui-Hua Wu

Title: Vice President

Tel: 03-3525466

Email: spokesman@seyi.com

II. Address and telephone number of the company headquarter , branch offices and factories:

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Tel: 03-3525466

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III. Name, address, e-mail address, and telephone number of the agency handling shares transfer:

Name: Stock affairs agency department, Grand Fortune Securities Co., Ltd.

Address: 6th Floor, No. 6, Section 1, Zhongxiao West Road, Zhongzheng District, Taipei City

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

Tel: 02-23711658

IV. Names of the certified public accountants who duly audited the annual financial report for the most recent fiscal year, and the name, address and telephone number of the accounting firm to which they belong:

Name of CPA: Chien-Hsin Hsieh and Bo-Ren Weng

Accounting Firm: Deloitte & Touche

Address: 20F., No. 100, Songren Rd., Xinyi Dist., Taipei City

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

Tel: 02-27259988

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

VI. Company's website: <https://www.seyi.com>

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Chapter One. Letter to Shareholders

Ladies and Gentlemen,

In 2024, the global political and economic landscape remained turbulent. The ongoing intensification of competition between the two major economies, the United States and China, along with rising geopolitical risks, has affected international trade dynamics. This, in turn, has placed pressure on global trade, supply chains, and market stability, leading to a further slowdown in global economic growth. Looking ahead to 2025, the latest “World Economic Outlook” report from the IMF forecasts that global economic growth will remain steady at 3.2%, the same rate as in 2024, indicating a plateau in global economic expansion. However, with Donald Trump’s election as U.S. President, his economic, immigration, and tariff policies are expected to significantly influence the global political and economic landscape. Additionally, advances in technology and innovation—particularly the widespread application of generative AI—are unlocking boundless future possibilities. Meanwhile, the natural and human-made disasters brought about by global climate change have made risk management increasingly complex for companies and added pressure to their operations.

From January to December 2024, the export value of metal-forming machine tools in the machine tool industry totaled USD 383 million, representing a 3.7% decrease compared to the same period last year. In 2024, SEYI’s global consolidated revenue reached NT\$3.594 billion, with a net income after tax of NT\$246 million, and earnings per share (EPS) of NT\$1.55.

SEYI recognizes that sustainable industrial development is closely tied to long-term corporate competitiveness. Therefore, the company is not only committed to enhancing product performance and quality but also to integrating the concept of sustainability into its operational strategy. In promoting the industry’s low-carbon transformation, SEYI actively collaborates with industrial associations to jointly formulate and promote Product Category Rules (PCR) for press machines. This initiative not only lays a crucial foundation for the machine tool industry’s low-carbon transition but also helps supply chain partners conduct more effective carbon inventories, working together toward a low-carbon future. Meanwhile, SEYI’s SD1 servo press and SNS2 crank press series have been awarded the Gold Energy-Saving Label in the machine tool industry for their outstanding energy-saving technologies. This achievement highlights SEYI’s strong capabilities in energy efficiency and enhances its competitiveness in sustainability.

In terms of market expansion and productivity enhancement, SEYI successfully delivered servo press orders to renowned Japanese automotive parts manufacturers and major home appliance companies. This demonstrates its excellent manufacturing capabilities and high-quality product assurance. Furthermore, SEYI continues to refine its smart manufacturing and smart factory solutions by offering advanced automated production lines and energy consumption management systems. These solutions help customers achieve efficient production while more accurately monitoring the carbon footprint of their products, collectively progressing toward a vision of green manufacturing. SEYI’s sustainability efforts have also received external recognition. The company was nominated for the “ESG Corporate Governance” category in the inaugural “Taoyuan Golden Awards” organized by the Taoyuan City Government. This nomination not only affirms SEYI’s achievements in ESG but also encourages the company to keep advancing on its path toward sustainable development.

We sincerely thank our shareholders for their continued support and trust. Looking ahead, SEYI will remain committed to sustainability and innovation as its core values, uphold sound business principles, focus on long-term development goals, and actively seize the opportunities brought by market changes to achieve an even more brilliant future together with all of you.

SHIEH YIH MACHINERY INDUSTRY CO., LTD

Chairman Ya-Hui Kuo

The 2024 results of operating plans are as follows:

I. Operating results for 2024:

(I) Business plan implementation results

Unit: NT\$ thousand

Items	2023	2024	Amount increased (decreased)	Increased (decreased) %
Operating Income	3,497,671	3,593,794	96,123	2.75
Operating profit	152,178	77,260	(74,918)	(49.23)
Net income after tax	212,897	245,755	32,858	15.43

(II) Budget implementation status: The company has not disclosed its financial estimates for 2024, so budget achievement is not required to be reported.

(III) Financial receipts and expenditures

Unit: NT\$ thousand

Items	2023	2024
Beginning balance of cash and cash equivalents	2,479,488	2,277,604
Net cash inflow (outflow) from operating activities	69,357	566,173
Net cash inflow (outflow) from investment activities	(228,588)	(8,500)
Net cash inflow (outflow) from financing activities	(34,965)	(214,722)
Effects of exchange rate changes on the balance of cash held in foreign currencies	(7,688)	107,912
Increase (decrease) in cash and cash equivalents for the period	(201,884)	450,863
Ending balance of cash and cash equivalents	2,277,604	2,728,467

(IV) Profitability analysis

Items		2023	2024
Financial structure	Debt to assets ratio %	57.35	59.14
	Ratio of long-term capital to property, plant and equipment	533.55	537.77
Profitability	Return on total assets (%)	3.92	4.34
	Return on equity %	8.50	9.33
	Contribution to paid-in capital Percentage (%)	Operating profit	4.88
		Income before tax	20.86
	Net profit margin (%)	6.09	6.84
	Earnings per share (NT\$)	1.34	1.55

(V)Research and Development Status:

Upholding the philosophy of cutting-edge development and sustainable operations, the company continues to innovate in technological applications and is committed to promoting sustainability. In addition to consistently launching high-efficiency, energy-saving servo presses, we actively respond to the global emphasis on environmental protection and align with the United Nations Sustainable Development Goals (SDGs). As a result, there has been significant global growth in the research and development of electric vehicles and green energy fuels. In this context, our current development focus centers on the automation and intelligence of production lines, SI (System Integration) solutions, and the establishment of a low-carbon supply chain.

In 2024, the trend of electrified transportation and green fuels—such as hydrogen energy—has further underscored the importance of press machine applications. Ultra-high precision, ultra-high rigidity, and energy-efficient intelligent stamping technology have become essential in the production of metal bipolar plates used in hydrogen fuel cells. This has become a key research area for many manufacturers. We have dedicated substantial R&D resources to advancing various press drive mechanisms, aiming to offer our global customers the most comprehensive and rapid automated production line solutions.

II. Summary of the business plan for 2025:

(1) Operating Strategy:

1. Continue deepening and implementing the core concept of “ESG sustainable development” across all operational dimensions—from design, manufacturing, sales, to quality management—to enhance overall corporate competitiveness.
2. Strengthen brand value by being customer-oriented, understanding industry conditions and market demand, and treating customers as long-term partners to effectively improve annual profitability.
3. Build a professional team by enhancing technical capabilities in customer applications and focusing on providing reliable stamping solutions aligned with market trends.
4. Foster talent development through various training programs, integration of industry-government-academia-research resources, and the introduction of external instructors, while injecting more energy into R&D and innovation.
5. Uphold the core values of “Integrity, Accountability, Service, and Innovation” to fulfill the company’s mission and philosophy.

(2) Important production and sales policies:

1. Improve the structural design of existing products to reduce costs and enhance product competitiveness.
2. Strengthen the resilience of the supply chain by actively seeking alternative materials, deepening cooperation with key component suppliers, and continually integrating group procurement resources to effectively lower material costs.
3. Enhance production technologies by optimizing manufacturing processes, production techniques, and testing validations to reduce overall costs.

4. Expand the global service network to provide localized and timely customer support, thereby maintaining strong customer relationships.
5. Continue implementing "corporate greenhouse gas inventories" and "product carbon footprint calculation" to fulfill net-zero transformation goals.

(3) Expected sales volume and its basis:

In 2025, global economic trends are expected to be even more uncertain and volatile compared to previous years. Ongoing geopolitical tensions, intensified U.S.-China rivalry in trade and national security, and persistent global inflation will all influence economic developments. The policy direction of the new U.S. administration will also play a pivotal role. Tax reforms—such as income tax reductions and retention of R&D tax credits—will favor increased domestic manufacturing investments. Additionally, a potentially more relaxed carbon regulation may help revive demand for fuel-powered vehicles.

In China, the electric vehicle market has rapidly expanded in recent years, with strong domestic demand and aggressive export ambitions. However, as the U.S. and Europe implement tariff barriers to block Chinese EVs, Chinese manufacturers are shifting focus to Latin America and Southeast Asia. Combined with relatively stable domestic demand and the development of various types of new energy vehicles, SEYI China still sees steady application needs. Despite intense competition from local Chinese companies, SEYI's emphasis on quality and service should maintain a stable revenue contribution.

In Japan, due to the continued depreciation of the yen, price competition with Japanese manufacturers remains intense both domestically and abroad. SEYI will continue targeting major clients to establish demonstration sites and leverage its integration capabilities and global service network to encourage repeat orders.

In Europe, high energy prices and inflation have dampened equipment investment willingness. However, the transition to net-zero remains a long-term trend. Demand for servo presses still has growth potential and is expected to remain a major source of revenue.

Southeast Asia has seen stable growth in recent years, driven by the influx of consumer electronics manufacturing. Additionally, major manufacturers from the U.S., Europe, and Japan are actively investing in hydrogen-powered vehicles. As tensions with China increase, Southeast Asia is becoming a key mass-production hub for global automakers. SEYI remains cautiously optimistic about revenue contributions from this region in 2025.

With over 90% of SEYI's revenue coming from overseas orders, the company is highly susceptible to global geopolitical developments. Despite uncertainties, breakthroughs are essential to maintain and even grow revenue. In 2025, SEYI will take a two-pronged approach:

Enhance cost competitiveness of existing products.

Target new market applications, including bipolar plates for hydrogen-powered vehicles and composite material forming in the aerospace sector.

III. Impact and future corporate development strategy, external competitive environment, regulatory environment, and macroeconomic environment:

(1) Future corporate development strategy:

Facing a rapidly changing global economic environment, SEYI adheres to the principle of sustainable operation and pursues growth-oriented strategies. The company focuses on three core objectives: enhancing brand value, building a professional team, and delivering reliable solutions to strengthen market competitiveness and ensure steady revenue growth. SEYI actively promotes ESG sustainability initiatives by incorporating green product design concepts and continuously optimizing high-efficiency, energy-saving servo presses to meet the growing market demand for low-carbon manufacturing. At the same time, the company targets high-potential industries such as automotive and new energy vehicles, using precise product strategies and differentiated competitive advantages to secure revenue streams and expand market share. To support global development, SEYI is enhancing its international service teams. By gaining deep insights into customers' production needs, the company provides tailored stamping equipment and technical services. Supported by a global after-sales service network, this approach ensures timely support and efficient equipment operation, providing comprehensive solutions that enhance customer trust and drive long-term, stable growth.

(2) Impact of the external competitive environment, regulatory environment, and macroeconomic environment:

Looking ahead to 2025, new entrants and technological innovations in the global machinery manufacturing industry will continue to intensify competition and pose challenges. At the same time, geopolitical tensions and the trend of supply chain diversification are triggering regional price wars. The rapid growth of the new energy vehicle (NEV) and consumer electronics industries is driving increased demand for high-precision stamping equipment. However, customers are also placing higher expectations on cost-effectiveness and service efficiency. To address these challenges, SEYI will continue to strengthen its innovation and technological capabilities and implement product differentiation strategies to meet market demands for high-precision and intelligent equipment.

Moreover, increasingly stringent global environmental regulations present new compliance challenges for SEYI's production and operations. The formal implementation of the EU's Carbon Border Adjustment Mechanism (CBAM) has established clear requirements for the carbon footprint of export products, accelerating the need for SEYI to enhance its process optimization and carbon management across the supply chain. In parallel, the tightening of data privacy and information security regulations requires SEYI to continuously improve cybersecurity measures during its smart manufacturing and digital transformation efforts to mitigate risks of data breaches and regulatory non-compliance. Additionally, geopolitical instability is prompting some countries to strengthen import restrictions and tariff barriers, requiring SEYI to adopt a more flexible market deployment and supply chain strategy—reducing dependence on single markets and enhancing global resilience.

In 2025, growing uncertainties in the global economic environment will present multiple challenges to SEYI's operations. The slowdown in major economies is expected to impact capital investment in industrial equipment, especially in the automotive sector,

where the decline of the traditional internal combustion engine vehicle market adversely affects related equipment sales. In response, SEYI is accelerating its development in the NEV market to alleviate the pressures stemming from the contraction of traditional markets. Meanwhile, fluctuations in raw material prices and rising logistics costs are adding pressure to production expenses. SEYI is actively reinforcing supply chain management and promoting localized procurement strategies to effectively reduce cost risks and boost market competitiveness.

Despite facing a complex external environment in 2025—including competitive, regulatory, and macroeconomic challenges—these conditions also present opportunities for growth. SEYI will continue to respond flexibly to market needs and regulatory changes, enhance technological innovation, optimize supply chain and market deployment, and advance the development of intelligent, energy-efficient products and ESG practices. These efforts will ensure SEYI maintains a leading position in global competition and achieves its goal of long-term, sustainable growth.

Chapter Two. Corporate Governance Report

I. Information regarding directors, president, vice presidents and management team:

(I) Director

1. Information on Board of Directors

April 15, 2025; Unit: shares

Job title (Note 1)	National ity or place of registrati on	Name	Gender, age (Note 2)	Date of election / appointme nt to current term	Term of office	Commence ment date of first term (Note 3)	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouses and minor children		Shares held through nominees		Principal work experience and academic qualifications (Note 4)	Positions held concurrently in the company and/or in any other company	Other officer(s) or director(s) with which the person has a relationship of spouse or relative within the second degree			(Note 5)
							No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio			Job title	Name	Relatio nship	
Chairman	R.O.C.	Ya-Hui Kuo	Female, 51~60 years old	2022.5.27	3 years	2009.6.10	4,300,138	2.71%	4,300,138	2.71%	0	0.00%	0	0.00%	M.S. in Financial Management, Pace University, USA President, Seyi-America, Inc.	Chairman, Xie Yi Tech Machinery (China) Co., Ltd. Chairman, Seyi-America, Inc. Chairman, SeyiPress Europe GmbH Chairman, Xie Da Investment Ltd.	None	None	None	None
Director	R.O.C.	Yu Cheng Investment Co., Ltd.	-	2022.5.27	3 years	2022.5.27	13,000,000	8.21%	13,000,000	8.21%	-	-	-	-	-	-	-	-	-	None
Representative	R.O.C.	Chin-Jen Fu	Male, 51~60 years old	2022.5.27	3 years	2007.6.15	0	0.00%	0	0.00%	0	0.00%	0	0.00%	M.B.A. in Wright State University, USA Financial Consultant, SME Consulting center Vice President, Chuan Hsin Co. Vice President, Yam.com Technology Co.	None	None	None	None	None
Director	R.O.C.	Cheng Lin Investment Co., Ltd.	-	2022.5.27	3 years	2022.5.27	100,000	0.06%	100,000	0.06%	-	-	-	-	-	-	-	-	-	None
Representative	R.O.C.	Shin-Ming Tung (Note 6)	Male, 41~50 years old	2024.6.17	3 years	2024.6.17	0	0.00%	0	0.00%	0	0.00%	0	0.00%	M.B.A. in University of Southern California, USA Procurement Manager, Hon Hai Precision Industry Co., Ltd. Vice President, Corporate Banking Division, Citibank Manager, Financial Planning and Analysis Department, Finance Division, Yageo Corporation Senior Manager, Mergers and Acquisitions Department, Finance Division, Yageo Corporation	None	None	None	None	None
Director	R.O.C.	Hsiao- Kuang Chen (Note 7)	Male, 51~60 years old	2024.6.13	3 years	2024.6.13	0	0.00%	0	0.00%	178,000	0.11%	0	0.00%	B.A. in Accounting, Aletheia University Founder, "Dakasi" Tea Chain Brand Supervisor, Patriot Green Energy Technology Co., Ltd.	Chairman, Da-Ka-Si Investment Co., Ltd. Director, Patriot Green Energy Technology Co., Ltd. Director, Yinsen International Cultural and Creative Co., Ltd.	None	None	None	None

Job title (Note 1)	National ity or place of registrati on	Name	Gender, age (Note 2)	Date of election / appointme nt to current term	Term of office	Commence ment date of first term (Note 3)	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouses and minor children		Shares held through nominees		Principal work experience and academic qualifications (Note 4)	Positions held concurrently in the company and/or in any other company	Other officer(s) or director(s) with which the person has a relationship of spouse or relative within the second degree			(Note 5)
							No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio			Job title	Name	Relatio nship	
Indepen- dent Director	R.O.C.	Hai-Ching Wang	Male, 61~70 years old	2022.5.27	3 years	2013.6.10	0	0.00%	0	0.00%	0	0.00%	0	0.00%	M.S. in Finance, National ChengChi University Supervisor, Taiwan Stock Exchange Director, Yunta Financial Holdings Co. Executive Director, Central Reinsurance Corporation Director, China Bills Finance Corp.	Director & CEO, Youth Financial Literacy Foundation Director & GM, Dapeng Bay International Development Co., Ltd. Director, Eastern Recreation Co., Ltd. Director & GM, Edmund Overseas Co., Ltd. Chairman, Songlin Co., Ltd.	None	None	None	None
Indepen- dent Director	R.O.C.	Yuan-Li Tseng	Male, 71~80 years old	2022.5.27	3 years	2016.6.24	0	0.00%	0	0.00%	0	0.00%	0	0.00%	M.S. in Psychology, California State University, USA Vice President, Warner Lambert Co. Executive Vice President, Lucent Technologies Executive Vice President, Amkor Technology Assistant Vice President, CTCI Corporation	Consultant, Pou Chen Group	None	None	None	None
Indepen- dent Director	R.O.C.	Shu-Chuan Chen	Female, 51~60 years old	2022.5.27	3 years	2022.5.27	0	0.00%	0	0.00%	0	0.00%	0	0.00%	M.S. in International Finance, National Taipei University General Manager, BNY Mellon Taipei Branch Vice President, BNY Mellon Taipei Branch Chief Representative, Commerzbank Taipei Branch	Independent Director, IBF Financial Holdings Co., Ltd. Independent Director, IBF Co., Ltd. Independent Non-Executive Director, FIH Mobile Ltd. (HK) Director, ACAMS Taiwan Chairman, EasyCard Investment Holding Co., Ltd. Director, EasyCard Corp.	None	None	None	None

Note 1: For a corporate shareholder, the name of the corporate shareholder and its representative shall be listed separately (when listing the representative of a corporate shareholder, the name of the corporate shareholder shall also be noted), and Form 1 below shall also be completed.

Note 2: Please state the actual age, or, alternatively, state the age interval into which the actual age falls, e.g., 41~50 years, 51~60 years.

Note 3: Specify the time the person first began to serve as a director of the company. If there has been any break within a term or between terms, add a note specifying the circumstances.

Note 4: Specify experience and qualifications related to the current position. If during a period specified above the person has served in a position at a CPA firm that serves as external auditor/attestor, specify the position held and the duties for which the person was responsible.

Note 5: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer); None

Note 6: Director Shin-Ming Tung was reappointed as the representative of the corporate director, Cheng Lin Investment Co., Ltd., on June 17, 2024. Cheng Lin Investment Co., Ltd. was dismissed as an institutional director on April 11, 2025, due to its shareholding falling below half of the amount held at the time of its appointment.

Note 7: Hsiao-Kuang Chen acted as the director after the by-election at the shareholders' meeting on June 13, 2024.

2. Major Shareholders of Corporate Shareholders : Form 1

April 15, 2025

Name of corporate shareholder (Note 1)	Major shareholders of the corporate shareholder (Note 2)
Yu Cheng Investment Co., Ltd.	Hsiu-E Chen (50.00%) Ying-Hui Kuo (30.00%) Ting-Chun Kuo (20.00%)
Cheng Lin Investment Co., Ltd.	Sheng Jie Investment Co., Ltd. (50.00%) Sheng Hong Investment Co., Ltd. (50.00%)

Note 1: If a director is a representative of a corporate shareholder, fill in the name of that corporate shareholder.

Note 2: Fill in the names of the corporate shareholder's major shareholders (those with a shareholding ratio ranking among the top 10) and their shareholding ratios. If any of the major shareholders is a corporate/juristic person, also complete Form 2 below.

Note 3: If a corporate/juristic person shareholder is not organized as a company, the shareholder names and shareholding ratios required to be disclosed as mentioned above shall be the names of the capital contributors or donors (for further information, please refer to the announcements of the Judicial Yuan) and their capital contribution or donation rates, respectively. If a donor has died, please further note "deceased."

3. If any Major Shareholder Listed in Form 1 is a Corporate/Juristic Person, List its Major Shareholders in this Form : Form 2

April 15, 2025

Name of corporate shareholder (Note 1)	Major shareholders of the corporate shareholder (Note 2)
Sheng Jie Investment Co., Ltd.	Chin-Ti Kan (2.50%), Sheng Yi Investment Co., Ltd. (47.50%), Cheng Lin Investment Co., Ltd. (50.00%)
Sheng Hong Investment Co., Ltd.	Chin-Ti Kan (2.50%), Sheng Yi Investment Co., Ltd. (47.50%), Cheng Lin Investment Co., Ltd. (50.00%)

Note 1: If any major shareholder in Form 1 above is a corporate/juristic person, fill in the name of that corporate/juristic person.

Note 2: Fill in the names of the corporate/juristic person's major shareholders (those with a shareholding ratio ranking among the top 10) and their shareholding ratios.

Note 3: If a corporate/juristic person shareholder is not organized as a company, the shareholder names and shareholding ratios required to be disclosed as mentioned above shall be the names of the capital contributors or donors (for further information, please refer to the announcements of the Judicial Yuan) and their capital contribution or donation rates, respectively. If a donor has died, please further note "deceased."

4. Information on Directors

(1) Disclosure of Information Regarding the Professional Qualifications and Experience of

Directors and the Independence of Independent Directors:

Qualifications Name	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	Number of independent directors of other public companies
Chairman: Ya-Hui Kuo	Possessing a minimum of five years of work experience in business, legal, finance, and accounting roles required for company operations. and not being involved in any circumstances specified in Article 30 of the Company Act.	<p>(1) Not a director, supervisor, or employee of another company or organization that controls over half of the company's director seats or voting rights shares.</p> <p>(2) Not a professional, sole proprietor, partner, owner, partner, director (trustee), supervisor (inspector), manager, or their spouse who provides business, legal, finance, accounting, or related services to the company or its related entities, and has not received a cumulative compensation exceeding NTD 500,000 in the past two years.</p> <p>(3) Does not have a spouse or a relative within the second degree of kinship with other directors.</p> <p>(4) Has not been elected as a government representative, legal entity, or their representative, as stipulated in Article 27 of the Company Act.</p>	0
Director: Yu Cheng Investment Co., Ltd. Representative: Chin-Jen Fu	Possessing a minimum of five years of work experience in business, legal, finance, and accounting roles required for company operations. Additionally, holding a position as a lecturer or higher in a relevant field at a college or university, and not being involved in any circumstances specified in Article 30 of the Company Act.	<p>(1) Not an employee of the company or its related entities.</p> <p>(2) Not a director or supervisor of the company or its related entities.</p> <p>(3) Not a manager listed in (1) or a spouse, relative within the second degree of kinship, or direct lineal relative within the third degree of kinship of the individuals listed in (2) or (3).</p> <p>(4) Not a director, supervisor, or employee of another company or organization that controls over half of the company's director seats or voting rights shares.</p> <p>(5) Not a director (trustee), supervisor (inspector), or employee of another company or organization where the chairman, general manager, or equivalent positions are the same person or spouse.</p> <p>(6) Not a director (trustee), supervisor (inspector), manager, or shareholder holding more than 5% of shares of a specific company or organization that has financial or business transactions with the company.</p> <p>(7) Not a professional, sole proprietor, partner, owner, partner, director (trustee), supervisor (inspector), manager, or their spouse who provides business, legal, finance, accounting, or related services to the company or its related entities, and has not received a cumulative compensation exceeding NTD 500,000 in the past two years.</p> <p>(8) Does not have a spouse or a relative within the second degree of kinship with other directors.</p>	0

Qualifications Name	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	Number of independent directors of other public companies
Director: Cheng Lin Investment Co., Ltd. Representative: Shin-Ming Tung	Possessing a minimum of five years of work experience in business, legal, finance, and accounting roles required for company operations. and not being involved in any circumstances specified in Article 30 of the Company Act.	(1) Not an employee of the company or its related entities. (2) Not a director or supervisor of the company or its related entities. (3) Not a manager listed in (1) or a spouse, relative within the second degree of kinship, or direct lineal relative within the third degree of kinship of the individuals listed in (2) or (3). (4) Not a director, supervisor, or employee of another company or organization that controls over half of the company's director seats or voting rights shares. (5) Not a director (trustee), supervisor (inspector), or employee of another company or organization where the chairman, general manager, or equivalent positions are the same person or spouse. (6) Not a director (trustee), supervisor (inspector), manager, or shareholder holding more than 5% of shares of a specific company or organization that has financial or business transactions with the company. (7) Not a professional, sole proprietor, partner, owner, partner, director (trustee), supervisor (inspector), manager, or their spouse who provides business, legal, finance, accounting, or related services to the company or its related entities, and has not received a cumulative compensation exceeding NTD 500,000 in the past two years. (8) Does not have a spouse or a relative within the second degree of kinship with other directors.	0
Director: Hsiao-Kuang Chen	Possessing a minimum of five years of work experience in business, legal, finance, and accounting roles required for company operations. and not being involved in any circumstances specified in Article 30 of the Company Act.	(1) Not an employee of the company or its related entities. (2) Not a director or supervisor of the company or its related entities. (3) Neither the individual nor their spouse, minor children, or individuals holding more than 1% of the total issued shares or among the top ten individual shareholders, using another person's name. (4) Not a manager listed in (1) or a spouse, relative within the second degree of kinship, or direct lineal relative within the third degree of kinship of the individuals listed in (2) or (3). (5) Not a director, supervisor, or employee of a corporate shareholder who directly holds more than 5% of the total share issued, among the top five individual shareholders, or appointed as a director or supervisor by the provisions of Article 27, Paragraph 1 or Paragraph 2 of the Company Act. (6) Not a director, supervisor, or employee of another company or organization that controls over half of the company's director seats or voting rights shares. (7) Not a director (trustee), supervisor (inspector), or employee of another company or organization where the chairman, general manager, or equivalent positions are the same person or spouse. (8) Not a director (trustee), supervisor (inspector), manager, or shareholder holding more than 5% of shares of a specific company or organization that has financial or business transactions with the company. (9) Does not have a spouse or a relative within the second degree of kinship with other directors. (10) Has not been elected as a government representative, legal entity, or their representative, as stipulated in Article 27 of the Company Act.	0

Qualifications Name	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	Number of independent directors of other public companies
Independent Director: Hai-Ching Wang	Possessing a minimum of five years of work experience in business, legal, finance, and accounting roles required for company operations. Additionally, holding a position as a lecturer or higher in a relevant field at a college or university, having passed national examinations related to company operations, holding relevant certificates, and not being involved in any circumstances specified in Article 30 of the Company Act.	(1) Not an employee of the company or its related entities. (2) Not a director or supervisor of the company or its related entities. (3) Neither the individual nor their spouse, minor children, or individuals holding more than 1% of the total issued shares or among the top ten individual shareholders, using another person's name. (4) Not a manager listed in (1) or a spouse, relative within the second degree of kinship, or direct lineal relative within the third degree of kinship of the individuals listed in (2) or (3). (5) Not a director, supervisor, or employee of a corporate shareholder who directly holds more than 5% of the total issued shares, among the top five individual shareholders, or appointed as a director or supervisor by the provisions of Article 27, Paragraph 1 or Paragraph 2 of the Company Act. (6) Not a director, supervisor, or employee of another company or organization that controls over half of the company's director seats or voting rights shares.	0
Independent Director: Yuan-Li Tseng	Possessing a minimum of five years of work experience in business, legal, finance, and accounting roles required for company operations. Additionally, holding a position as a lecturer or higher in a relevant field at a college or university, and not being involved in any circumstances specified in Article 30 of the Company Act.	(7) Not a director (trustee), supervisor (inspector), or employee of another company or organization where the chairman, general manager, or equivalent positions are the same person or spouse. (8) Not a director (trustee), supervisor (inspector), manager, or shareholder holding more than 5% of shares of a specific company or organization that has financial or business transactions with the company. (9) Not a professional, sole proprietor, partner, owner, partner, director (trustee), supervisor (inspector), manager, or their spouse who provides business, legal, finance, accounting, or related services to the company or its related entities, and has not received a cumulative compensation exceeding NTD 500,000 in the past two years.	0
Independent Director: Shu-Chuan Chen	Possessing a minimum of five years of work experience in business, legal, finance, and accounting roles required for company operations. and not being involved in any circumstances specified in Article 30 of the Company Act.	(10) Does not have a spouse or a relative within the second degree of kinship with other directors. (11) Has not been elected as a government representative, legal entity, or their representative, as stipulated in Article 27 of the Company Act.	1

Note 1: Professional qualifications and experience: Specify the professional qualifications and experience of each director. For members of the Audit Committee with accounting or financial expertise, their accounting or financial background and work experience should be disclosed. Additionally, specify whether any circumstance under any subparagraph of Article 30 of the Company Act exists with respect to a director.

Note 2: Describe the status of independence of each independent director, including but not limited to the following: whether their spouse or any relative within the second degree serve as a director or employee of the company or any of its affiliates; the number and ratio of company shares held by the independent director and their spouse and relatives within the second degree (or through nominees); whether they serve as a director or employee of any company having a specified relationship with the company (see Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); the amount of compensation received in the past two years business, legal, financial, or accounting services for providing to the company or any affiliate.

(2) Diversity and Independence of the Board of Directors:

(i) Diversity of the Board of Directors :

In accordance with the company's diversification policy and to strengthen corporate governance and promote the development of a sound composition and structure of the Board of Directors, the company has adopted a candidate nomination system for the nomination of director candidates in accordance with the Company's Articles of Incorporation. Rigorous evaluations are carried out for each candidate's academic (experience) qualifications, professional background, integrity or relevant professional qualifications. The nominated candidates are submitted to the shareholders' meeting for election after approval by the Board of Directors.

In accordance with the Company's Articles of Incorporation, it is expressly stipulated that the election of directors is based on the nomination and qualification examination of candidates, and the election of directors is submitted to the shareholders' meeting after the Board of Directors' review and approval.

The members of the Board of Directors possess expertise in various fields, rich industry experience, as well as professional capabilities in accounting, legal, business and finance. Directors are expected to contribute to the development and sound operation of the company, and to provide advice and reminders on relevant issues. The company's Board of Directors is composed of seven directors, including three independent directors, the age range of the members is between 41 and over 70 years old. The company also places emphasis on gender diversity, with female board members serving as the Chairman of the Board, added a female independent director in the current term, and will gradually increase the number and ratio of female directors according to demand in the future.

A. Specific Management Objectives:

The Board of Directors of the company shall possess adequate industry experience and professional competence. The objective is to have at least two members with experience in various industry fields, including industry knowledge, business development, crisis management capabilities, and international market experience.

Additionally, the objective is to have at least two members with professional backgrounds covering accounting, legal, business, and finance.

Furthermore, the company places great importance on gender equality in the composition of its board members and is committed to continuously promoting a minimum of one-third representation of either gender on the board.

B. The implementation of the Board of Directors' diversity policy is as follows:

Diversity Item Name of Director	Basic Composition			Industry Experience				Professional Competence			
	Nationality	Gender	Also employee of the company	Industry Knowledge	Business Development	Crisis Management Skills	Knowledge of International Markets	Accounting	Legal	Business	Finance
Ya-Hui Kuo	R.O.C.	Female	✓	✓	✓	✓	✓	✓	-	✓	✓
Hsiao-Kuang Chen	R.O.C.	Male	-	✓	✓	✓	✓	✓	-	✓	✓
Yu Cheng Investment Co., Ltd. Representative: Chin-Jen Fu	R.O.C.	Male	-	✓	✓	✓	✓	✓	-	✓	✓
Cheng Lin Investment Co., Ltd. Representative: Shin-Ming Tung	R.O.C.	Male	-	✓	✓	✓	✓	-	-	✓	✓
Hai-Ching Wang	R.O.C.	Male	-	✓	✓	✓	✓	✓	-	✓	✓
Yuan-Li Tseng	R.O.C.	Male	-	✓	✓	✓	✓	-	✓	✓	✓
Shu-Chuan Chen	R.O.C.	Female	-	✓	✓	✓	✓	✓	-	✓	✓

The company has increased the number of female directors from one to two in the 17th Board of Directors and will continue to gradually increase female representation.

(ii) Independence of the Board of Directors:

The company's current Board of Directors consists of seven directors, including three independent directors (43%), all of whom meet the requirements of the Securities and Futures Bureau of the Financial Supervisory Commission for independent directors. None of the directors or independent directors are related to one another as spouse or any relative within the second degree under Items 3 and 4 of Article 26-3 of the Securities and Exchange Act. In addition, none of them is involved in any circumstance specified in Article 30 of the Company Act.

(II) Information regarding president, vice presidents, and management team:

April 15, 2025; Unit: shares

Job Title (Note 1)	Nationality	Name	Gender	Date of election / appointment to current term	No. of shares held		Shares held by spouses and minor children		Shares held through nominees		Principal work experience and academic qualifications (Note 2)	Positions held concurrently in any other company	Managers with which the person has a relationship of spouse or relative within the second degree			Remarks (Note 3)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Position	Name	Relationship	
President	R.O.C.	Chen-Wei, Lee	Male	2024.10.01	70,000	0.04%	0	0.00%	0	0.00%	M.B.A. in University of Leicester, UK	None	None	None	None	None
Executive Vice President	R.O.C.	Kuo-Wang, Liu	Male	2020.10.05	0	0.00%	0	0.00%	0	0.00%	Ph.D. candidate, Department of Mechanical and Automation Engineering, National Kaohsiung University of Science and Technology	None	None	None	None	None
Vice President	R.O.C.	Tsui-Hua, Wu	Female	2011.08.19	106,000	0.07%	0	0.00%	0	0.00%	M.B.A.in Memphis State University, USA	None	None	None	None	None
Vice President	R.O.C.	Chin-Ching, Lai	Male	2024.10.01	0	0.00%	0	0.00%	0	0.00%	Bachelor's Degree in Mechanical Engineering, Chung Hua University	None	None	None	None	None

Note 1: The information in this table should be disclosed for the president, vice presidents or equivalent positions.

Note 2: Specify experience and qualifications related to the current position. If during a period specified above, the person has served in a position at a CPA firm that serves as external auditor/attestor, specify the position held and the duties for which the person was responsible.

Note 3: If the general manager or person of an equivalent post (the highest level manager) and the chairperson of the board of directors of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g. increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer): None.

(III) Remuneration to Ordinary Directors, Independent Directors, President and Vice Presidents:

(1) Remuneration to Ordinary Directors and Independent Directors (Disclosure of Aggregate Remuneration Plus Disclosure of Names by Remuneration Range)

Unit: NT\$ thousand

Job Title	Name	Remuneration paid to Directors						Sum of A+B+C+D as a ratio to net income after tax				Remuneration received by directors for concurrent service as an employee						Sum of A+B+C+D+E+F+G as a ratio to net income after tax		Remuneration received from investee enterprises other than subsidiaries or from the parent company				
		Remuneration (A)		Retirement pay and pension (B)		Director's Remuneration (C)		Business Execution Expense (D)		Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee's Remuneration (G)										
		The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities							
Ordinary Director	Ya-Hui Kuo																							
	Yu Cheng Investment Co. Ltd. Representative: Chin-Jen Fu																							
	Cheng Lin Investment Co. Ltd. Representative: Shin-Ming Tung																							
	Hsiao-Kuang Chen	0	0	0	4,645	940	4,645	940		14,859	0	0			0	0	0	0	20,444	8.32%	20,444	8.32%	None	
Independent Director	Hai-Ching Wang																							
	Yuan-Li Tseng	0	0	0	2,048	1,080	2,048	1,080		0	0	0			0	0	0	0	3,128	1.27%	3,128	1.27%	None	
	Shu-Chuan Chen																							
<div>1. Please describe the policy, system, standards and structure in place for paying remuneration to independent directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid: The remuneration to the independent directors of the company is determined by the Compensation Committee based on the level of participation and value of each director's contribution to the company's operations, taking into account the company's operational performance and industry standard. The remuneration is submitted to the Board of Directors for resolution.</div> <div>2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company / any consolidated entities / invested enterprises): None.</div>																								

Remuneration Range Table

Ranges of remuneration paid to each of the company's directors	Director's Name				
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G		
	The Company	All Consolidated Entities H	The Company	All Consolidated Entities I	
Less than NT\$1,000,000	Hsiao-Kuang Chen Yu Cheng Investment Co., Ltd. Representative: Chin-Jen Fu Cheng Lin Investment Co., Ltd. Representative: Shin-Ming Tung	Hsiao-Kuang Chen Yu Cheng Investment Co., Ltd. Representative: Chin-Jen Fu Cheng Lin Investment Co., Ltd. Representative: Shin-Ming Tung	Hsiao-Kuang Chen Yu Cheng Investment Co., Ltd. Representative: Chin-Jen Fu Cheng Lin Investment Co., Ltd. Representative: Shin-Ming Tung	Hsiao-Kuang Chen Yu Cheng Investment Co., Ltd. Representative: Chin-Jen Fu Cheng Lin Investment Co., Ltd. Representative: Shin-Ming Tung	
NT\$1,000,000 (incl.)~NT\$2,000,000 (excl.)	Hai-Ching Wang, Yuan-Li Tseng and Shu-Chuan Chen	Hai-Ching Wang, Yuan-Li Tseng and Shu-Chuan Chen	Hai-Ching Wang, Yuan-Li Tseng and Shu-Chuan Chen	Hai-Ching Wang, Yuan-Li Tseng and Shu-Chuan Chen	
NT\$2,000,000 (incl.)~NT\$3,500,000 (excl.)	Ya-Hui Kuo	Ya-Hui Kuo			
NT\$3,500,000 (incl.)~NT\$5,000,000 (excl.)					
NT\$5,000,000 (incl.)~NT\$10,000,000 (excl.)					
NT\$10,000,000 (incl.)~NT\$15,000,000 (excl.)					
NT\$15,000,000 (incl.)~NT\$30,000,000 (excl.)			Ya-Hui Kuo	Ya-Hui Kuo	
NT\$30,000,000 (incl.)~NT\$50,000,000 (excl.)					
NT\$50,000,000 (incl.)~NT\$100,000,000 (excl.)					
NT\$100,000,000 or above					
Total	7 seats	7 seats	7 seats	7 seats	7 seats

(2) Remuneration to President and Vice Presidents (Disclosure of Aggregate Remuneration Plus Disclosure of Names by Remuneration Range)

Unit: NT\$ thousand

Job Title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee's Remuneration (D)			Sum of A+B+C+D as a ratio to net income after tax (%)	Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	Cash amount	Amount in stock		
President	Chen-We, Lee											
Executive Vice President	Kuo Wang, Liu	19,323	19,323	405	405	0	0	1,177	0	0	20,905 8.51%	20,905 8.51%
Vice President	Tsui-Hua, Wu											
Vice President	Chin-Ching, Lai											None

1: The pension fund is the amount that has been contributed to the pension fund.

2: The amount of employee's remuneration is the amount approved by the Board of Directors (2025.03.14) to be distributed to employees. The amount proposed to be distributed this year is calculated based on the percentage of the actual amount distributed in previous years.

Remuneration Range Table

Ranges of remuneration paid to each of the company's general manager(s) and assistant general manager(s)	Names of General Manager(s) and Assistant General Manager(s)	
	The Company	All Consolidated Entities E
Less than NT\$1,000,000		
NT\$1,000,000 (incl.) ~ NT\$2,000,000 (excl.)		
NT\$2,000,000 (incl.) ~ NT\$3,500,000 (excl.)		
NT\$3,500,000 (incl.) ~ NT\$5,000,000 (excl.)	Chin-Ching Lai	Chin-Ching Lai
NT\$5,000,000 (incl.) ~ NT\$10,000,000 (excl.)	Tsui-Hua Wu, Chen-Wei Lee, and Kuo Wang Liu	Tsui-Hua Wu, Chen-Wei Lee, and Kuo Wang Liu
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (exclusive)		
NT\$15,000,000 (incl.) ~ NT\$30,000,000 (excl.)		
NT\$30,000,000 (incl.) ~ NT\$50,000,000 (excl.)		
NT\$50,000,000 (incl.) ~ NT\$100,000,000 (excl.)		
NT\$100,000,000 or above		
Total	4 seats	4 seats

(3) Employee' remuneration paid to managerial officers

Unit: NT\$ thousand

Job Title		Name	Amount in stock	Amount in cash (Note 1)	Total	Total remuneration as percentage of net income after tax (%)
Managerial Officers	President	Chen-Wei, Lee	0	1,177	1,177	0.48%
	Executive Vice President	Kuo Wang, Liu				
	Vice President	Tsui-Hua, Wu				
	Vice President	Chin-Ching Lai				

Note 1: It is the amount approved by the Board of Directors (2025.03.14) to be distributed to employees. The amount proposed to be distributed this year is estimated based on the percentage of the actual amount distributed in previous years.

- (IV) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, independent directors, president, and vice presidents, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

Analysis on the ratio of the total amount of the remuneration paid to Directors, Independent Directors, President, and Vice President of the company and all companies covered in the consolidated financial statements in the most recent two years to after-tax net income:

Item Job Title	Total remuneration as percentage of net income after tax			
	2023		2024	
	The Company	All Consolidated Entities	The Company	All companies in the financial report
Director	16.49%	16.49%	18.10%	18.10%
Independent Director				
President and Vice presidents				

- (1) The company's policy, criteria and composition for the remuneration to directors and independent directors, and the procedures for determining remuneration shall be in accordance with Article 26 and Article 30 of the company's Articles of Incorporation. The company shall set aside no more than 5% of the pre-tax income for the year before deducting the amount of remuneration to be distributed to directors and independent directors as remuneration to directors and independent directors, and the Board of Directors shall make a resolution with the attendance of at least two-thirds of the directors and the approval of a majority of the directors present, and report the same to the shareholders' meeting. However, if the company still has accumulated losses, the make-up amount should be reserved in advance. The company adopts the declining-balance appropriation method when considering shareholders' rights and interests and to avoid excessive remuneration to directors and independent directors due to operational effectiveness.
- (2) The Board of Directors is authorized to determine the remuneration to directors and independent directors in accordance with the extent of the directors' participation in the company's operations and the value of their contribution, taking into account the industry standards.

- (3) The remuneration to the President and Vice President of the company is determined in accordance with the provisions of Article 29 of the Company Act, taking into account the extent of responsibility of the company's operations and the value of their contribution, taking into account the industry standards. The procedures of appointment and payment of remuneration shall be in accordance with the company's operating rules.

II. The state of the company's implementation of corporate governance:

(I) Operations of the board of directors:

(1) Information on the operation status of the Board of Directors:

The Board of Directors met 8 times (A) in the most recent year (2024), the attendance of BOD was as follows:

Job Title	Name (Note 1)	No. of meetings attended in person (A)	No. of meetings attended by proxy	Attendance rate In-person (%) 【B/A】 (Note 2)	Remarks (Expected Attendance: B)
Chairman	Ya-Hui Kuo	8	0	100%	The re-election on May 27, 2022. Expected to attend 8 BOD's meetings.
Director	Yu Cheng Investment Co., Ltd. Representative: Chin-Jen Fu	8	0	100%	The new-election on May 27, 2022. Expected to attend 8 BOD's meetings.
Corporate Director	Cheng Lin Investment Co., Ltd. Representative: Shin-Ming Tung	8	0	100%	The new-election on May 27, 2022. Expected to attend 8 BOD's meetings.
Director	Keng-Yi Cheng	2	0	100%	Resigned on April 4, 2024; Expected to attend 2 BOD's meetings.
Director	Hsiao-Kuang Chen	4	0	100%	Elected as a new director in a by-election on June 13, 2024; Expected to attend 4 BOD's meetings.
Independent Director	Hai-Ching Wang	8	0	100%	The re-election on May 27, 2022. Expected to attend 8 BOD's meetings.
Independent Director	Yuan-Li Tseng	8	0	100%	The re-election on May 27, 2022. Expected to attend 8 BOD's meetings.
Independent Director	Shu-Chuan Chen	8	0	100%	The new-election on May 27, 2022. Expected to attend 8 BOD's meetings.

Other information required to be disclosed:

I. If any of the following circumstances exist, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the company based on the opinions of the independent directors:

(I) Any matter under Article 14-3 of the Securities and Exchange Act:

The company has established an Audit Committee, and it is not subject to the provisions of Article 14-3 of the Securities and Exchange Act. For relevant information, please refer to the operational status of the Audit Committee in the annual report.

(II) In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that is on record or stated in writing with respect to any board resolution: None.

II. The status of implementation of recusals of directors with respect to any motions with which they may

have a conflict of interest. Specify the names of the directors, the content of the motions, and reason for recusal, and the participation in voting:

Meeting Date	Director's Name	Agenda	The cause for recusal	Participation in Voting
2024.1.26	Chairman: Ya-Hui Kuo	Proposal for Managers' Year-end Bonus Distribution for Year 2023	Recused due to personal bonus in the resolution.	Directors with personal interest recused from participating in the discussion and voting of the listed agenda items in accordance with the law, leaving the meeting during the deliberation and voting process.
		Approval of endorsement guarantee for subsidiary company.	Recused due to the chairman also serves as the Chairman of a subsidiary.	
2024.3.11	Chairman: Ya-Hui Kuo Directors: Chin-Jen Fu Ken-Yi Cheng Chin-Ti Kan Hai-Ching Wang Yuan-Li Tseng Shu-Chuan Chen	Review of individual directors' remuneration allocation for the fiscal year 2023	Recused due to personal interest as the resolution involved the allocation of remuneration to directors, in accordance with the law.	
		Chairman: Ya-Hui Kuo	Approval of endorsement guarantee for subsidiary company.	
2024.5.13	Chairman: Ya-Hui Kuo	Approval of fund loan to subsidiary company Xie Yi China.	Recused due to the chairman also serves as the Chairman of a subsidiary.	
2024.6.14	Chairman: Ya-Hui Kuo	Proposal for the appointment of the President	Recused due to the chairman prepare to serve as President.	
2024.8.12	Chairman: Ya-Hui Kuo	Proposal for Cash Compensation Distribution to Managerial Employees for Year 2023	Recused due to the chairman also serves as President.	
		Approval of endorsement guarantee for subsidiary company.	Recused due to the chairman also serves as the Chairman of a subsidiary.	
2024.11.7	Chairman: Ya-Hui Kuo	Proposal for the Review of Compensation for All Managerial Personnel of the company.	Recused due to the chairman also serves as Chief Sustainability Officer.	

- III. For a TWSE or TPEx listed company, disclose information including the evaluation cycle and period(s) of the board of directors' self-evaluations (or peer evaluations) and the evaluation method and content. Additionally, complete Table 2(2) Implementation of Evaluations of the Board of Directors:

Please refer to the next page.

IV. Give an evaluation of the targets that were adopted for strengthening of the functions of the board during the current and immediately preceding fiscal years (e.g., establishing an audit committee, increasing information transparency, etc.) and the measures taken toward achievement thereof:

In 2022, the company added an independent director, established the Audit Committee, and implemented policies and procedures for ethical business practices, prevention of dishonest behavior, internal handling of significant information, and corporate governance best practices. Every board meeting is convened in accordance with the Regulations Governing Procedure for Board Directors Meetings, and announce material information in both Chinese and English after the meeting in accordance with the Regulations.

Note 1: For a director that is a juristic person (corporate entity), disclose the name of the corporate shareholder and the name of its representative.

Note 2: ① If any director left office before the end of the fiscal year, specify the date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of board meetings held and the number they attended in person during the period they were in the office.

② If any by-election for directors was held before the end of the fiscal year, the names of the new and old directors should be filled in the table, with a note stating whether the director left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of board meetings held and the number attended in person during the period of each such person's actual time in office.

(2) Implementation of Evaluations of the Board of Directors:

The company has established a Board Performance Evaluation Method, which was approved by the Board of Directors on March 17, 2020. It stipulates that the Board must conduct an internal performance evaluation annually according to the evaluation procedures and indicators specified in Articles 6 and 7 of the Method. The results of the internal Board performance evaluation must be completed by the end of the first quarter of the following year. The evaluation scope includes the overall Board, individual Board members, and functional committees—the Remuneration Committee and the Audit Committee. The evaluation methods include internal self-evaluation by the Board, self-evaluation by individual Board members, internal self-evaluation by functional committees, or other appropriate methods.

The most recent execution date: March 14, 2025.

Evaluation Cycle (Note 1)	Evaluation Period (Note 2)	Scope of Evaluation (Note 3)	Evaluation Method (Note 4)	Evaluation Content (Note 5)	The Evaluation results (Note 6)
Once a year	1 January to 31 December, 2024	Board of Directors	The board of directors as a whole Individual board members	The company shall take into consideration its condition and needs when establishing the criteria for evaluating the performance of the board of directors, which should cover, at a minimum, the following five aspects: A. Participation in the operation of the company; B. Improvement of the quality of the board of directors' decision making; C. Composition and structure of the board of directors; D. Election and continuing education of the directors; E. Internal control.	"Significantly Exceeds Standards,"
		Individual directors	Self-evaluations by individual board members	The criteria for evaluating the performance of the board members, should cover, at a minimum, the following six aspects: A. Alignment of the goals and mission of the company; B. Awareness of the duties of a director; C. Participation in the operation of the company; D. Management of internal relationship and communication; E. Election and continuing education of the directors; F. Internal control.	"Significantly Exceeds Standards,"
		The functional committees	The functional committees as a whole Individual its members	The criteria for evaluating the performance of the functional committees, which should cover, at a minimum, the following five aspects: A. Participation in the operation of the company; B. Awareness of the duties of the functional committees; C. The quality of the board of directors' decision making; D. Composition and election of the functional committees; E. Internal control.	The Remuneration Committee: "Significantly Exceeds Standards," The Audit Committee: "Significantly Exceeds Standards,"

Note 1: Fill in the cycle on which the board evaluations are performed: performed once per year.

Note 2: Fill in the period covered by the board evaluation: An evaluation was performed of the performance

of the board of directors from 1 January 2022 to 31 December 2022.

Note 3: The scope of the evaluation should cover the performance of the board as a whole, the individual directors, and the functional committees.

Note 4: The performance evaluation methods may include internal evaluation by the board, self-evaluations by individual board members, peer evaluations by board members, evaluations external organizations or experts engaged for that purpose, or other suitable method.

Note 5: The evaluation content shall include at least the following based on the scope of the evaluation:

- (1) Evaluation of the performance of the board should include at least the following: degree of the board's participation in the operation of the company; the quality of the board's decision making; composition and structure of the board; election and continuing education of the directors; internal control.
- (2) Evaluation of the performance of individual directors should include at least the following: familiarity with the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationships and communication; the director's professionalism and continuing education; internal control.
- (3) Evaluation of the performance of the functional committees: degree of participation in the operation of the company; awareness of the duties of the functional committee; quality of decisions made by the functional committee; makeup of the functional committee and election of its members; internal control.

Note 6: The evaluation results are categorized as "Significantly Exceeds Standards," "Exceeds Standards," "Meets Standards," and "Needs Improvement."

(II) The state of operations of the audit committee: The company has established the Audit Committee on 27 May, 2022. The Audit Committee held six (A) meetings in 2024.

Job Title	Name (Note 1)	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate 【 B/A 】 (%) (Note 2)	Remarks
Independent Director & Convener	Shu-Chuan Chen	6	0	100%	The new-election on May 27, 2022. Expected to attend 6 meetings.
Independent Director	Yuan-Li Tseng	6	0	100%	The new-election on May 27, 2022. Expected to attend 6 meetings.
Independent Director	Hai-Ching Wang	6	0	100%	The new-election on May 27, 2022. Expected to attend 6 meetings.

Other information required to be disclosed:

1. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the company based on the opinions of the audit committee:

(1) Any matter under Article 14-5 of the Securities and Exchange Act.

Meeting Date	Important Agenda	Audit Committee's Resolution	Audit Committee's dissenting opinions, reservations, or significant recommendations.
2024.01.26 (Term 1-9)	Approval of endorsement guarantee for subsidiary company.	All proposals were unanimously approved by the attending members upon consultation by the chairperson, and then submitted for discussion in the BOD meetings.	None
2024.03.11 (Term 1-10)	Approval of the company's 2023 Financial Statements, Business Report, and Earnings Distribution. Approval of the Replacement of the Signing CPA Due to Internal Rotation within the CPA Firm for the Year 2024. Approval of evaluating the independence and suitability of the CPAs. Approval of endorsement guarantee for subsidiary company. Approval of the company's 2023 "Internal Control System Effectiveness Assessment" and "Internal Control System Statement".		
2024.05.13 (Term 1-11)	Approval of Consolidated Financial Report for the Q1, 2024. Approval of endorsement guarantee for subsidiary company.		
2024.08.12 (Term 1-12)	Approval of Consolidated Financial Report for Q2, 2024. Approval of endorsement guarantee for subsidiary company.		
2024.11.07 (Term 1-13)	Approval of Consolidated Financial Report for Q3, 2024.		
2024.12.26 (Term 1-14)	Approval of the Establishment of the company's "Sustainability Information Management Procedures." Approval of the Audit Plan for the Fiscal Year 2025.		

(2) In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the board of directors: None

2. Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the content of the motion, the cause for recusal, and whether and how the independent director voted: None

3. Communication between the independent directors and the chief internal audit officer and the CPAs that

serve as external auditor (including any significant matters communicated about with respect to the state of the company's finances and business and the method(s) and outcomes of the communication.): This year, videoconference meetings were held separately with the CPA on September 20, 2024, and with the Chief Internal Auditor on December 26, 2024. There were no objections regarding the matters discussed and the outcomes of these meetings. For more details, please refer to the "Communication Policy with Independent Directors" section under the Corporate Governance page on the company's website.

Note 1: If any independent director left office before the end of the fiscal year, specify the date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of audit committee meetings held and the number they attended in person during the period they were in office.

Note 2: If any by-election for independent directors was held before the end of the fiscal year, the names of the new and old independent directors should be filled in the table, with a note stating whether the independent director left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of board meetings held and the number attended in person during the period of each such person's actual time in office.

(III) The state of operations of the nomination committee: The company does not have a nomination committee.

(IV) Implementation Status and Deviations from the Corporate Governance Best Practice Principles for TPEX Listed Companies and the Reasons:

Evaluation item	Implementation status		The reasons for deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	
1. Has the company established and disclosed its Corporate Governance Best Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The company has established Corporate Governance Best Practice Principles and has been disclosed on the MOPS as well as on the company's website \ Investor Relations \ Governance area.
2. Shareholding Structure and Shareholders' Rights (1) Does the company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly? (2) Does the company know the identity of its major shareholders and the parties with ultimate control of the major shareholders? (3) Has the company built and implemented a risk management system and a firewall between the company and its affiliates? (4) Has the company established internal rules prohibiting insider trading of securities based on undisclosed information?	V		<p>(1) The company has established a spokesperson, deputy spokesperson, and dedicated personnel from our shareholder services agency to handle shareholder suggestions and related issues.</p> <p>(2) The company provides monthly reports on the shareholding status of directors, executives, and major shareholders of the company, and regularly discloses and monitors any changes in insider shareholdings.</p> <p>(3) The company has implemented the "Supervision and Operation Guidelines for Subsidiaries" and the "Procedures for Financial and Business Transactions Among Related Parties." to ensure appropriate risk management. For the business and financial transactions with subsidiaries, we have established written operational norms and clearly defined transaction conditions, following the same procedures as with other general transactions.</p> <p>(4) The company has implemented measures to prevent insider trading in accordance with the internal control system. We have established guidelines to prohibit insiders from trading securities based on undisclosed material information in the market.</p>
			No material difference

Evaluation item	Implementation status		The reasons for deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	
<p>3. Composition and responsibilities of the board of directors</p> <p>(1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?</p>	V		<p>(1) In accordance with the company's diversification policy and to strengthen corporate governance and promote the development of a sound composition and structure of the Board of Directors, the company has adopted a candidate nomination system for the nomination of director candidates in accordance with the company's Articles of Incorporation. Rigorous evaluations are carried out for each candidate's academic (experience) qualifications, professional background, integrity or relevant professional qualifications. The nominated candidates submitted the shareholders' meeting for election after approval by the Board of Directors.</p> <p>In accordance with the company's Articles of Incorporation, it is expressly stipulated that the election of directors is based on the nomination and qualification examination of candidates, and the election of directors is submitted to the shareholders' meeting after the Board of Directors' review and approval.</p> <p>The members of the Board of Directors possess expertise in various fields, rich industry experience, as well as professional capabilities in accounting, legal, business and finance. Directors are expected to contribute to the development and sound operation of the company, and to provide advice and reminders on relevant issues. The company's Board of Directors is composed of seven directors, including three independent directors, the age range of the members is between 41 and over 70 years old. The company also places emphasis on gender diversity, with female board members serving as the Chairman of the Board, added a female independent director in the current term, and will gradually increase the number and ratio of female directors according to demand in the future.</p>

Evaluation item	Implementation status			The reasons for deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Description	
			<p>A. Specific Management Objectives:</p> <p>The company’s Board of Directors shall possess adequate industry experience and professional competence. The objective is to have at least two members with experience in various industry fields, including industry knowledge, business development, crisis management capabilities, and international market experience.</p> <p>Additionally, the objective is to have at least two members with professional backgrounds covering accounting, legal, business, and finance.</p> <p>Furthermore, the company places great importance on gender equality in the composition of its board members and is committed to continuously promoting a minimum of one-third representation of either gender on the board.</p> <p>B. The implementation of the Board of Directors' diversity policy is as follows:</p>	

Diversity Item	Basic Composition			Industry Experience			Professional Competence				
	Name of Director	Nationality	Gender	Also employee of the Company	Industry Knowledge	Business Development	Crisis Management	Knowledge of International Markets	Accounting	Legal	Business Finance
Ya-Hui Kuo		R.O.C.	Female	V	V	V	V	V	V	-	V
Hsiao-Kuang Chen		R.O.C.	Male	-	V	V	V	V	V	-	V
Yu Cheng Investment Co., Ltd. Representative Chen-Yen Fu		R.O.C.	Male	-	V	V	V	V	V	-	V
Cheng Lin Investment Co., Ltd. Representative Shun-Ming Tung		R.O.C.	Male	-	V	V	V	V	-	-	V
Hsi-Chung Wang		R.O.C.	Male	-	V	V	V	V	V	-	V
Yuan-Li Tseng		R.O.C.	Male	-	V	V	V	V	-	V	V
Shu-Chuan Chen		R.O.C.	Female	-	V	V	V	V	V	-	V

Diversity Item	Basic Composition			Industry Experience			Professional Competence				
	Nationality	Gender	Also employee of the Company	Industry Knowledge	Business Development	Crisis Management Skills	Knowledge of International Markets	Accounting	Legal	Business	Finance
Name of Director	Ya-Hui Kuo	R.O.C.	Female	V	V	V	V	V	-	V	V
	Hsiao-Kuang Chen	R.O.C.	Male	-	V	V	V	V	-	V	V
	Yi-Cheng Investment Co., Ltd. Representative: Chin-Jen Fu	R.O.C.	Male	-	V	V	V	V	-	V	V
	Cheng Lin Investment Co., Ltd. Representative: Shiu-Ming Tung	R.O.C.	Male	-	V	V	V	V	-	V	V
	Hsi-Chang Wang	R.O.C.	Male	-	V	V	V	V	-	V	V
	Yuan-Li Tseng	R.O.C.	Male	-	V	V	V	V	-	V	V
	Shu-Chuan Chen	R.O.C.	Female	-	V	V	V	V	-	V	V

Evaluation item	Implementation status			The reasons for deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Description	
<p>(2) Has the company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?</p> <p>(3) Has the company established rules and methodology for evaluating the performance of its Board of Directors, conducted annual and periodic performance evaluations, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?</p> <p>(4) Does the company regularly evaluate its external auditors' independence?</p>			<p>Except as noted below, the current Board of Directors has achieved the aforementioned specific management objectives: At present, the proportion of female directors on the company's Board does not meet the one-third target. Upholding the spirit of diversity, the company will continue to invite qualified female professionals to join the Board at an appropriate time to increase the proportion of female directors.</p> <p>(2) In addition to the legally required establishment of the Remuneration Committee, the company has set up the Audit Committee in accordance with regulations after the election of directors and independent directors at the shareholder meeting on May 27, 2022. The governance operations of other departments are handled by their respective roles and responsibilities, committees will be considered in the future based on the needs and requirements.</p> <p>(3) The company has established the "Board Performance Evaluation Guidelines" and conducts regular board performance evaluations annually. The results of the aforementioned performance evaluation were approved by the board of directors on March 14, 2025, and the details of the evaluation process can be found on page 24 of this report.</p> <p>(4) The company conducts an annual assessment of the independence and suitability of the signing auditors, taking into account the Audit Quality Indicators Report (AQIs). The results of this assessment were presented to and approved by the board of directors on March 14, 2025. Based on our evaluation, both CPAs, Chien-Hsin Hsieh and Bo-Ren Weng from Deloitte & Touche, meet the independence and suitability criteria set by the company, and are suitable to serve as the signing auditors for the company. (Note 1)</p>	

Evaluation item	Implementation status		The reasons for deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies																																
	Yes	No																																	
4. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and shareholders' meetings as required by law, and compiling minutes of board meetings and shareholders' meetings)?	V		<p>The company is supervised by the Corporate Governance Officer, who is responsible for convening relevant department personnel, coordinating and planning the operations of the board of directors and shareholders' meetings. He/She also assists the directors in their appointments, continuous education, compliance with laws and regulations, and provides necessary information for the execution of their duties. Additionally, He/She handles company (change) registration and other related matters to safeguard shareholder rights and strengthen the functions of the board of directors.</p> <p>Note 1: The appointment of the new Corporate Governance Supervisor was reported and approved by the board of directors on March 7, 2022.</p> <table><tr><th>Name</th><th>Gender</th><th>Academic qualifications</th><th>Work experience</th></tr><tr><td>Tsui-Hua, Wu</td><td>Female</td><td>MBA, Memphis State University, USA</td><td>Vice President, Finance and Accounting Div. SEYI Alcatel-Lucent Tech. VPCFO AT&T Taiwan Branch CFO</td></tr></table> <p>Note 2: The Corporate Governance Officer has participated in education and training for a total of 21 hours, as required by regulations.</p> <table><tr><th>Date</th><th>Course</th><th>Hours</th></tr><tr><td>2024/2/23</td><td>Corporate Governance and Securities Regulations – Insider Trading Prevention and Dividend Policy Regulations</td><td>3</td></tr><tr><td>2024/4/15</td><td>Corporate Governance Forum</td><td>3</td></tr><tr><td>2024/5/23</td><td>Shareholders' Meetings and Key Legal & Practical Issues under the Company Act</td><td>3</td></tr><tr><td>2024/5/29</td><td>ESG Sustainability Development and the Challenges of Carbon Emissions</td><td>3</td></tr><tr><td>2024/8/23</td><td>Hostile Takeovers: Practices and Corporate Governance Issues</td><td>3</td></tr><tr><td>2024/9/12</td><td>ESG Trends and Global Tax Reform & Corporate Tax Governance Amid the Pandemic</td><td>3</td></tr><tr><td>2024/10/30</td><td>Mergers and Acquisitions: Equity Investment Planning and Joint Venture Agreement Practices</td><td>3</td></tr></table>	Name	Gender	Academic qualifications	Work experience	Tsui-Hua, Wu	Female	MBA, Memphis State University, USA	Vice President, Finance and Accounting Div. SEYI Alcatel-Lucent Tech. VPCFO AT&T Taiwan Branch CFO	Date	Course	Hours	2024/2/23	Corporate Governance and Securities Regulations – Insider Trading Prevention and Dividend Policy Regulations	3	2024/4/15	Corporate Governance Forum	3	2024/5/23	Shareholders' Meetings and Key Legal & Practical Issues under the Company Act	3	2024/5/29	ESG Sustainability Development and the Challenges of Carbon Emissions	3	2024/8/23	Hostile Takeovers: Practices and Corporate Governance Issues	3	2024/9/12	ESG Trends and Global Tax Reform & Corporate Tax Governance Amid the Pandemic	3	2024/10/30	Mergers and Acquisitions: Equity Investment Planning and Joint Venture Agreement Practices	3
Name	Gender	Academic qualifications	Work experience																																
Tsui-Hua, Wu	Female	MBA, Memphis State University, USA	Vice President, Finance and Accounting Div. SEYI Alcatel-Lucent Tech. VPCFO AT&T Taiwan Branch CFO																																
Date	Course	Hours																																	
2024/2/23	Corporate Governance and Securities Regulations – Insider Trading Prevention and Dividend Policy Regulations	3																																	
2024/4/15	Corporate Governance Forum	3																																	
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2024/10/30	Mergers and Acquisitions: Equity Investment Planning and Joint Venture Agreement Practices	3																																	

Evaluation item	Implementation status		The reasons for deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	
5. Has the company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		The company has a spokesperson and a deputy spokesperson, and their contact information is disclosed as required on the MOPS. Additionally, financial and shareholder-related information is announced on both the MOPS and the company's website. A stakeholder engagement area has been set up on the company's website, providing corresponding contact points for various stakeholder groups, to establish effective communication channels with investors and other stakeholders, and has disclosed the communication channels, methods, and outcomes for the year 2024.
6. Has the company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	V		The company has appointed a professional stock agency, <u>Grand Fortune Securities Co., Ltd.</u> , <u>Shareholder Services Department</u> , to handle various shareholder-related matters on behalf of the company. There are established "Shareholder Services Operation Guidelines" that regulate the related affairs.
7. Information Disclosure (1) Has the company established a corporate website to disclose information regarding its financials, business, and corporate governance status? (2) Does the company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)? (3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?	V		(1) The company has a corporate website with the website: www.seyi.com , where financial, business, and corporate governance information is disclosed. (2) The company also maintains an English version of the corporate website, managed by a dedicated department. In addition to providing information on the company's financial and business operations, the website also timely discloses relevant news and updates. Major announcements and disclosures are made through the spokesperson via the MOPS website. In the case of investor conferences or press events, presentation materials are posted in the website's Investor Relations section. Other operations follow the regulations set by the competent authorities. (3) The company announces and files the annual financial report within seventy-five days after the end of the fiscal year. It also complies with the prescribed deadlines for announcing and filing the first, second, and third-quarter financial reports, as well as its

Evaluation item	Implementation status		The reasons for deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	
8. Has the company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	V	<p>(1) The company values the protection of employee rights and benefits. In addition to complying with legal requirements for employee insurance and implementing a retirement pension system, the company has established an Employee Welfare Committee and actively fosters communication channels between labor and management to create a harmonious work environment that facilitates the smooth progress of various tasks.</p> <p>(2) Continuing education for directors: The company's directors engage in professional development based on the guidelines provided in the "Sample Guidelines for Continuing Education of Directors and Supervisors of Listed and Over-the-Counter Companies" issued by the Taiwan Stock Exchange. (Note 2)</p> <p>(3) Implementation of risk management policies and risk assessment standards: Major proposals are reviewed and approved by the Board of Directors, and internal audits are conducted to ensure compliance.</p> <p>(4) Execution of customer protection policies: The company follows quality policies in accordance with ISO standards.</p> <p>(5) Purchase of liability insurance for directors and social responsibility: The company's directors uphold the principle of integrity in business operations and have no record of litigation or illegal activities. The company has also purchased directors' liability insurance to provide additional protection.</p>	No material difference
9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement: None.			

Note 1: The following is an assessment of the independence of the CPA:

Evaluation item	Evaluation result	Compliance with independence
1. Whether the CPA has a direct or material indirect financial interest in the company	No	Yes
2. Whether the CPA has engaged in financing or guarantee activities with the company or the company's directors	No	Yes
3. Whether the CPA has a close business relationship and potential employment relationship with the company	No	Yes
4. Whether the CPA and the members of its audit team currently hold or have held any positions with the company in the last two years as a managing director or as a person with significant influence over the audit work	No	Yes
5. Whether the CPA provides non-audit services to the company that may directly or indirectly affect the audit work	No	Yes
6. Whether the CPA has brokered any shares or other securities issued by the company	No	Yes
7. Whether the CPA has acted as a defender for the company or represented the company in coordinating conflicts with other third parties.	No	Yes
8. Whether the CPA is related to any of the company's directors, managerial officers or persons with significant influence on the audit	No	Yes

Note 2: Listed companies should disclose the following information regarding the operation of corporate governance - participation of directors in external training courses:
(All directors have completed or exceeded the required training courses.)

Job Title	Name	Training date	Organizer	Course name	Training hours
Chairman	Ya-Hui Kuo	2024/01/11	Chinese Finance Association	2024 Key Global Economic Insights	3
		2024/03/22	Taiwan Investor Relations Institute	Taiwan Renewable Energy Market and Green Finance: Current Status and Trends	3
		2024/10/30	Corporate Operating and Sustainable Development Association	M&A Equity Investment Planning and Joint Venture Agreement Practices	3
		2024/12/17	Chinese Finance Association	Trump 2.0: Global Challenges	3
Director	Yu Cheng Investment Co., Ltd. Representative: Chin-Jen Fu	2024/08/15	Corporate Operating and Sustainable Development Association	Latest Developments and Impacts of CFC Regulations	3
		2024/08/23	Corporate Operating and Sustainable Development Association	Hostile Takeovers: Practices and Corporate Governance Issues	3
Director	Cheng Lin Investment Co., Ltd. Representative: Shin-Ming Tung	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance & Climate Change Summit	3
		2024/08/23	Corporate Operating and Sustainable Development Association	Hostile Takeovers: Practices and Corporate Governance Issues	3
		2024/10/25	Corporate Operating and Sustainable Development Association	Labor Disputes in the Workplace: Resolution Mechanisms and Case Sharing	3
		2024/11/27	Corporate Operating and Sustainable Development Association	Analysis of Practical Boardroom Disputes	3
Director	Hsiao-Kuang Chen	2024/08/28	Corporate Operating and Sustainable Development Association	M&A Due Diligence and Financial Evaluation	3

Job Title	Name	Training date	Organizer	Course name	Training hours
		2024/09/04	Corporate Operating and Sustainable Development Association	Corporate Governance and the Practical Operation of Independent Directors	3
		2024/10/17	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulations: Key Legal Standards and Risk Responsibilities	3
		2024/11/27	Corporate Operating and Sustainable Development Association	Analysis of Practical Boardroom Disputes	3
Director	Hai-Ching Wang	2024/09/23	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3
		2024/10/25	Corporate Operating and Sustainable Development Association	Labor Disputes in the Workplace: Resolution Mechanisms and Case Sharing	3
Independent Director	Yuan-Li Tseng	2024/02/23	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Laws: 1. Insider Trading Prevention from Internal Control Perspective 2. Dividend Policy Regulations and Application Issues	3
		2024/11/12	Corporate Operating and Sustainable Development Association	Building a Secure Enterprise: Critical Information Security Strategies for Executives	3
Independent Director	Shu-Chuan Chen	2024/02/23	Corporate Operating and Sustainable Development Association	Insider Trading Prevention from the Perspective of Internal Controls	3
		2024/04/30	Chinese Corporate Governance Association	Practical Operation of the Sustainability Committee	3
		2024/05/21	Taiwan Independent Directors Association	ESG Rating Analysis and the Business Implications of Sustainability Evaluation in Capital Markets	3
		2024/06/19	Taiwan Institute of Directors	Discovering Taiwan's Global Competitiveness amid Shifting Global Dynamics	3
		2024/07/04	Securities & Futures Institute	Mastering the Sustainability Formula	3
		2024/10/18	Securities & Futures Institute	2024 Insider Trading Prevention Seminar	3
		2024/10/21	Chinese National Association of Industry and Commerce	Corporate Innovation and Angel Investment	3
		2024/11/15	Securities & Futures Institute	AML and Business Integrity Seminar including Sexual Harassment Prevention	3
		2024/11/22	Chinese Corporate Governance Association	ESG Perspectives on Carbon and Energy Management for Listed Companies	3
		2024/11/29	Chinese Corporate Governance Association	The Role and Responsibilities of the Board and Executives in ESG Governance	3
		2024/12/06	Chinese Corporate Governance Association	Corporate Compensation Strategies and Issues	3

(V) The composition, duties, and operation of the Remuneration Committee:

1. The first term of the Remuneration Committee and its Charter were established on October 31, 2011. The fourth term of the Committee ended on June 12, 2022, and the fifth term of the Committee was appointed on August 11, 2022, with the term from August 11, 2022, to May 26, 2025.

Information on the members of the Remuneration Committee

Position (Note 1)	Name	Terms	Professional qualifications and experience (Note 2)	Status of Independence (Note 3)	Number of other public companies in which the individual is concurrently serving as the Remuneration Committee member
Convener and Independent Director	Yuan-Li Tseng		Please see Page 12, 4 for information on disclosure of directors' professional qualifications and independence of independent directors.	(1) Not an employee of the company or its affiliates. (2) Not a director or supervisor of the company or its affiliated enterprises. (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.	0
Independent Director	Hai-Ching Wang			(4) Not a spouse, or relative within the second degree of kinship, or lineal relative within the third degree of kinship, of an executive officer falling under (1), or of any of the persons in (2) and (3).	0
Independent Director	Shu-Chuan Chen			(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (6) A director, supervisor or employee of other companies who is not controlled by the same person as the majority of the directorships or voting shares of the company. (7) A director (officer), supervisor or employee of other company or institution who is not the same person or spouse as the chairman, president or person holding an equivalent position in the company. (8) A director, supervisor, managerial office or shareholder holding 5% or more of the shares of a specified company or institution that does not have a financial or business relationship with the company. (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any 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 past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof. (10) Not been a person of any conditions defined in Article 30 of the Company Act.	1

Note 1: Please specifically fill in the number of years of relevant work experience, and the professional qualifications and experience, and the status of independence, of each remuneration committee member. For "Position", please specify whether the member is an independent director or other (if the member is the convener, please note that fact).

Note 2: Professional qualifications and experience: Describe the professional qualifications and experience of each member of the remuneration committee.

Note 3: Independence analysis: Describe the status of independence of each remuneration committee member, including but not limited to the following: whether the member or their spouse or relative within the second degree of kinship serves or has served as a director, supervisor, or employee of the company or any of its affiliates; the number and ratio of shares of the company held by the member, their spouse, and their relatives with the second degree (or through their nominees); whether the member has served as a director, supervisor or employee of a "specified company" (see Article 6, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); the amount(s) of any pay received by the remuneration committee member for any services such as business, legal, financial, or accounting services provided to the company or any affiliate thereof within the past 2 years.

2. Responsibilities of the Remuneration Committee

- A. Evaluate the performance of directors and managers of the company.
- B. Prescribe and review the remuneration policy, system, standards, and structure.
- C. Set the amount of the remuneration for directors and managers of the company.

3. Information on the operation of the Remuneration Committee

- i. The company's Remuneration Committee is composed of three (3) members.
- ii. The term of office of the current members: August 11, 2022 to May 26, 2025. The Remuneration Committee met four times (A) in most recent year (2024). The qualifications and attendance of the members are as follows:

Job Title	Name	Attendance in Person (B)	No. of meetings attended by proxy	Attendance Rate in Person (%) (B/A)(Note)	Remarks
Convener (Independent Director)	Yuan-Li Tseng	4	0	100.00%	The re-election on May 27, 2022. Expected to attend 4 meetings.
Member (Independent Director)	Hai-Ching Wang	4	0	100.00%	The re-election on May 27, 2022. Expected to attend 4 meetings.
Member (Independent Director)	Shu-Chuan Chen	4	0	100.00%	The new-election on May 27, 2022. Expected to attend 4 meetings.

Remuneration Committee	Content of the motion and the response thereto	Result of the resolution	The company's handling of the recommendation of the Remuneration Committee
2024.01.26	1. Discussion of the company's 2023 year-end bonus for managerial officers and 2022 Employees' Cash Compensation Distribution Plan for managerial officers.	Approved by all members of the Committee	Approved by all directors present in the BOD meetings.
2024.03.11	1. Proposal for the distribution method and amount of employees' compensation and remuneration to directors for 2023. 2. Proposal for the distribution of the individual directors' remuneration for 2023.		
2024.08.12	1. 2023 Employees' cash Compensation Distribution Plan for managerial officers.		
2024.11.07	1. Proposal for the Review of Salary and Compensation for All Managerial Personnel of the company		

Other information required to be disclosed:

- I. If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is

higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons): None.

- II. With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the company with respect to the members' opinion: None.

Notes:

- (1) If any remuneration committee member left the committee before the end of the fiscal year, specify the date that they left the committee in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of remuneration committee meetings held and the number they attended in person during the period they were on the committee.
- (2) If any by-election for remuneration committee members was held before the end of the fiscal year, the names of the new and old committee members should be filled in the table, with a note stating whether the member left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of remuneration committee meetings held and the number attended in person during the period of each such person's actual time on the committee.

(VI) Sustainable Development Implementation Status and differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons:

Item	Implementation status (Note 1)		The reasons for deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	
1. Has the company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V	<p>To actively promote the company's sustainable development, the company's Chairman has been approved by the Board of Directors to concurrently serve as the Chief Sustainability Officer, authorized to be responsible for advancing sustainable development affairs. Following the ESG development trends, the company formally established the "ESG Sustainability Development Committee" in 2023. This committee is chaired by the Chief Sustainability Officer and includes senior executives from various professional fields as members, who collectively set short-term, medium-term, and long-term development goals. The ESG Sustainability Development Committee integrates cross-departmental efforts and links communication platforms up and down the organization. It meets regularly every month to track execution results, plan and formulate strategies, ensuring that the sustainability development strategy is fully implemented in daily operations.</p> <p>The Chairman reports on the progress and future work plans of related sustainable development tasks to the Board of Directors every quarter. In 2024, four meetings were held, covering topics such as sustainability goals, development strategies, execution results sharing, and evaluations.</p>	No material difference
2. Does the company conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy in accordance with the materiality principle? (Note 2)	V	<p>The company's Sustainability Development Committee has continued, for the current year, to conduct its first assessment of material topics based on the Global Reporting Initiative (GRI) Standards 2021 version: GRI 3 Material Topics 2021 Disclosure Principles. The assessment was carried out according to the principles of "stakeholder concern" and "the impact of the company's economic activities on the external</p>	No material difference

Item	Implementation status (Note 1)		The reasons for deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies						
	Yes	No							
	Description								
		<p>economy, environment, and society." A "Material Topics Survey" was distributed, covering the three main themes of environment, society, and corporate governance. This survey targeted eight major stakeholder groups, with 125 questionnaires distributed and 110 valid responses collected. Additionally, all senior executives from the management team provided feedback on the impact assessment questionnaire, highlighting the company's emphasis on sustainability topics. After statistical analysis of the questionnaire results, the major topics for Shieh Yih Machinery were identified as: economic performance, innovative technology, customer relationship management, and occupational health and safety. The focus areas and corresponding management approaches for each topic are as follows:</p> <table><tr><th>Material Topics</th><th>Focus Areas</th><th>Management Approaches</th></tr><tr><td>Economic Performance</td><td>Company revenue, costs, and other key financial information, the economic impact of climate change on the company (including climate-related risks and opportunities), indirect economic impacts (such as supply chain disruptions and price fluctuations), etc.</td><td>Ensure transparency and accuracy in financial reporting, including disclosure of risks and opportunities, as well as assessment of climate-related factors. Actively manage supply chain risks and take measures to address potential impacts of climate change on operations.</td></tr></table>	Material Topics	Focus Areas	Management Approaches	Economic Performance	Company revenue, costs, and other key financial information, the economic impact of climate change on the company (including climate-related risks and opportunities), indirect economic impacts (such as supply chain disruptions and price fluctuations), etc.	Ensure transparency and accuracy in financial reporting, including disclosure of risks and opportunities, as well as assessment of climate-related factors. Actively manage supply chain risks and take measures to address potential impacts of climate change on operations.	
Material Topics	Focus Areas	Management Approaches							
Economic Performance	Company revenue, costs, and other key financial information, the economic impact of climate change on the company (including climate-related risks and opportunities), indirect economic impacts (such as supply chain disruptions and price fluctuations), etc.	Ensure transparency and accuracy in financial reporting, including disclosure of risks and opportunities, as well as assessment of climate-related factors. Actively manage supply chain risks and take measures to address potential impacts of climate change on operations.							

Item	Implementation status (Note 1)			The reasons for deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Description			
	Yes	No		
	Innovative Technology	Continuous research and development of new processes and products, product quality, technology development, and management of patents and intellectual property rights.	Continuously engage in innovation and technology development to ensure product quality, thereby enhancing competitiveness and value. Actively protect the company's intellectual property, such as patents and trademarks, to maintain market position and gain competitive advantages.	
	Customer Relationship Management	Customer service quality, product quality, reliability, customer privacy protection procedures and mechanisms.	Establish effective customer service mechanisms to provide high-quality products and services, and ensure compliance with customer privacy rights. Through proactive communication and feedback mechanisms, build good relationships with customers and respond promptly to their needs and feedback.	
	Occupational Health and Safety	Maintaining a healthy workplace, occupational injury ratio, occupational diseases, absenteeism due to injury or illness.	Developing and implementing effective occupational health and safety policies and procedures, including risk assessment, training, safety equipment, and standard operating procedures. Additionally, monitoring and reporting on the occurrence of occupational injuries and diseases, and implementing measures to address absenteeism due to injury or illness, ensuring the health and safety of employees.	

Item	Implementation status (Note 1)		The reasons for deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	
			Looking ahead, the ESG Sustainability Development Committee will continue to regularly explore material topics, adhering to the company's mission of "Applying Innovative Technology to Enrich Human Life" and the four core values of "Integrity, Accountability, Service, and Innovation." The committee will persistently promote corporate sustainable development, striving towards a better future.
3. Environmental Issues (1) Has the company established an appropriate environmental management system according to the characteristics of its industry?	V		<p>(1) A. The company successfully obtained third-party certifications for the ISO 14001 Environmental Management System and ISO 14064-1 Greenhouse Gas Inventory. Moving forward, the company will continue to expand the scope of verification to include international standards such as ISO 14064-1 and ISO 14067.</p> <p>B. The company conducts operational environment monitoring every six months (in May and November) to assess employees' exposure to the working environment. We monitor and evaluate the actual conditions of the employees' workplace through planning, sampling, analysis, and instrument monitoring, ensuring both measurement and judgment purposes. To safeguard the health of our employees, on-site physicians are engaged to conduct evaluations of employees' exposure conditions, ensuring that employees are protected from harmful substances in the workplace and providing a healthy and comfortable working environment.</p>
(2) Is the company committed to improving energy use efficiency and using renewable materials with low impact on the environment?	V		<p>(2) The company is committed to source reduction by implementing waste sorting and recycling practices to achieve the goals of reducing raw material consumption and waste generation. By doing so, we aim to minimize our environmental impact.</p> <p>In 2024, the amount of waste was reduced by 2.87 metric</p>

Item	Implementation status (Note 1)		The reasons for deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	
			tons, representing an annual reduction rate of 12.2%.
(3) Has the company evaluated the current and future potential risks and opportunities of climate change for its business and adopted relevant measures to address climate related issues?	V		(3) In line with our corporate responsibility towards environmental protection, the company remains actively engaged in monitoring climate change trends and supporting government policies aimed at reducing greenhouse gas emissions. In addition to conserving electricity, water, and promoting resource reuse, we prioritize the use of recyclable and renewable materials throughout the manufacturing, usage, and disposal phases of our products. This approach helps reduce the reliance on natural resource extraction and enables us to achieve a fully circular and zero-waste model, thereby minimizing the environmental impact of our products.
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	V		(4) The company has obtained certification in accordance with the ISO 14001:2015 international standard for environmental management systems. We have developed an environmental management manual as part of this certification process. To promote energy conservation and carbon reduction, we have implemented digitalization initiatives to reduce paper usage. Additionally, we control the temperature settings in our office environment and utilize energy-efficient light bulbs to achieve energy conservation and carbon reduction goals. Here are the carbon emissions statistics for the past two years: A. Carbon Emissions Over the Past Two Years: 2024 Indirect Carbon Emissions from Energy Use: Water: 2.7024 TonCO ₂ e, Electricity: 871.8772 TonCO ₂ e 2024 Water Consumption: 17,435 Ton 2024 Electricity Consumption: 1,764,934 Kwh 2024 Total Waste Weight: 20,750 Kg
			No material difference

Item	Implementation status (Note 1)		The reasons for deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	
		<p>2023 Indirect Carbon Emissions from Energy Use: Water: 2,9182 TonCO₂e, Electricity: 952,6979 TonCO₂e 2023 Water Consumption: 14,413 Ton 2023 Electricity Consumption: 1,924,642 Kwh 2023 Total Waste Weight: 23,620 Kg</p> <p>B. Reduction Plan:</p> <p>Both the assembly tools and the power source for the punch press products require compressed air. The company currently has four air compressors with an average equipment age of 20 years. Carbon inventory revealed that air compressors were among the most frequently used equipment in the plant and were equipped with non-inverter motors, resulting in 33.6 metric tons CO₂e per month, with a total annual carbon emission of 384.5 metric tons CO₂e in 2023. To promote energy conservation and carbon reduction, the company purchased four IE3 energy-efficient motor air compressors in July 2024. From August to November, the total carbon emissions over four months were 60.82 metric tons CO₂e, with the monthly average reduced to 15.2 metric tons CO₂e. The estimated annual carbon emissions for 2024 are 182.4 metric tons CO₂e, representing a reduction of approximately 52.6% compared to the previous year.</p>	
4. Social Issues (1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V	<p>(1) The company complies with relevant labor laws and regulations. Matters related to employee appointment, dismissal, and compensation are managed in accordance with applicable laws and our internal control system to safeguard employees' fundamental rights.</p>	No material difference

Item	Implementation status (Note 1)		The reasons for deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	
(2) Has the company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results		<p>We have developed policies that align with internationally recognized human rights standards, such as the International Labor Conventions and the United Nations Universal Declaration of Human Rights. These policies reflect our commitment to business ethics, environmental and social issues, human rights, and other public policy commitments. We ensure human rights protection and disclose relevant information in our annual reports and company website.</p> <p>A. We comply with relevant laws and regulations to provide a safe and healthy working environment.</p> <p>B. We are committed to maintaining a workplace free from violence, harassment, and intimidation, while respecting employees' privacy and dignity.</p> <p>C. In accordance with the Labor Standards Act and other relevant laws, we value the balance between employees' health, work, family, and leisure. We also implement work hour management, prohibit child labor, and prohibit all forms of forced labor and discrimination.</p> <p>D. To establish a gender-equal workplace, we implement unpaid parental leave policy, while also providing family care leave, menstrual leave, maternity leave, paternity leave, and breastfeeding facilities for our employees.</p> <p>E. We prioritize the concept of employee health. Every two years, we arrange health check-up for employees at our headquarters and factory areas. We also organize periodic health seminars to provide employees with professional medical information and services, assisting them in addressing physical, mental, and spiritual concerns.</p> <p>(2) In addition to implementing human-centric management and various welfare measures, the company adheres to the concept of sharing profits with employees to attract and motivate talented individuals. Employee compensation is</p>	

Item	Implementation status (Note 1)		The reasons for deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	
appropriately reflected in employee salary/compensation? (3) Does the company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?		<p>determined based on the company's operational performance.</p> <p>(3) A. Occupational Health and Safety Management: All occupational health and safety management work complies with regulations and follows the ISO 45001:2018 Occupational Health and Safety Management System specifications. Document management is digitalized for inspection and auditing purposes.</p> <p>B. Management of hazardous machinery safety: In addition to regular inspections and confirmations conducted by on-site colleagues and supervisors for general machinery and equipment, extra management measures are taken for machinery regulated by laws. Periodic outsourcing inspections are carried out to ensure the proper functioning of all machinery. Hazardous machinery in the company includes forklifts and fixed cranes. To enhance the effectiveness of equipment maintenance and upkeep, vendors are responsible for maintaining the equipment in good condition. Fixed cranes, which are crucial for production support, are maintained by professional vendors.</p> <p>C. Occupational Health and Safety Education and Training: 1.New employees: Safety and health education and training are conducted on their first day of work to familiarize them with workplace hazards and safety regulations. 2.Existing employees: 2-1. On-the-job safety and health training: Employees with relevant safety and health qualifications undergo regular on-the-job training to comply with regulations and enhance their awareness of</p>	

Item	Implementation status (Note 1)		The reasons for deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Description		
	Yes	No	
		<p>workplace hazards.</p> <p>2-2. Specialized training has been conducted based on the actual needs of each unit, including completion of fixed crane proficiency certification courses for 18 employees, aerial work platform training for 3 employees, and refresher training for fixed crane operators for 43 employees, among others, to achieve the goal of "Safety for All Employees."</p> <p>2-3. Fire emergency drills: Conducted semi-annually to improve mutual understanding among all employees and strengthen the emergency response capabilities of the entire team in case of accidents.</p> <p>3. Contractors: Various education and training sessions are conducted based on the nature of the work to enhance hazard prevention awareness and prevent accidents proactively.</p> <p>D. Appointment of Professional Occupational Health and Safety Management Personnel: The company's occupational health and safety management unit consists of one Type A Occupational Safety and Health Business Supervisor, one Grade A Occupational Safety Manager, and one Occupational Health and Safety Administrator. Additionally, one Type A Occupational Safety and Health Business Supervisor is designated for each manufacturing unit. Health service nursing staff are also appointed, and all aforementioned personnel hold professional certifications. They actively participate in government-sponsored education campaigns to enhance their professional competence. Apart from the occupational health and safety unit, strict controls are implemented for on-site colleagues' operating qualifications. They must obtain licenses and pass internal assessments before operating hazardous machinery. The statistics for the</p>	

Item	Implementation status (Note 1)		The reasons for deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	
		<p>number of operators' licenses for hazardous machinery are as follows: 89 for fixed cranes and 81 for forklifts. Additionally, training is provided annually by outsourcing companies to enhance the awareness of operating colleagues, understand the latest legal regulations, and reduce the probability of accidents, with the ultimate goal of achieving zero workplace accidents.</p> <p>E. Health Promotion and Management:</p> <p>1.Health Management:</p> <p>i. Conduct annual health check-ups for all employees and special health checks for those engaged in hazardous operations (e.g., dust exposure).</p> <p>ii. Employ an occupational medicine specialist on-site monthly to provide consultation services, including physical and mental health counseling, return-to-work and job adjustment assessments, overload and human factor hazard evaluations, and fitness assessments for middle-aged and older employees—offering comprehensive health grading management and recommendations to facilitate continuous care and follow-up.</p> <p>iii. Arrange return-to-work and job adjustment evaluations by the occupational medicine specialist based on employees' recovery status from injury or illness.</p> <p>iv. Implement health physical examinations for new employees in accordance with regulations.</p> <p>v. Conduct health grading and follow-up management based on the classification and analysis of abnormal health check-up results.</p> <p>vi. Comply with regulations regarding maternal health protection and health management for employees under</p>	

Item	Implementation status (Note 1)		The reasons for deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Description		
	Yes	No	
		<p>18 years old (such as apprentices and interns).</p> <p>2.Health Promotion:</p> <p>i. Conduct irregular health promotion and seminars to enhance employees' health awareness and education knowledge; In 2024, two sessions were held with a total of 80 participants.</p> <p>ii. In coordination with the company's Health Record program, an ultra-slow jogging activities were implemented to encourage employees to develop a regular exercise routine, effectively improving healthy exercise habits; a total of 40 employees completed 36 sessions in 2024.</p> <p>3. Health Education</p> <p>i. Conduct monthly health awareness campaigns covering various topics through emails and bulletin boards in different areas of the facility.</p> <p>ii. Provide timely health-related updates and bulletins in response to changes in international and domestic epidemics or infectious diseases to raise employee health awareness.</p> <p>4. Implement occupational disease and injury prevention measures by improving workplace environments as needed to enhance employee safety awareness. Ensure compliance with laws and regulations to protect employee health and safety and uphold the rights of both employers and employees, thereby fostering a healthy workforce and work environment.</p> <p>5. The company maintains medical supplies compliant with regulations, conducts monthly inventory checks and replenishments, and provides emergency medical treatment within the facility.</p> <p>6. Automated External Defibrillators (AEDs) are installed</p>	

Item	Implementation status (Note 1)		The reasons for deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	
<p>(4) Has the company established effective career development training programs for employees?</p> <p>(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?</p> <p>(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?</p>		<p>on-site, and periodic first aid training is provided to employees to improve basic life-saving skills.</p> <p>7. Execute the four major occupational health and safety plans as required by law, including conducting relevant surveys, high-risk screenings, and assessments. Improvements are made based on results to effectively prevent occupational injuries and diseases.</p> <p>(4) The company encourages employees to pursue further education and training, with the goal of developing outstanding talents. We have established a performance assessment matrix that aligns with professional/technical competencies and a clear promotion system. In addition to providing internal educational training, employees can also apply for external education and training programs to enhance their skills and advance their career capabilities.</p> <p>(5) The company manufactures machine tools and presses, and our products adhere to strict international standards. Therefore, our product marketing and labeling comply with relevant laws and international guidelines. We also have product liability insurance to safeguard consumer rights. If there are any questions or concerns regarding our products, customers can contact us via phone or email. We will assign dedicated personnel to understand, coordinate, and handle the matter appropriately.</p> <p>(6) All our suppliers are required to adhere to the company's integrity policy, as well as policies related to environmental quality and occupational health and safety. This ensures that both the company and suppliers are committed to enhancing corporate social responsibility.</p>	

Item	Implementation status (Note 1)		The reasons for deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?		V	The company is currently preparing the 2024 Sustainability Report and plans to submit it within the required timeframe in 2025.
6. If the company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the company's operations: The company complies with the "Sustainability Practices Code for Listed and OTC Companies" without any violations or discrepancies.			
7. Other important information to facilitate better understanding of the company's promotion of sustainable development: We believe that it is our responsibility to create a friendly and healthy work environment. We insist on using recyclable and renewable materials at all phases of manufacturing, using and disposing of our products to replace those from natural resources. So that we can achieve the goal of total recycling and zero waste, and reduce the burden of our products on the environment. The company regularly organizes free health check-up for all employees and has doctors on site to provide health consultation. The company believes that only healthy employees can maintain high quality specifications. Healthy employees are the only ones who can create competitive products. Therefore, it is our business philosophy to create a healthy and balanced working environment.			

Note 1: If "Yes" is ticked in the "Implementation status" column, please concretely describe the major policies, strategies, and measures adopted and the status of their implementation. If "No" is ticked in the "Implementation status" column, please explain the deviations and the reasons in the "Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons" column and explain the company's plans for adoption of related policies, strategies, and measures in the future.

Note 2: The materiality principle refers to focusing on environmental, social and corporate governance issues likely to have a material impact on the company's investors and other stakeholders.

(7) Execution Status of Climate-related Information:

Item	Execution Status
1. Describing the supervision and governance of climate-related risks and opportunities by the board of directors and management.	The company's Board of Directors serves as the highest authority for overseeing and governing climate-related risks and opportunities, responsible for supervising and reviewing the progress of the Group's related risk policies and action plans. The company's Sustainability Development Committee is chaired by the Chairman of the Board, who also serves as the Chief Sustainability Officer. The committee includes senior executives from various professional fields who collaboratively establish short-term, mid-term, and long-term development goals to advance work related to climate risks and opportunities. The committee reports to the Board of Directors at least once a year.
2. Describing how identified climate risks and opportunities affect the business, strategy, and finances of the company (short-term, medium-term, long-term).	<p>Short-term: Extreme climate events may disrupt logistics and production, affecting supply chain stability. The company will continue to enhance supply chain resilience and strengthen the disaster resistance of critical facilities to ensure stable and uninterrupted operations under extreme climate conditions.</p> <p>Mid-term: As temperatures rise, cooling measures and cooling demand for operations will significantly increase, leading to higher energy costs and impacting production efficiency and operating expenses. The company will continue to replace high-energy-consuming lighting and air conditioning systems, further optimizing energy efficiency and reducing carbon emissions during operations. At the same time, the company will gradually evaluate and adopt green energy sources, such as solar power, to reduce reliance on traditional energy.</p> <p>Long-term: International and domestic policy pressures (e.g., carbon taxes and carbon fees) pose long-term threats to operational costs. The company will continue developing high-efficiency servo presses and intelligent energy-saving stamping solutions to ensure products meet low-carbon emission targets.</p>
3. Describing the financial impact of extreme weather events and transition actions.	The company's headquarters is located in Guishan, Taoyuan. Facing potential threats from extreme climate events such as typhoons and heavy rainfall, there is a risk of factory shutdowns, equipment damage, or logistics disruptions, which may affect delivery schedules and increase operational and financial risks. To mitigate these risks, SEYI has strengthened its factory disaster prevention infrastructure and measures, and has established backup production capabilities. In terms of transition actions, SEYI is participating in net-zero carbon transition projects and has invested in low-energy-consuming equipment. While this increases capital expenditures in the short term, it contributes to long-term carbon

Item	Execution Status
	emission reductions and enhances brand competitiveness.
4. Describing how the identification, assessment, and management process of climate risks are integrated into the overall risk management system.	The company incorporates climate risk into the risk management agenda of its Sustainability Development Committee, adopting an integrated process of identification, assessment, and management. Climate risks are reviewed annually, covering both physical risks (e.g., extreme weather events) and transition risks arising from regulatory changes. Response plans are formulated for high-risk issues to enhance overall operational resilience and adaptability.
5. If conducting a scenario analysis to assess resilience to climate change risks, it's essential to clarify the context, parameters, assumptions, analysis factors, and key financial impacts.	As of the date of the annual report publication, the resilience assessment using scenario analysis for climate change risks is still in progress. Future evaluations will integrate specific scenarios, parameters, and financial impacts for comprehensive assessment.
6. If there is a transition plan in place to address climate-related risks, please describe the content of the plan and the indicators and objectives used to identify and manage physical risks and transition risks.	The company's transition plans for managing climate-related risks are currently in the feasibility study stage, with a focus on reducing both physical and transition risks. Concrete indicators and targets will be established to ensure effective execution.
7. If internal carbon pricing is used as a planning tool, the basis for price determination should be explained.	The internal carbon pricing mechanism, intended as a planning tool, is also under development. It is expected to be introduced in due course, based on a combination of international carbon pricing standards and the company's operational characteristics.
8. If climate-related goals are set, information should be provided on the activities covered, greenhouse gas emission scopes, planning timeline, progress achieved annually, etc. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these goals, details should be provided on the source and quantity of carbon offsets or RECs exchanged.	Starting in 2022 as the base year, the company has committed to a 5% reduction in greenhouse gas emissions, water consumption, and total waste volume within three years. In 2024, the company's greenhouse gas emissions intensity (Scope 1 and Scope 2) was 0.6111 tons CO ₂ e per NT\$1 million in revenue, representing a 15.30% reduction from 0.7215 tons CO ₂ e in 2023. Beginning in 2025, SEYI will progressively extend greenhouse gas inventories to its operations in China, the United States, Mexico, Europe, and Thailand, with a goal of completing a consolidated inventory by 2026 and full disclosure by 2027. As of the date of the annual report publication, the feasibility of achieving emission reduction goals through carbon offsets or renewable energy certificates (RECs) is still under review. Implementation will proceed in accordance with the outcome of the assessments.
9. Greenhouse gas inventory and verification status, along with reduction targets, strategies, and specific action plans (also filled in pages 1-1 and 1-2).	The detailed explanation can be found on pages 1-1 and 1-2.

Greenhouse Gas Inventory and Verification Status on Page 1-1:

<p>The company's basic information</p> <p><input type="checkbox"/> A company with a capital of over 10 billion NT dollars, operating in the steel or cement industry.</p> <p><input type="checkbox"/> A company with a capital of over 5 billion NT dollars but less than 10 billion NT dollars.</p> <p><input checked="" type="checkbox"/> A company with a capital of less than 5 billion NT dollars.</p>	<p>According to the roadmap for sustainable development of listed companies, disclosure should include:</p> <p><input checked="" type="checkbox"/> Individual inventory of the parent company</p> <p><input type="checkbox"/> Consolidated financial report subsidiary inventory</p> <p><input checked="" type="checkbox"/> Individual verification of the parent company</p> <p><input type="checkbox"/> Consolidated financial report subsidiary verification</p> <p>(The company has already completed the individual inventory and verification of the parent company ahead of schedule)</p>
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Scope 1	Total emissions (TonCO2e)	Intensity (TonCO2e/ Million dollars in revenue)	Verifying Institution	Verification Status
Parent company 2024	122.0500	0.0750	AFNOR International	Internal verification of greenhouse gases is being conducted by a consulting firm in 2024.
Parent company 2023	126.0471	0.0843	AFNOR International	Verification Conclusion: The organization has been confirmed to have submitted a greenhouse gas statement in accordance with the requirements of the agreed-upon verification criteria, and has fairly presented greenhouse gas data and related information consistent with the verification scope, objectives, and criteria agreed upon by both parties. The reasonable assurance level for the inventory data is Scope 1 and Scope 2.

Scope 2	Total emissions (TonCO ₂ e)	Intensity (TonCO ₂ e/ Million dollars in revenue)	Verifying Institution	Verification Status
Parent company 2024	871.8772	0.5361	AFNOR International	Internal verification of greenhouse gases is being conducted by a consulting firm in 2024.
Parent company 2023	953.2849	0.6372	AFNOR International	Verification Conclusion: The organization has been confirmed to have submitted a greenhouse gas statement in accordance with the requirements of the agreed-upon verification criteria, and has fairly presented greenhouse gas data and related information consistent with the verification scope, objectives, and criteria agreed upon by both parties. The reasonable assurance level for the inventory data is Scope 1 and Scope 2.

Scope 3	Total emissions (TonCO ₂ e)	Intensity (TonCO ₂ e/ Million dollars in revenue)	Verifying Institution	Verification Status
Parent company 2024	12,599.0211	7.7464	AFNOR International	Internal verification of greenhouse gases is being conducted by a consulting firm in 2024.
Parent company 2023	15,488.6295	10.3534	AFNOR International	(The scope falls within 3 to 6.)

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

1. Greenhouse Gas (GHG) Emissions Reduction Targets:

The year 2022 serves as the base year for the company's carbon inventory. Building upon this foundation, the company actively promotes environmental objectives, striving to achieve a 5% reduction in GHG emissions, water consumption, and total waste volume within three years (by 2025). In response to global and Taiwanese governmental initiatives and regulations on climate change, the company will further establish clear carbon neutrality and net-zero emission goals in alignment with regulatory requirements, demonstrating its commitment to environmental sustainability through concrete actions.

2. GHG Reduction Strategy:

Adhering to the principles of sustainable operations and environmental coexistence, the company has identified its primary sources of GHG emissions through inventory analysis. The majority are categorized under Scope 3 (Categories 3 to 6), which pertain to other indirect emissions from external activities. In support of the UN Sustainable Development Goals and in alignment with ESG responsibilities, the company follows the "Sustainability Development Roadmap for TWSE/TPEX Listed Companies" and incorporates its environmental policy into daily operations by:

Promoting energy saving and waste reduction, and enforcing pollution prevention

Implementing resource recycling and ensuring legal compliance

Fulfilling social responsibilities and committing to continuous improvement

Specific carbon reduction initiatives include:

1. Promoting energy-saving habits through employee awareness and action.
2. Maintaining office temperatures at 26°C to reduce chiller loads and electricity usage.
3. Regularly reviewing contract capacity, zoning of air conditioning, and lighting circuits to enhance energy efficiency.
4. Performing routine maintenance on equipment to ensure optimal operating conditions and minimize energy loss.
5. Gradually replacing gasoline-powered vehicles with hybrid or electric vehicles to reduce fuel-based GHG emissions.

3. GHG Reduction Action Plan:

To proactively reduce GHG emissions, the company has implemented a series of concrete measures to improve energy efficiency. These include establishing an energy management system to monitor energy usage across production lines in real time, enabling data-driven analysis to identify energy-saving opportunities. Efforts to lower energy consumption include replacing high-energy-consuming air compressors, installing watt-hour meter monitoring systems, and introducing smart warehousing systems to enhance logistics efficiency. In addition, the company has deployed aerial work platforms to improve the efficiency of painting operations and is evaluating the installation of a self-use solar power system. Regular energy management training is held to raise employee awareness, and staff are encouraged to submit process optimization proposals to further improve energy performance.

(8) Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons:

Evaluation item	Implementation status (Note)		The reasons for deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the company have an 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 implementation of such policy from the Board of Directors and the top management team?</p> <p>(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities 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 Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?</p> <p>(3) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?</p>	V		No material difference

Evaluation item	Implementation status (Note)			The reasons for deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Description	
<p>2. Ethical Management Practice</p> <p>(1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?</p> <p>(2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?</p> <p>(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?</p> <p>(4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?</p> <p>(5) Does the company provide internal and external ethical corporate management training programs on a regular basis?</p>	V		<p>(1) The company has established "Work Standards" and related internal regulations that clearly define disciplinary measures for violations and establish a complaint system. These policies are communicated and enforced through internal education and training programs.</p> <p>(2) The company's management team has designated a dedicated unit responsible for supervising the implementation of the integrity management policy across all operating departments. The unit reports the execution status to the Board of Directors on an annual basis.</p> <p>(3) All business activities of the company are conducted in accordance with the law, and significant information is disclosed in compliance with legal requirements to ensure information transparency.</p> <p>(4) We have established effective accounting and internal control systems, and the company's audit unit carries out audit operations based on the annual audit plan approved by the board of directors. Audit reports are submitted to the board of directors, and the implementation of audits is reported to the board of directors. Additionally, the company complies with the reporting requirements of relevant authorities.</p> <p>(5) New employees receive a briefing on our core values (Integrity, Accountability, Service, Innovation) upon arrival, emphasizing the importance of understanding the company's code of ethics. They are required to sign both a "Confidentiality and Intellectual Property Agreement" and</p>	No material difference

Evaluation item	Implementation status (Note)		The reasons for deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	
3. Implementation of Complaint Procedures (1) Has the company established specific whistleblowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers? (2) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner? (3) Has the company adopted proper measures to protect whistleblowers from retaliation for filing complaints?	V	<p>an "Integrity Commitment Statement" to uphold a culture of integrity and ethical conduct.</p> <p>(1) The company has established a reporting channel to address violations of the integrity policy. Members who violate the policy are subject to the disciplinary measures outlined in the company's reward and punishment regulations.</p> <p>(2) The company has defined procedures for opinions, communication, and feedback, and relevant supervisors have the responsibility to maintain the confidentiality of the parties involved.</p> <p>(3) The company's work regulations and rules of ethics management measures have established corresponding disciplinary provisions for various types of violations. We also encourage colleagues to report any violations of laws, regulations, or ethical requirements directly to the responsible department and provide relevant evidence. Whistleblowers and reporters are protected from threats or undue pressure.</p>	No material difference
4. Strengthening Information Disclosure Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	V	The company places great emphasis on operating with integrity. The related guidelines and regulations have been established in accordance with legal requirements and are disclosed in compliance with the law.	No material difference
5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation: The company has established an Integrity Management Policy for compliance purposes. Relevant regulations and implementation details have been disclosed on the Corporate Governance section of the company's website.			

Evaluation item	Implementation status (Note)		The reasons for deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	
6. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles): The company has established specific integrity management guidelines, including the "Integrity Management Policy" and the "Ethical Conduct Management Regulations."			

Note: Regardless of whether "Yes" or "No" is ticked regarding the implementation status, an explanation should still be provided in the explanation column for each item.

(8) The corporate governance best-practice principles or related bylaws adopted by the company:

The company has established Corporate Governance Best Practice Principles and approved by BOD. It has been disclosed on the company's website.

(9) Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance:

1. Since 2023, the company has simultaneously disclosed both Chinese and English information in the Corporate Governance section of its official website.
2. Since 2023, the company has concurrently disclosed material information in both Chinese and English on the Market Observation Post System (MOPS).

(10) Implementation of the internal control system:

1. Statement of the Internal Control System:

Please refer to the Market Observation Post System (MOPS).

Access path:

Market Observation Post System (MOPS)

> Single Company > Corporate Governance > Company Rules/Internal Control

> Internal Control Declaration Announcements

Website: <https://mops.twse.com.tw/mops/#/web/t06sg20>

2. CPA audit report on reviewing of the internal control system: None.

(11) Important resolutions of shareholders' meetings and board meetings in the most recent year and as of the date of printing of the annual report:

Shareholders' Meeting or Board of Directors(BOD)	Date	Important resolutions
BOD	2024/05/13	(1) Approval of Q1 2024 consolidated financial report. (2) Approval of guarantee endorsement limits for subsidiaries.
Shareholders' Meeting	2024/06/13	(1) Approval of the company's 2023 Business Report and Financial Statement for ratification. (2) Approval of the 2023 Earnings Distribution for ratification. Implementation Status: Approved Ex-dividend date: July 15, 2024 Payment date: July 31, 2024 (The dividend amount per share is set at NT\$1.16479823.) (3) Approval of the amendment of the "Articles of Incorporation". Implementation Status: The Articles of Incorporation have been approved and registered with the Ministry of Economic Affairs on July 30, 2024. (4) By-election of one director. Implementation Status: Registered with Ministry of Economic Affairs on July 30, 2024.
BOD	2024/06/14	(1) Appointment of General Manager for subsidiary Xie Yi Technology Machinery (China) Co., Ltd. (2) Appointment of the company's president.
BOD	2024/08/12	(1) Approval of 2023 cash bonuses for managerial officers. (2) Re-appointment of the company's president. (3) Approval of Q2 2024 consolidated financial report. (4) Approval of endorsement guarantee for subsidiary company.
BOD	2024/11/07	(1) Approval of Q3 2024 consolidated financial report.
BOD	2024/12/26	(1) Adoption of "Sustainability Committee Organizational Procedures." (2) Adoption of "Sustainability Information Management Procedures." (3) Approval of 2025 audit plan.
BOD	2025/01/17	(1) Approval of 2024 year-end bonuses for managerial officers. (2) Approval of 2025 business plan.
BOD	2025/03/14	(1) Approval of 2024 financial report, business report, and profit distribution. (2) Approval of 2024 employee and director remuneration methods and amounts. (3) Amendment to "Board Remuneration and Bonus Distribution Procedures." (4) Approval of cash dividend distribution from 2024 earnings. (5) Election of the 18th Board of Directors. (6) Nomination and review of Board and Independent Director candidates. (7) Proposal for revoking the restriction on diligence.

Shareholders' Meeting or Board of Directors(BOD)	Date	Important resolutions
		(8) Acceptance of shareholder proposals for the Annual General Meeting agenda and director nominations. (9) Amendment to the company Articles of Incorporation. (10) Establishment of 2025 Annual General Meeting arrangements. (11) Appointment and remuneration of external auditors for 2025 and assessment of their independence and competence. (12) Approval of guarantee endorsement limits for Seyi-America and Seyi Presses Europe. (13) Approval of 2024 "Internal Control Effectiveness Assessment" and "Internal Control Statement." (14) Planning of dividend distribution for subsidiary Seyi International.

- (12) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or independent director has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

III. Information on the professional fees of the attesting CPAs:

Unit: NT\$ Thousands

Name of accounting firm	Names of CPAs		Period covered by the CPA audit	Audit fees	Non-audit fees	Total	Remarks
Deloitte & Touche	Chien-Hsin Hsieh	Bo-Ren Weng	2024.01.01~2024.12.31	2,800	210	3,010	None

Note: If the company changed its CPAs or accounting firm during the fiscal year, list the audit periods before and after the change separately, and specify the reason for the change in the "Remarks" column.

- (1) If the amount of non-audit fees paid to the CPA, the accounting firm and its affiliates is more than one-fourth of the audit fees, disclose sequentially the audit and non-audit fees paid. For non-audit fees, additionally specify the content of the services: None.
The non-audit fees are mainly \$210 thousand for tax audit.
- (2) 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.
- (3) 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) therefore shall be disclosed: None.

IV. Information on the replacement of certified public accountant:

The audit and attestation of the company's 2024 financial statements will be conducted by CPA Chien-Hsin Hsieh and CPA Bo-Ren Weng of Deloitte & Touche. This change aligns with the firm's internal rotation policy.

V. Whether the chairman, president, or manager in charge of financial or accounting affairs of the company has worked in the firm of the CPAs or its affiliated enterprises in the past year: None.

VI. Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report) by a board of director, 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.

(I) Changes in Shareholding of Directors, Managerial Officers, and Major Shareholders

Job Title	Name	2024		As of April 15, 2025	
		Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	Increase/decrease in the number of shares held	Pledged shareholding increase (or decrease)
Chairman	Ya-Hui Kuo	0	0	0	0
Director	Yu Cheng Investment Co., Ltd.	0	0	0	0
Representative of the corporate director	Chin-Jen Fu	0	0	0	0
Director	Cheng Lin Investment Co., Ltd.	(36,000)	0	(20,000)	0
Representative of the corporate director	Shin-Ming Tung	0	0	0	0
Director	Hsiao-Kuang Chen	0	0	0	0
Independent Director	Yuan-Li Tseng	0	0	0	0
Independent Director	Hai-Ching Wang	0	0	0	0
Independent Director	Shu-Chuan Chen	0	0	0	0
President	Chen-Wei Lee	70,000	0	0	0
Executive Vice President	Liu, Kuo-Wang	0	0	0	0
Vice President	Tsui-Hua Wu	0	0	0	0
Vice President	Chin-Ching Lai	0	0	0	0

Note 1: Any shareholder holding more than 10 percent of the company's total share capital shall be noted as a major shareholder, and such shareholders shall be listed individually.

Note 2: If the counterparty of a transfer of shareholding or a pledge of shareholding is a related party, additionally complete the table below.

(II) Information on Transfers of Shareholding:

Name (Note 1)	Reason for transfer (Note 2)	Date of transaction	Counterparty	Relationship between the counterparty and the company, directors, managerial officers, and major shareholders	No. of shares	Transaction price
None						

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

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

(III) Information on Pledges of Shareholding: None.

VII. Relationship information, if among the company's 10 largest shareholders anyone is a related party under SFAS No. 6:

Relationships Among the Top 10 Shareholders are Related Parties

April 15, 2025

Name	Shareholding		Shareholdings of spouse and minors		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree of kinship		Re- marks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name of entity (or individual)	Relationship	
Yu Cheng Investment Co., Ltd.	13,000,000	8.21%	0	0.00%	0	0.00%	None	None	None
Yu Cheng Investment Co., Ltd. Representative: Hsiu-E Chen	82	0.00%	0	0.00%	0	0.00%	Ya-Hui Kuo Ying-Hui Kuo Li-Hui Kuo	Mother and Daughter Mother and Daughter Mother and Daughter	None
Far Union Investment Limited	7,839,547	4.95%	0	0.00%	0	0.00%	None	None	None
Far Union Investment Limited Representative: Pi-E Hu	701,721	0.44%	1,650,493	1.04%	0	0.00%	Chuan-Chih Kao Wei-Hung Kao	Spouse Mother and Son	None
Ying-Hui Kuo	4,524,596	2.86%	0	0.00%	0	0.00%	Hsiu-E Chen Ya-Hui Kuo Li-Hui Kuo	Mother and Daughter Sisters Sisters	None
Ya-Hui Kuo	4,300,138	2.71%	0	0.00%	0	0.00%	Hsiu-E Chen Li-Hui Kuo Ying-Hui Kuo	Mother and Daughter Sisters Sisters	None
The Standard Chartered Bank is the custodian entrusted with safeguarding the investment account of Mizuho Securities Co., Ltd.	2,588,000	1.63%	0	0.00%	0	0.00%	None	None	None
Citibank (Taiwan) Ltd. is the custodian entrusted with safeguarding the investment account of UBS Europe SE.	1,795,000	1.13%	0	0.00%	0	0.00%	None	None	None
Chuan-Chih Kao	1,650,493	1.04%	701,721	0.44%	0	0.00%	Pi-E Hu Wei-Hung Kao	Spouse Father and Son	None
HSBC (Taiwan) Bank serves as the custodian for the Société Générale Europe Options investment account.	1,204,000	0.76%	0	0.00%	0	0.00%	None	None	None
Li-Hui Kuo	1,200,115	0.76%	0	0.00%	0	0.00%	Hsiu-E Chen Ya-Hui Kuo Ying-Hui Kuo	Mother and Daughter Sisters Sisters	None
Wei-Hung Kao	903,060	0.57%	0	0.00%	0	0.00%	Chuan-Chih Kao Pi-E Hu	Father and Son Mother and Son	None

VIII. The total number of shares and total equity stake held in any single enterprise by the company, its directors, managerial officers, or any companies controlled either directly or indirectly by the company.

Total Ownership of Shares in Investee Enterprises

Unit: Shares; %

Investee enterprise (Note 1)	Investment by the company		Investment by the Directors, Managerial Officers and Directly or Indirectly Controlled Entities of the company		Total investment	
	Number of shares	Shareholding ratio %	Number of shares	Shareholding ratio %	Number of shares	Shareholding ratio %
SEYI-AMERICA, INC.	3,000,000	100.00	0	0	3,000,000	100.00
SEYI INTERNATIONAL (SAMOA) INC.	2,252,750	100.00	0	0	2,252,750	100.00
SEYI PRESSES EUROPE GmbH	250,000	100.00	0	0	250,000	100.00
XIE DA INVESTMENT LTD.	25,000,000	100.00	0	0	25,000,000	100.00
SEYI TECHNOLOGY (SAMOA) INC.	2,000,000	100.00	0	0	2,000,000	100.00
SEYI (THAILAND) CO.,LTD.	75,000	100.00	0	0	75,000	100.00
XIE YI TECH MACHINERY (CHINA) CO., LTD.	Note 2	100.00	Note2	0	Note 2	100.00

Note 1: The information on the number of shares held by the investee company is for the year ended March 31, 2025.

Note 2: There is no share issuance because it is a limited company; the company adopts the investment accounted for using the equity method.

Chapter Three. Fund Raising Status

I. Capital and shares

(I) Types of shares issued by the company and source of capital stock during the preceding fiscal years and in the current fiscal year up to the date of the publication of the report:

1. Source of capital stock:

Unit: shares; NT\$

Month/year	Issued price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of capital	Capital paid in by assets other than cash	Other
August 2014	10	202,800,000	2,028,000,000	158,481,110	1,584,811,100	Cash capital increase 150,000,000	None	Note 1
August 2014	10	202,800,000	2,028,000,000	160,481,110	1,604,811,100	Restricted stock 20,000,000	None	Note 2
January 2015	10	202,800,000	2,028,000,000	160,434,110	1,604,341,100	Cancellation of treasury stocks 470,000	None	Note 3
April 2017	10	202,800,000	2,028,000,000	160,254,110	1,602,541,100	Cancellation of restricted stock 1,800,000	None	Note 4
May 2017	10	202,800,000	2,028,000,000	158,434,110	1,584,341,100	Cancellation of restricted stock 18,200,000	None	Note 5
July 2019	10	300,000,000	3,000,000,000	158,434,110	1,584,341,100	-	-	Note 6

Note:

- 1: Approved by the Ministry of Economic Affairs on 2014.08.18 (103) with letter Jin Shou Shang Zi No. 10301169590.
- 2: Approved by the Ministry of Economic Affairs on 2014.08.29 (103) with letter Jin Shou Shang Zi No. 10301178220.
- 3: Approved by the Ministry of Economic Affairs on 2015.01.22 (104) with letter Jin Shou Shang Zi No. 10401009310.
- 4: Approved by the Ministry of Economic Affairs on 2017.04.12 (106) with letter Jin Shou Shang Zi No. 10601041470.
- 5: Approved by the Ministry of Economic Affairs on 2017.05.31 (106) with letter Jin Shou Shang Zi No. 10601067950.
- 6: Approved by the Ministry of Economic Affairs on 2019.07.26 (108) with letter Jin Shou Shang Zi No. 10801083490.

2. Type of shares issued:

Unit: Shares

Type	Shares	Authorized capital			Remarks
		Outstanding shares (OTC)	Unissued shares	Total	
Nominal ordinary shares		158,434,110	141,565,890	300,000,000	OTC listed shares

3. Information Relating to the Shelf Registration System: None.

(II) Information on shareholders with a stake of 5 percent or greater, or the shareholders who rank in the top 10 in shareholding percentage

April 15, 2025

Shares Names of major shareholders	Total Shareholding (Shares)	Shareholding Ratio (%)
Yu Cheng Investment Co., Ltd.	13,000,000	8.21%
Far Union Investment Ltd	7,839,547	4.95%
Ying-Hui Kuo	4,524,596	2.86%
Ya-Hui Kuo	4,300,138	2.71%
The Standard Chartered Bank is the custodian entrusted with safeguarding the investment account of Mizuho Securities Co., Ltd.	2,588,000	1.63%
Citibank (Taiwan) Ltd. is the custodian entrusted with safeguarding the investment account of UBS Europe SE.	1,795,000	1.13%
Chuan-Chih Kao	1,650,493	1.04%
HSBC (Taiwan) Bank serves as the custodian for the Société Générale Europe Options investment account.	1,204,000	0.76%
Li-Hui Kuo	1,200,115	0.76%
Wei-Hung Kao	903,060	0.57%

Note 1: The total number of issued shares of the company was 158,434,110 shares.

(III) Company's dividend policy and implementation thereof. If a material change in dividend policy is expected, provide an explanation:

1. Dividend policy adopted in the company's Articles of Incorporation:

When the company's annual final accounts show a surplus, the company shall first pay taxes and make up for accumulated deficits, and then set aside 10% of the legal reserve, except when the legal reserve has reached the company's total paid-in capital. Also, if special reserve is set aside or reversed as required by law or by the competent authority, the undistributed earnings from previous years may be added to the distributable earnings. The board of directors shall prepare a proposal to distribute the earnings, and if the proposal is made by issuing new shares, the proposal shall be submitted to the shareholders' meeting for resolution.

The company may authorize the distributable dividends and bonuses or the statutory surplus reserves and capital reserves stipulated in Article 241 of the Company Act, in whole or in part, to be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting in accordance with Article 240 of the Company Act.

The company shall adopt the residual dividend and stable dividend policy based on the earnings status, future funding needs, and development plans in order to

collaborate with the internal and external environments, facilitate the company's long-term financial planning, and enable stable and sound operation developments. The distribution of stock dividends, cash dividends, or the combination of stock dividends and cash dividends shall be considered after retaining the surplus financing requirements. However, if stock dividends are distributed with cash dividends, the cash dividends shall not exceed 80% of the total distribution.

2. The proposal of dividend distributions for the most recent year:

The proposed distribution of earnings and cash dividends from capital reserve for 2024 has been approved by the board of directors on March 14, 2025. The proposed distribution consists of cash dividends of NT\$1.2 per share, or a total of NT\$190,120,932.

3. If there is a significant change in the dividend policy, it should be stated: None.

(IV) The effect of the proposed stock dividends by the shareholders' meeting on the company's business results and earnings per share: None.

(V) Compensation of employees and directors:

1. The percentages or ranges with respect to employee and director compensation, as set forth in the company's articles of incorporation:

After subtracting the employee, and director, remunerations from the current year's pre-tax benefits, the company shall set aside at least 2% for employee remuneration and no more than 5% for director remuneration. The board of directors shall implement the resolution adopted by a majority vote at a board of directors meeting attended by over two-thirds of the directors and report to the shareholders' meeting. However, if the company still has accumulated losses, the make-up amount should be reserved in advance. The employees to receive stock and cash bonus may include employees serving in affiliates who meet specific requirements. .

2. The basis for estimating the amount of compensation to employees and directors, the basis for calculating the number of shares of employees' compensation distributed by stock, and the accounting treatment if the actual amount of distribution differs from the estimated amount.

There was no difference in the amount estimated for the period and there was no employee compensation distributed in stock.

3. Distribution of remuneration approved by the board of directors:

(1) The amount of compensation to employee and director distributed in cash or shares: If the estimated annual expense is different from the recognized expense, the amount, reason and treatment of the difference should be disclosed:

The compensation to employee, director and supervisor is not provided due to the net loss before tax for the year occurred.

(2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation: Not applicable.

4. If there is any difference between the actual distribution (including the number of shares distributed, the amount and the price of shares) and the recognition of compensation to employees and directors in the previous year, the amount, the reason and the handling of the difference should be stated as follows: No difference.

(IX) Status of a company repurchasing its own shares: None.

II. Issuance of corporate bonds (including foreign corporate bonds): None.

III. Issuance of preferred shares: None.

IV. Issuance of global depository receipts: None.

V. Issuance of employee share subscription warrants: None.

VI. Issuance of new restricted employee shares: None.

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

VIII. Implementation of the company's capital allocation plans: None.

Chapter Four. Overview of Business Operations

I. A description of the business:

(I) Scope of business:

1. Major lines of business:

- (1)CB01010 Mechanical Equipment Manufacturing
- (2)CB01990 Other Machinery Manufacturing
- (3)I301010 Software Design Services
- (4)I599990 Other Designing
- (5)ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. The relative weight of main current products:

Main product	Important applications and functions	2024 Consolidated Net revenue (in thousands)	2024 Weight in sales (%)
Stamping press	It can be used in single or continuous die precision stamping of metal materials such as forming, shearing, bending and stamping. Its applications include automotive stamping parts, sheet metal parts, skeleton. It is also used for stamping components such as computer cases for information equipment, computer hard drives, CD-ROMs, optical readheads, DVD products, communication products, consumer electronic products such as home appliances, stationery products, air conditioner cases, and motors.	3,426,999	95.36%
Others	Income from maintenance, sale of spare parts, and design services	166,795	4.64%
Total		3,593,794	100.00%

3. Company's current products

Shieh Yih Machinery offers a comprehensive product line of mechanical and servo presses ranging from 25 to 2,500 tons. The company specializes in the design and manufacturing of both mechanical and servo presses, and is currently ranked among the world's top five servo press manufacturers and the top twenty machine tool equipment suppliers globally. Shieh Yih Machinery provides versatile solutions suitable for single-machine or multi-machine lines, single-shot, progressive die, or transfer die operations. These solutions are designed to meet various metal stamping processes and accommodate workpieces of different sizes. The company serves a wide range of industries, including automotive, consumer electronics, home appliances, construction hardware, agricultural machinery, aerospace, and medical devices. To support customers in responding to global industry trends, SEYI actively integrates "green product" concepts into its designs. The company has developed a complete line of high-efficiency, digitalized, and energy-saving low-carbon servo presses. In response to the growing attention to hydrogen energy in the new energy vehicle market, SEYI is also advancing

into related applications, making the development of dedicated servo presses for such uses a key focus for 2025. As manufacturing moves toward digitalization and smart automation, SEYI offers turnkey stamping line solutions that integrate presses with peripheral automation equipment, meeting customers' needs for one-stop sourcing. In line with the rising demand for smart manufacturing and green transformation across industries, SEYI has launched intelligent energy-saving stamping solutions. These systems use IoT-based architecture to collect data from machine sensors and transform it into reports or dashboards, helping customers monitor power consumption and calculate product carbon footprints.

4. New product planned for development

Type	Function
High-tonnage servo die	Servo digital control, position and load can be customized to improve forming performance
Servo link electronic control system	Integrated with servo press and automatic peripheral equipment to maximize the servo product characteristics and to improve the equipment's production efficiency.
High-torque clutch	The clutch is the core device for the press. We can control the schedule with our own production in order to meet the customer's demand for short lead time and reduce the reliance on imported parts for long lead time.
Smart Mechanical Systems	In response to the Industry 4.0 and Smart Production trends, we have developed a dedicated forming production line management system for the press.
Smart Machinery System	In response to the global trend of Industry 4.0 and intelligent manufacturing, a dedicated forming process and production line management system for stamping operations is being developed.
Clutch Testing Equipment	Developed alongside in-house high-torque hydraulic clutches, this system enables essential measurement and inspection for clutch performance validation.
Energy-Saving Hydraulic Power System	Development of energy-efficient HW series hydraulic power supply systems tailored for clutch operation, reducing energy consumption while ensuring performance.
High-Precision Servo Press	A high-precision, specialty-grade servo press specifically designed for the forming of hydrogen fuel cell bipolar plates.

(II) Overview of the industry:

1. Current status and development of the industry:

In the first half of 2024, Taiwan's machinery industry experienced a slowdown in investment across application markets, impacted by geopolitical tensions, high inflation and interest rates, and the weak economic growth in China. The depreciation of the Japanese yen also intensified price competition from Japanese brands. According to customs export statistics compiled by the Taiwan Association of Machinery Industry (TAMI), Taiwan's total machine tool exports reached USD 2.21789 billion in 2024, a decline of 14.8% compared to the same period last year. Among these, exports of forming machine tools totaled USD 383.39 million, representing a 3.7% year-over-year decrease. Taiwan's machine tool industry continues to face pressure from ongoing geopolitical conflicts such as the Russia-Ukraine war, as well as high- and low-end competition from both Japan and China, leading to underwhelming export performance. Although demand for machinery and equipment may rebound in the second half of the year, the market outlook remains clouded by numerous uncertainties and policy adjustments. The industry's future development will

heavily depend on changes in global economic and trade policies. The machine tool sector is expected to face even fiercer competition in 2025. The key to future growth lies in the adoption of smart machinery technologies, particularly the integration of artificial intelligence (AI), robotics, and digital twins, as well as driving enterprises toward green transformation by reducing energy and resource consumption, with the ultimate goal of achieving net-zero carbon emissions. This will help strengthen companies' long-term competitiveness in the global market.

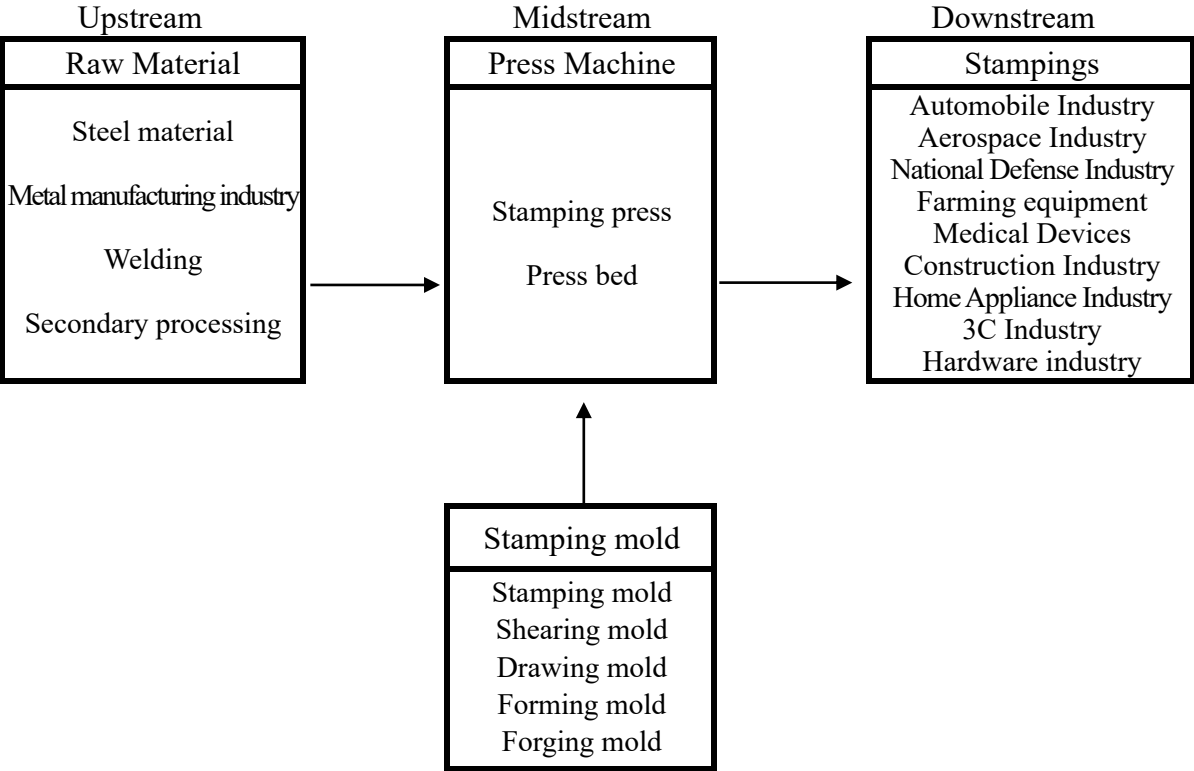
In terms of smart technology adoption, AI, digital twins, robotics, and generative AI can be effectively leveraged to accelerate innovation in mechanical products and integrated solutions, while also building intelligent human-machine interfaces to enhance product performance and flexibility. For example, digital twin simulations can be used to accelerate product design and optimization, support process planning, and reduce potential challenges during actual production. Generative AI-powered chatbots can provide immediate support for machine and process inquiries, helping customers resolve issues quickly and improve production efficiency. Shieh Yih Machinery places strong emphasis on AI development. Its internal R&D teams are actively exploring applications in mechanical design, intelligent stamping, and after-sales service, providing added value through software capabilities built upon hardware foundations.

In fulfilling ESG commitments, efforts are being made on both the equipment manufacturing side and the end-user application side. During equipment production and operations, reducing material, energy, and resource consumption is essential. Upstream suppliers are also being encouraged to collaborate on carbon reduction efforts, with the goal of offering green equipment and integrated solutions with low energy consumption and low carbon emissions throughout the product lifecycle. In October 2023, Shieh Yih Machinery successfully secured a government subsidy under the Ministry of Economic Affairs' Industrial Development Administration program for "Large Enterprises Leading SMEs in Low-Carbon and Intelligent Manufacturing Transformation." The company led 10 upstream suppliers in executing the project. These suppliers have completed carbon counseling courses and are now implementing a Q-Carbon system that allows them to upload emission data and automatically generate organizational GHG inventory reports. This initiative supports Shieh Yih's efforts to collect carbon footprint data for raw materials and calculate the overall carbon footprint of its press machines.

For end users, energy-efficient and high-performance machinery is critical. SEYI's presses are designed with sustainability in mind. Its low-energy-consumption servo presses serve as optimal solutions for customers undergoing net-zero transitions. Additionally, to facilitate carbon footprint calculations of stamped products, SEYI provides a visualized human-machine interface that allows managers to monitor electricity usage in real time. Features such as report exporting and power consumption trend analysis help extend equipment lifespan and reduce electricity costs.

In summary, as machinery manufacturers in Taiwan remain export-oriented, they must stay attuned to shifts in global supply chains, geopolitical risks, and develop the ability to forecast and position themselves in future industries. Amid ongoing trade tensions between major powers, emerging markets, like India and Mexico have become new forces in the global manufacturing supply chain. Machinery companies must therefore accelerate the establishment of local service centers and production facilities to capture demand from critical sectors such as semiconductors, energy, and aerospace and defense.

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



3. Development trends and competition for the company's products:

(1) Development trend for stamping press industry

The primary end-user of the stamping press industry—the automotive sector—has been accelerating its transition toward electrification in recent years, driven by global net-zero targets. Major European automakers have committed to electric vehicle (EV) development. However, in the process of transformation, they face several challenges, including rising competition from Chinese EV brands, dominance of battery technologies by Chinese companies, and the need to overcome limitations in charging infrastructure. The Russia-Ukraine war further highlighted concerns over the autonomy of battery material supply chains. Entering 2024, the global EV supply chain continues to be impacted by geopolitical instability, leading to a slowdown in overall EV market growth. While traditional European automakers seek to increase their global EV market share, many are also exploring alternative new energy vehicle solutions. One such avenue is hydrogen-powered fuel cell electric vehicles (FCEVs), which present a differentiated development path compared to battery electric vehicles. According to a Markets research report, the global automotive fuel cell market is projected to reach USD 200 million in 2024 and grow to USD 2.1 billion by 2030, at a compound annual growth rate (CAGR) of 48%. This growth is supported by government investments in green hydrogen technology and infrastructure, as well as the rising demand for fuel-efficient, low-emission transportation options to meet increasingly stringent carbon emission regulations.

Hydrogen's clean and efficient characteristics have positioned it as a viable global solution for net-zero emissions. During usage, hydrogen produces no greenhouse gases or pollutants, making it an environmentally friendly energy source for transportation, industrial applications, and residential power. Hydrogen fuel generates electricity through fuel cells, with water vapor as the only by-product. Each fuel cell consists of a cathode, anode, proton exchange membrane, and two bipolar plates. Stacked together, these cells form a fuel cell stack, which is then assembled with peripheral components to form a power generation module. Among these, bipolar plates are a key component of fuel cells and represent a promising application market for the stamping press industry in the coming years. Both Japanese and European press manufacturers have already developed dedicated machines for this application. Recognizing the potential of this market, SEYI has invested considerable effort in market research and direct communication with clients to understand the stamping requirements at the end-user level. The development of related stamping solutions is one of the company's core product development focuses for 2025. Challenges in EV development and vehicle lightweighting will continue, and with sustainability no longer just a slogan, the industry has reached a consensus on the advantages of servo presses, which offer high forming capabilities and efficiency. Competition in the servo press segment is expected to intensify significantly.

From a product development perspective, press manufacturers are enhancing their electronic control systems to meet rising manufacturing costs and the growing difficulty in recruiting skilled metalworking personnel. The ability to quickly integrate diverse processes, automate equipment, and enable flexible production hinges on the strength of electronic control system development. Most manufacturers now offer various controller brands tailored to regional customer preferences. With AI adoption accelerating across industries, manufacturers are also introducing various AI-powered applications as value-added services. These include predictive maintenance that detects or anticipates early signs of mechanical failure, and generative AI chatbots that assist customers in troubleshooting issues in real time. SEYI is actively monitoring these industry developments and continues to enhance its intelligent stamping solutions. By offering customized implementations based on customer needs and integrating peripheral automation, SEYI aims to help clients advance their digital transformation and improve production line visibility and efficiency.

(2) Analysis of competition in the stamping press industry

In terms of global competition, SEYI most frequently encounters rivalry from Japanese press manufacturers. The Japanese yen remained weak in the first half of 2024, leading to aggressive price competition in Japan, Southeast Asia, and even Western markets where Japanese brands are active. Fortunately, SEYI remains competitive in terms of lead times and global after-sales service infrastructure, allowing the company to actively respond to this pressure. Another industry trend involves well-capitalized firms acquiring peripheral automation equipment manufacturers, smaller press manufacturers, or electronic control companies to expand their product lines. This one-stop-shopping model simplifies purchasing for clients and strengthens order conversions. Though SEYI is not pursuing large-scale acquisitions, it has built long-term partnerships with automation vendors over the past decade. For example, in recent projects supporting Japanese clients in Europe, SEYI worked alongside both Taiwanese and local European partners to provide integrated solutions tailored to each project. Internally, the company continues to invest in the development of electronic control systems and maintains deep relationships with key customers to secure repeat orders through superior service and product reliability.

From a market application perspective, metal stamping remains critical in the automotive industry. As the shift toward electrification continues, manufacturers remain focused on high-potential components such as automotive body panels, battery housings, and electric motor cores. Japanese and American press manufacturers have launched high-speed presses tailored for small- to medium-tonnage electric motor core production. For cylindrical or box-shaped battery housings, mechanical presses remain the preferred choice for mass production. In contrast, for vehicle body components, the growing need for lightweight materials has made servo presses the superior choice over traditional mechanical presses, particularly for forming high-tensile steel and aluminum alloys. As previously noted, the advantages of servo presses are now widely recognized. They align with the industry's energy-saving and environmental goals and remain a core product focus for SEYI. The company continues to invest heavily in R&D to maintain its leadership, expanding its servo product line to include features such as servo die cushions, C-frame servo presses, and specialized machines for niche applications. Despite increasing competition, SEYI leverages its 60 years of experience in R&D and manufacturing, its globally unique servo motors designed specifically for presses, and a comprehensive global service network. These assets remain key competitive strengths. By focusing on high-potential applications, enhancing existing models, and accelerating the introduction of new specifications through digital tools, SEYI aims to increase product value and profit margins through innovation.

(III) Overview of technology and R&D:

1. R&D expenditures in the most recent fiscal year and up to the date of publication of the annual report

Unit: NT\$ thousand

Item \ Year	2024	As of March 31, 2024
R&D expense	153,404	32,671

2. Successfully developed technology or product

Year	R&D results
2020	<ol style="list-style-type: none"> 1. Completed the development of SDF1-100 compact high rigidity servo press. 2. Completed the design of SDM1-500 high precision heavy load servo press. 3. Completed the design of pneumatic die for 80-ton transfer press. 4. Completed development of high pressure oil chamber module for straight side press. 5. Obtained new type patent: Crane system with emergency power-off device 6. Obtained a new patent for “Press that can press the die after passing the lower dead center position”.
2021	<ol style="list-style-type: none"> 1. Completed the test run and inspection of SDM1-500 high precision heavy load servo press. 2. Complete PC06/PC10/PC15/PC30 die design optimization
2022	<ol style="list-style-type: none"> 1. Completed the development of the SDE4-1600 large eccentric gear servo press. 2. Completed the development of the SE4-1000(B) blanking press. 3. Completed the design of the SE2-1200(T) multi-station transfer press. 4. Completed the design of the HW200 high-torque clutch. 5. Development of Full-Tonnage Full-Stroke Protection Function for Servos press
2023	<ol style="list-style-type: none"> 1. Completion of the development of the SDN1-110 C type servo press. 2. Completion of the design of the SNS2-600-LT split-frame. 3. Completion of the design of the SAG2-400 vertical-axis high-rigidity. 4. Completion of the design study for the Scottish yoke SDN1-110.
2024	<ol style="list-style-type: none"> 1. Completed development of SE4-800(B) high-speed blanking press 2. Completed development of stamping/shearing vibration simulation and testing system, enabling validation for new machine development 3. Completed development of single-point 800-ton high-pressure hydraulic chamber 4. Completed design of SAG2-1600 two-point high-rigidity large-tonnage press

(IV) Long-term and short-term business development plans:

1. Short-term business development plans:

- (1) Leverage a comprehensive product line of low-carbon servo presses and smart energy-saving stamping solutions to assist customers in achieving net-zero and digital transformation goals.
- (2) Reassess the current product portfolio to optimize and improve existing models based on customer-oriented needs, with the goal of reducing production costs.
- (3) Restructure the supply chain and expand the list of alternative suppliers and backup materials to reduce overall material costs throughout the year.
- (4) Target high-potential emerging application markets and develop customized machines tailored to customer needs to boost revenue.
- (5) Provide high-quality after-sales service and real-time local support to build trust and increase customer repurchase rates.

2. Long-term business development plans:

- (1) Continue advancing toward the goal of becoming a total stamping solution provider, enabling customers to realize fully automated stamping production lines.
- (2) Explore diversified metal stamping applications to ensure new product development aligns with market demands.
- (3) Integrate R&D resources from domestic and international industry, government, academia, and research institutions to develop core stamping technologies and stay at the forefront of technological trends, including the application of artificial intelligence and new composite materials.

- (4) Strengthen long-term partnerships with regional distributors and provide comprehensive training throughout the entire sales cycle—from pre-sales to after-sales support.

II. Market, Production and Sales overview:

(I) Market analysis:

1. The company's main product sales area

Unit: NT\$ thousand; %

Year Type of Sales	2022		2023		2024	
	Net sales	Ratio (%)	Net sales	Ratio (%)	Net sales	Ratio (%)
China	1,566,630	44.15%	1,310,444	37.47%	1,389,597	38.67%
Taiwan	303,038	8.54%	117,209	3.35%	128,327	3.57%
America	985,259	27.76%	1,207,323	34.52%	1,111,001	30.91%
Europe	124,971	3.52%	172,450	4.93%	367,034	10.21%
Other areas	568,680	16.03%	690,245	19.73%	597,835	16.64%
Operating revenue, net	3,548,578	100.00%	3,497,671	100.00%	3,593,794	100.00%

2. Market share:

The global political and economic landscape in 2024 has been marked by volatility, with heightened geopolitical risks and signs of economic slowdown. Despite these external uncertainties and mounting challenges, SEYI has remained focused on strengthening its corporate fundamentals and accumulating technological capabilities. Through strategic adjustments in its product sales mix, improvements in procurement and production cost structures, and proactive responses to mainstream market demands, the company has achieved a revenue performance that surpassed 2023 levels. Moreover, SEYI has consistently maintained its position among the top five global servo press manufacturers by market share.

Continuing the sales strategy from 2023, the company has managed to uphold its performance in the automotive sector—even amid sluggish global auto market demand—thanks to the robust activity of emerging economies such as those in Southeast Asia. Revenue from automotive-related applications still accounts for around 50% of total sales. Meanwhile, other industries, such as consumer electronics and high-end home appliances, have contributed increasingly to the overall business, balancing the decline in certain segments. One of the brightest highlights in the 2024 global stock market has been the surge in investment related to artificial intelligence. The AI server market has experienced explosive growth, driving strong demand for stamped components such as metal enclosures, racks, and water-cooling modules. As a result, a portion of the company's revenue has been positively impacted by this market. Demand from the high-end home appliance sector also remains steady, with repeat orders from major Japanese air conditioning manufacturers contributing significantly to revenues. These customers have adopted standardized stamping solutions across multiple global production sites.

Servo press sales accounted for nearly 50% of total revenue. As the "net-zero transition" becomes a pressing issue for metal stamping manufacturers, many are prioritizing energy-

efficient green technologies—like servo presses—given that electricity consumption by production equipment often represents a large portion of a product's carbon footprint. Furthermore, as products trend toward low-carbon designs, the use of lightweight materials becomes essential, presenting new forming challenges. Servo presses, with their adjustable stroke curves and programmable slide motion tailored to specific dies, materials, and forming methods, have emerged as ideal tools for material testing and advanced stamping. Demand for such capabilities is expected to rise in Europe, the U.S., and Japan.

3. Demand and supply conditions for the market in the future, and the potential of market growth

(1) Supply and demand trends in the market

In April 2025, the International Monetary Fund (IMF) released its latest World Economic Outlook, revising down its global economic growth forecast for 2025 to 2.8%. The report highlights escalating geopolitical conflicts, the prolonged effects of monetary tightening, and rising trade protectionism risks. The IMF also warned of a growing likelihood of countries significantly increasing tariffs and adopting retaliatory measures. While the U.S. growth forecast was raised to 1.8%, the eurozone outlook was lowered to 0.8%. China's growth projection stands at 4.0%, while India is expected to outperform with a growth rate of approximately 6.2%. The World Bank, on the other hand, is expected global economic growth to remain subdued at 2.7% in 2024, despite ongoing geopolitical tensions and high interest rates. It identified four major challenges ahead: persistent geopolitical instability, deepening global trade fragmentation, sustained inflationary pressure due to prolonged high interest rates, and increased frequency of climate-related natural disasters. In light of these risks, the global economic policy focus should include: maintaining a stable international trade system, advancing green and digital transitions for sustainable development, providing debt relief for highly indebted nations, and improving food security in vulnerable economies.

Regarding the impact of global economic developments on the future outlook of the industry, according to an industrial trend survey conducted by the Taiwan Institute of Economic Research in early 2025, it was initially forecasted that the machinery and equipment manufacturing sector would benefit from opportunities brought by AI and experience an economic rebound. The tariff storm initiated by the United States in early April has cast a shadow over this outlook. The originally planned 32% tariff on Taiwan's machinery industry has been temporarily suspended, a 10% reciprocal tariff remains in place during the 90-day buffer period. The lack of progress in international negotiations has added to global economic uncertainty, the proportion of manufacturers who hold a pessimistic outlook on the economic climate for the second half of the year has increased significantly. Although exports in April saw a surge—marking the first single-month positive export growth this year—as clients rushed to place orders in advance to hedge against potential tariff fluctuations, exports in the second half of the year will still rely on the continued generation of new orders in order to have a chance at reversing the downward trend caused by dim prospects. Some Taiwanese manufacturers have already adopted a "localized manufacturing" strategy by setting up production bases in the United States. Establishing factories in the U.S. involves challenges such as high costs for land, labor, and environmental compliance, which in turn increases operational pressures and may reduce product competitiveness. Consequently, some companies are considering shifting their market focus away from the U.S. to other regions such as Southeast Asia, Europe, and India. From a market application perspective, technological innovation—particularly the ongoing AI boom—is expected to remain a major driving force for investment. This trend is widely recognized by most companies, which also hope to leverage AI to effectively reduce operational costs. This also implies that both government and private sectors will accelerate

spending on AI infrastructure and low-carbon transitions, which is likely to sustain inflationary pressures.

Regarding the automotive market, S&P Global Mobility's latest forecast indicates that global electric vehicle (EV) sales are expected to grow by 30% in 2025, reaching 15.1 million units and increasing their market share to 16.7%, up from 13.2% in 2024. China remains the global leader in EV adoption, projected to reach a 29.7% market share in 2025 and surpass traditional internal combustion engine (ICE) vehicle sales. However, the Chinese EV market faces challenges including oversupply, intensified competition, and ongoing price wars, which may result in the market exit of many local brands. Additionally, the market share of foreign EV brands in China is rapidly declining. In Europe, EV sales are expected to grow by 43.4%, accounting for 20.4% of the total car market. Notably, hybrid electric vehicles (HEVs) are currently the most popular powertrain choice in the EU. In the U.S., EVs are projected to account for 11.2% of total car sales in 2025, with a year-on-year growth rate of 36%. However, further market expansion may remain constrained by policy uncertainties.

(2) Future development trend and growth

The year 2025 marks a pivotal turning point for the electric vehicle (EV) market. Despite certain automotive brands opting to slow their electrification efforts, the continued global growth in EV demand underscores the accelerating shift toward vehicle electrification. Future competition will center around technological innovation, cost competitiveness, and comprehensive infrastructure development. The rapid expansion of the EV sector is not only reshaping the global automotive industry but also serving as a key driver of global sustainability efforts. Nevertheless, overall automotive market demand is expected to grow only marginally in 2025. Recent developments, such as the joint hybrid strategy between Honda and Nissan, reflect the turbulent and rapidly evolving landscape of the global automotive sector. Traditional automakers are being challenged by declining sales, intensified competition, and disruptive innovations. Staying agile and responsive to these changes is critical for survival.

For the metal stamping industry, it is crucial not only to monitor changes in the automotive application sector but also to address the internal transformation required to stay relevant. Industry megatrends—smart manufacturing, net-zero transitions, AI integration, and automation—remain dominant themes. Facing persistent labor shortages and material supply constraints, manufacturers must focus on enhancing infrastructure and productivity. The ability to efficiently utilize limited resources and adopt automated, digitalized stamping solutions will be a decisive factor in navigating market volatility and achieving sustainable growth.

4. Competitive niches, positive and negative factors for future development, and the company's response to such factors

(1) Positive factors for future development

A. Servo Presses Recognized as Energy-Efficient and High-Performance Equipment

Achieving net-zero carbon emissions by 2050 has become a shared goal across global manufacturing industries. Reducing the carbon footprint of products year by year is a key challenge, with energy-saving measures playing a crucial role in cutting emissions during production. SEYI's servo presses are designed with energy conservation and environmental protection in mind. The integrated energy management system incorporates two core energy-saving mechanisms: power leveling and motor regenerative braking, resulting in a reduction of electricity consumption by more than two-thirds compared to conventional presses.

In terms of productivity, servo presses outperform traditional models. With controllable slide motion and customizable stroke profiles, users can tailor the press motion to suit the tooling, materials, and processing requirements. This allows for reduced idle stroke time and maximized productivity during active forming stages. For example, when used in pendulum mode with progressive dies, the production rate can double. As the demand for energy-efficient equipment grows, servo presses are expected to contribute an increasingly significant share to SEYI's revenue.

B. ESG as a Key Guideline for Corporate Governance

To promote sustainable development among listed companies, Taiwan's Financial Supervisory Commission (FSC) released the "Sustainable Development Action Plan for Listed Companies" in October 2024. The plan mandates that listed companies with paid-in capital under NT\$2 billion must prepare their 2024 sustainability reports and submit them by the end of August 2025.

SEYI took a proactive stance on ESG by officially launching its ESG Vision Project during its 60th anniversary in October 2022. In alignment with the 2050 net-zero goal, the company has been committed to integrating ESG principles into all aspects of corporate operations, demonstrating its dedication to corporate responsibility and sustainable growth.

C. Integrated Production Resources and Centralized Supply Chain Management to Maximize Group Synergy

SEYI has been integrating R&D and manufacturing resources across its Taiwan and China operations. For smaller-tonnage general-purpose machines, automation design and standardized component procurement enhance competitiveness in emerging markets and price-sensitive regions. For large-tonnage models, shared modular designs significantly reduce development time and overall lead time.

Furthermore, standardized procurement and sales processes—enabled by a unified information system—ensure real-time data synchronization. This allows different facilities to support each other in navigating external challenges such as raw material inflation and skilled labor shortages.

D. Developing a Professional Workforce through Structured Talent Cultivation and Expanded R&D Capabilities

Internally, SEYI promotes talent development through education and training programs, cross-department knowledge sharing, and job rotation or overseas

assignments. Externally, SEYI actively collaborates with domestic and international academia, industry, and research institutions to stay aligned with cutting-edge technologies in the metal forming sector.

For example, the company has partnered with academic institutions to establish a second R&D center, nurturing promising talents in areas like AI-assisted design and digital manufacturing. These initiatives enhance SEYI's capabilities in metal forming and R&D, enabling the company to deliver customer-centric, professional stamping solutions.

E. Comprehensive Global Service Network for On-Site Support and Market Responsiveness

SEYI has established key regional hubs in the United States, China, Europe, and Thailand, supported by a wide network of agents and technical service teams in multiple countries. This enables rapid response, reduces downtime risks, and ensures customers maintain stable operations.

As manufacturers around the world shift toward localized production in response to geopolitical risks, it becomes increasingly important to understand local market demands. SEYI's extensive sales and service presence allows its headquarters to receive firsthand insights, facilitating product development that aligns with local applications and customer needs.

F. Sound Financial Management and Risk Control Through Robust Audit Systems

SEYI maintains a strong financial foundation and a rigorous internal audit system. The company exercises strict control over accounts receivable risk and implements comprehensive financial oversight to minimize transaction risks. This approach strengthens financial stability and operational resilience, ensuring long-term value creation for stakeholders.

(2) Negative factors for future development and countermeasures

Negative factor:

Taiwan's industrial development has long been overly concentrated in the high-tech and semiconductor sectors. In contrast, traditional industries suffer from relatively weaker salary structures and limited prospects for future growth, making it difficult to attract younger generations. As a result, cultivating R&D talent in these sectors has become increasingly challenging. Furthermore, Taiwan's ongoing low birth rate has evolved into a national security concern, posing a long-term threat to enterprises' capacity for innovation and technological breakthroughs.

Countermeasures:

A. Establish a Product R&D Database and Utilize Automated Design to Accelerate Specification Discussions with Customers

By leveraging digital tools to manage a repository of technical documents and drawings accumulated over time, design engineers can quickly retrieve relevant data, significantly improving workflow efficiency. This system ensures continuity in product development even amid staff turnover. Additionally, with the integration of a

“Digital Twin” mechanism and the application of AI tools, design drawings can be auto-generated, allowing the sales team to engage in real-time specification discussions with clients, thereby shortening lead times.

B. Strengthen Collaboration with Mechanical Engineering Departments at All Educational Levels

By expanding industry-academia partnerships, SEYI offers practical training opportunities and real-world experience to students, helping them discover career interests and pathways in manufacturing. At the same time, the company is committed to fostering a friendly, inclusive, and supportive workplace environment, while implementing competitive compensation and incentive systems to attract and retain top talent.

C. Encourage Ongoing Learning and Upskilling Among Employees

SEYI actively supports continuous learning by incentivizing current employees to pursue advanced education and professional development. In addition, targeted management training is provided for both frontline and mid-level supervisors, cultivating a team that combines technical expertise with leadership capabilities. These efforts aim to enhance employee retention and build a robust, future-ready workforce.

(II) Important applications and production process of main products

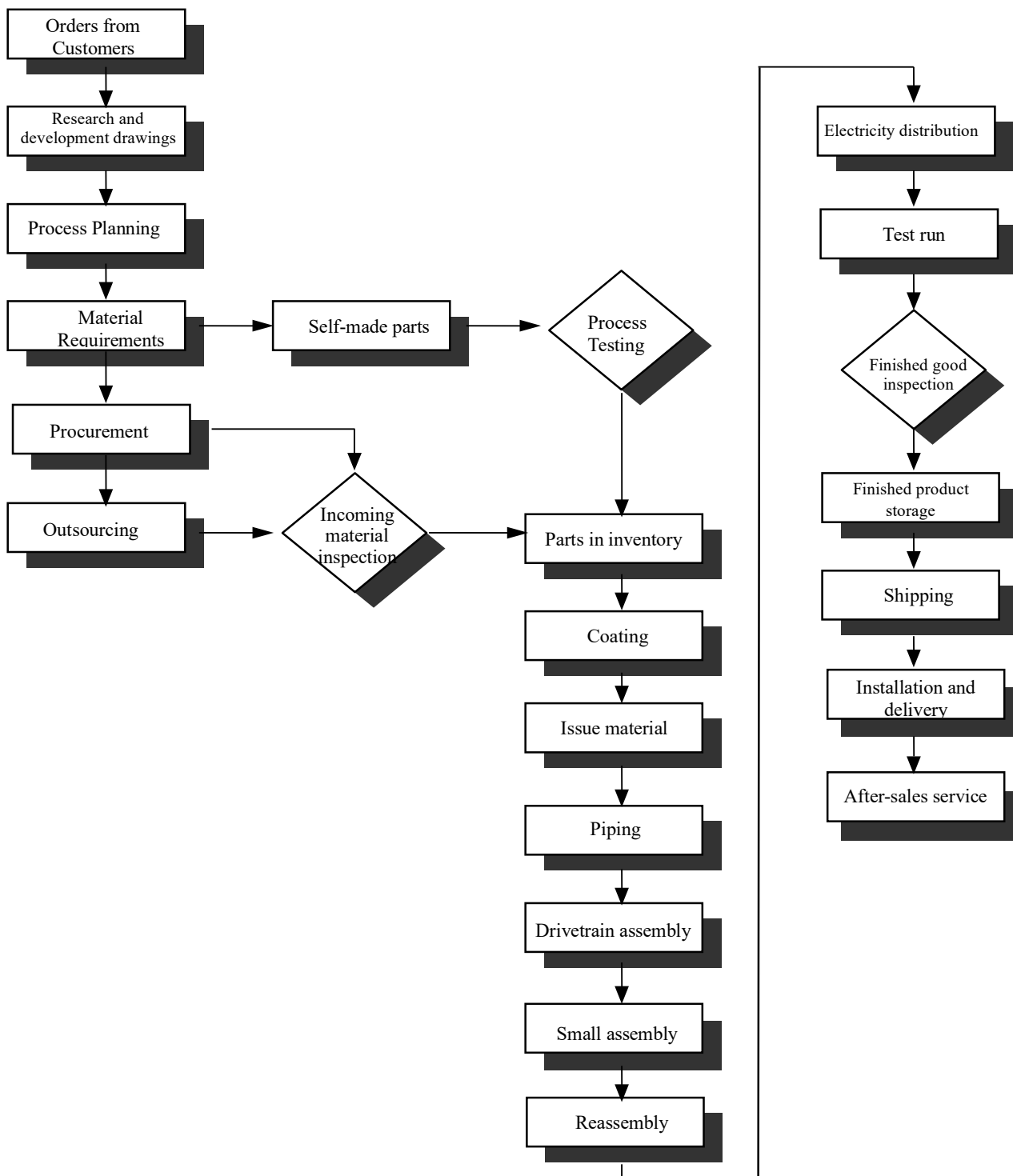
1. Usage for the company’s main products:

The presses developed by SEYI are widely used for various metalworking tasks such as cutting, shearing, punching, bending, and drawing, effectively meeting the requirements for these forming processes. Most of them are used in the automobile industry. Some non-metallic materials such as carbon fiber, paper or metal alloys such as aluminum, magnesium alloys, and various new types of composite materials can also be processed by stamping press.

Product Name	Application	
Stamping press	Automobile	Sheet metal, engine panel, rear trunk cover, fender, automotive hardware, and automotive electronics
	Automobile Parts and Accessories	Automotive sheet metal parts, AB pillar frame, anti-collision steel beam, all kinds of pedals (including brake and clutch pedals), and small parts for motorcycle and bicycle, chains, etc.
	Medical Devices	Surgical equipment, stents, medical instrument cases, hospital bed mechanism parts, etc.
	Consumer Electronics	Computer casing, disk drive casing, CD-ROM drive casing, power supply casing, heat sink, iron frame for monitor tube, various connectors
	Home Appliances	Air conditioner casing, base, LCD screen back cover, various switches, battery clips, various plugs, socket brass, toaster casing, metal sheet for lighting, microwave oven casing and internal parts, etc.
	Communication Products	Metal stamping components for various communication products including switches and cell phones
	Motors and transformers	Motors for washing machines, compressors for air conditioners (including refrigerators), starter motors for automobiles, motors for electric windows and windshield wipers, motor housings and rotors for motors under 1/2 HP, transformers for general household appliances, and heat sink motors for computers

Product Name	Application	
	Stationery, furniture	Stapler, book clip, pen clip, metal frame for office chair, desk drawer, slide rail, door lock
	Heavy Electrical Engineering	Large transformer silicon steel plate
	Construction Machinery	Sheet metal parts, engine parts, hardware parts, exterior parts, gear plates
	Agricultural Machinery	Sheet metal parts, engine parts, exterior parts, hardware parts, gear plates, blades
	Aerospace Industry	Sheet metal parts for aerospace, aircraft fasteners, instrument panel housings, and other structural components, etc.
	Others	Floor tile (plastic) cutting, environmental friendly paper material

2. Manufacturing processes for the company's main products:



(III) Supply situation for the company's main raw materials:

The main raw materials used in our products are frames, punches, plates, gears, crankshafts, servo motors, etc. All of them are supplied by our partners or partly purchased from overseas. The company has good cooperation with the importers and the price is stable. Overall, the company has sufficient access to a number of domestic and international suppliers for its major raw materials. However, in order to disperse the purchasing risk, the company still adds other suppliers in a timely manner, so that the price and quality can be maintained in a reasonable and stable condition.

(IV) A list of any suppliers and clients accounting for 10 percent or more of purchase / sales and respective amount and percentage in the most recent 2 years:

1. List of Major Suppliers:

Information on Major Suppliers for the Most Recent 2 Years

Unit: NT\$ thousand; %

2023				2024				Q1 2025			
Name of entity	Amount	As a percentage of net purchase(%)	Relationship with the issuer	Name of entity	Amount	As a percentage of net purchase(%)	Relationship with the issuer	Name of entity	Amount	As a percentage of net purchase(%)	Relationship with the issuer
Supplier A	253,230	14.59%	None	Supplier A	274,858	14.22%	None	Supplier A	64,092	13.66%	None
Other	1,482,577	85.41%	None	Other	1,657,644	85.78%	None	Other	404,976	86.34%	None
Net purchase amount	1,735,807	100.00%	None	Net purchase amount	1,932,502	100.00%	None	Net purchase amount	469,068	100.00%	None

Changes in major suppliers: Supplier A is a professional steel plate welding and cutting manufacturer, mainly engaged in the welding and processing of machine frames and gear structures. The company mainly purchases the cut steel plates and frames from Supplier A.

2. List of Major Customers:

Information on Major Customers for the Most Recent 2 Years

Unit: NT\$ thousand; %

2023				2024				Q1 2025			
Name of entity	Amount	As a percentage of net sales(%)	Relationship with the issuer	Name of entity	Amount	As a percentage of net sales(%)	Relationship with the issuer	Name of entity	Amount	As a percentage of net sales(%)	Relationship with the issuer
Net sales	3,497,671	100.00%	None	Net sales	3,593,794	100.00%	None	Net sales	1,049,988	100.00%	None

Changes in major customers: There were no other single customer whose revenue reached 10% or more of the Group's total revenue in fiscal 2024 and 2023; therefore, there was no significant change.

III. Information on the employees hired, number of employees, average years of service, average ages, and distribution of education in the most recent two years up to the date of publication of the annual report:

Year		2023	2024	As of March 31, 2025
Number of employees	Number of managers	57	55	56
	Indirect employees	320	318	318
	Direct employees	335	335	335
	Total	712	708	709
Average age		40.13	41.00	41.37
Average years of service		7.20	7.07	7.01
Education distribution percentage (%)	Ph.D.	1.52%	1.63%	2.08%
	Master's degree	18.97%	16.43%	14.40%
	College	45.41%	46.30%	51.45%
	Below senior high school	34.10%	35.64%	32.07%

IV. Disbursements for environmental protection

The company has been certified with ISO-14000 environmental management system. It is not engaged in the waste treatment and removal business, and is not involved in the final removal of sewage. The company did not have any violation against environmental protection units. In order to enhance the environmental protection work and meet the future environmental protection requirements, our environmental protection related measures are as follows:

1. Implement waste separation and recycle resources.
2. Appoint qualified waste removers and report online all waste management activities.
3. Promote the environmental protection concept occasionally.

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: Up to date in 2024, the company has not been fined for polluting the environment.

V. Labor relations:

(I) Current labor-management agreements and implementation status

1. Employee benefit plans:

(1) Self-organized welfare items:

- A. In addition to the monthly salary we pay to our employees, the company will pay year-end bonuses each year based on operational performance. Quarterly performance bonuses will be paid based on performance as well.
- B. The company provides all employees with labor insurance and National Health Insurance.
- C. The company provides employees with free meals, work clothes, safety shoes, dormitory, regular health check-up and employee parking.
- D. The company provides benefits for employees' new home, childbirth, injury and illness, and wedding or funeral.
- E. In order to create a child-friendly environment, the company has set up nursing rooms and provides contracted daycare centers.
- F. The company offers visually impaired massage service to our staff with consideration for their hard work and social responsibility.
- G. The company organizes employee training and seminars, provides subsidies for foreign language study, and provides subsidies for employees' on-the-job training and scholarships for their children.

(2) Benefits items handled by the Welfare Committee:

The company appropriates welfare funds in accordance with the law and establishes an employee welfare committee to implement the following benefits:

- A. Employee trip.
- B. Cash gift for festival.
- C. Birthday cash gift.
- D. Grants to employees for hospitalization, injuries and illnesses.
- E. Subsidies for group recreational activities.

2. Employee continuing education and training:

- (1) Annual education and training programs are provided to employees for pre-job, on-the-job and professional training.
- (2) In 2024, a total of 1,631 employee training participations were recorded, with a cumulative 5,236 hours.

3. Pension system:

- (1) The company established the Labor Pension Fund Supervisory Committee in accordance with the Labor Standards Act. To comply with the amendments to the Labor Standards Act, if the remaining balance of the special account before the end of each year is not sufficient to pay for the workers who are expected to meet the requirements for retirement in the following year, the difference shall be appropriated by the end of March of the following year. The company has appropriated the full amount by the end of March to meet the requirements of the Act. In addition, the company contributes a certain percentage of monthly salary to the pension fund, which is deposited into the special pension fund in the Bank of Taiwan.
- (2) The "Labor Pension Act" became effective on July 1, 2005 and is subject to a defined contribution plan. Employees may choose to be covered by the Labor Standards Act or by the pension system under the Labor Pension Act and retain the years of service prior to the adoption of the Labor Standards Act. For employees subject to the new system, the company contributes 6% of the employee's monthly salary to the employee's pension

fund.

4. Other important agreements:

- (1) The company believes in the concept of “ Employees and Management as One, Coexistence and Prosperity”, and strengthens the communication channels with employees under the laws, rules and emotions, and builds consensus in order to achieve the goal of “Happy Enterprise”.
- (2) The company organizes welfare committees and holds regular labor-management meetings in accordance with the law to maintain labor-management relations and to jointly conduct employee welfare activities.
- (3) All employees of the company communicate freely with each other and participate in the “monthly meeting” held at the beginning of each month to communicate with the company regarding its policies and operational goals, and to make sure that all employees understand and work together towards the goals. As a result of good communication between labor and management, we have achieved harmony and high morale, and both sides have benefited from each other.

- (II) List any losses suffered by the company in the most recent year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and an estimate of possible loss at present and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

The company places great importance on good labor relations and has had no labor disputes or losses in the most recent year and up to the annual report publication date.

VI. Cyber security management:

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

1. Cyber security risk management framework

In 2023, the company established an "Cyber Security Team" to coordinate and implement relevant security policies and promote information security awareness. The team is responsible for setting up protective mechanisms and disseminating information security messages to enhance colleagues' awareness of information and communication security. Regular security and social engineering drills are conducted to ensure the normal, safe, and stable operation of the company's information systems. This initiative aims to create a secure and reliable information system and operational environment.

2. Cyber security policies

SEYI Machinery adheres to international regulations for information security, implementing relevant policies to maintain the confidentiality, integrity, availability, and compliance of company information. On December 1, 2023, the company joined the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) as a member to proactively obtain cybersecurity alerts, understand security threats and vulnerabilities, and report information security incidents.

We regularly assess various internal information security risks and align with global security trends and threats. We plan to enhance internal security operations and update equipment to reduce operational risks. The key points of our information security implementation include:

(1) Network Security Control

- Deploy firewalls to prevent external attacks.

- Implement Web Application Firewall (WAF) protection.

- Strictly prohibit non-company IT devices from accessing the internal company network.

- Control the connection mechanisms of the company's internal wireless network (WIFI).

(2) Endpoint Protection

- Regularly update Windows Update and antivirus virus definitions.

- Control access to USB and other removable media devices.

- Manage commercial software licensing and installation.

- Regularly perform system vulnerability scans to identify potential risks.

(3) User Account Management

- Strict management of employee accounts during onboarding and offboarding.

- Enable Multi-Factor Authentication (MFA) and promote a zero-trust architecture.

(4) Data Backup Management

- Establish a comprehensive backup mechanism and perform daily backups.

- Regularly conduct backup restoration and verify file integrity.

(5) Information Emergency Response Measures

- Conduct annual Disaster Recovery (DR) drills.

(6) Employee Cybersecurity Awareness and Training

- Conduct monthly cybersecurity awareness campaigns.

- Perform annual social engineering drills to enhance employee security awareness.

3. Concrete management plan for cyber security and resources put into cyber security management in 2024

- (1) Number of information security incidents in 2024: 0.
- (2) Strengthened offsite backup mechanisms for group companies.
- (3) Enhanced redundancy mechanisms for the group's network equipment.
- (4) Held 2 cybersecurity training sessions (96% attendance rate).
- (5) Conducted monthly cybersecurity awareness campaigns regularly.
- (6) Performed regular social engineering drills (99% of employees met the target).
- (7) Conducted regular disaster recovery drills.
- (8) Performed regular system vulnerability scans.
- (9) All cybersecurity personnel completed external cybersecurity courses annually (100%).

- (II) List any losses suffered by the company in the most recent 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:

The company has not experienced any cyber security incidents that resulted in losses to the company in the most recent year and up to the annual report publication date.

VII. Important contracts: None

Chapter Five. Financial Status and Performance

reviewed/analysis, and risk assessment

I. Financial Status

Unit: NT\$ thousand

Item \ Year	2023	2024	Differences	
			Amount	%
Current assets	4,949,511	5,364,426	414,915	8.38%
Non-current assets	1,101,455	1,207,826	106,371	9.66%
Assets	6,050,966	6,572,252	521,286	8.61%
Current liabilities	2,063,763	2,589,667	525,904	25.48%
Non-current liabilities	1,406,198	1,297,262	(108,936)	(7.75%)
Liabilities	3,469,961	3,886,929	416,968	12.02%
Capital - common stock	1,584,341	1,584,341	0	0.00%
Capital reserve	184,982	184,982	0	0.00%
Retained earnings	953,669	1,020,983	67,314	7.06%
Other equity	(141,987)	(104,983)	37,004	(26.06%)
Equity	2,581,005	2,685,323	104,318	4.04%
Analysis of changes in ratio of increase/decrease (if the change is more than 20% and the amount of change reaches NT\$10 million):				
Current Liabilities: It was mainly due to increases in short-term loans, advance payments from customers, and purchases by subsidiaries in 2024.				
Other Equity: It was mainly due to the exchange difference from the financial statements of foreign operating institution affected by exchange rate fluctuations in 2024.				

II. Financial Performance

Unit: NT\$ thousand

Item \ Year	2023	2024	Differences	
			Amount	%
Operating Income	3,497,671	3,593,794	96,123	2.75%
Operating costs	2,435,778	2,588,645	152,867	6.28%
Operating gross profit	1,061,893	1,005,149	(56,744)	(5.34%)
Operating expenses	909,715	927,889	18,174	2.00%
Net Income (loss) from operating	152,178	77,260	(74,918)	(49.23%)
Non-operating income and expenses	104,232	253,287	149,055	143.00%
Net Income before tax	256,410	330,547	74,137	28.91%
Income tax benefit (expense)	(43,513)	(84,792)	(41,279)	94.87%
Net income	212,897	245,755	32,858	15.43%
Analysis of changes in ratio of increase/decrease (if the change is more than 20% and the amount of change reaches NT\$10 million):				
Operating Profit: Last year, benefited from better sales terms and pricing on large orders; this year, sales conditions are less favorable compared to last year due to a sluggish and highly competitive Chinese market.				
Non-operating Income and Expenses: This year, appreciation of foreign currencies led to higher valuation gains on foreign currency assets held.				
Income Tax Expense: It was due to increased profitability this year.				

III. Cash Flow

Unit: NT\$ thousand

Cash at Beginning of Year	Net cash inflow (outflow) from operating activities for the year	Net cash inflow (outflow) from investing and financing activities for the year	Effect of exchange rate fluctuations on cash and cash equivalents	Excess (shortfall) of cash	Remedial Measures for Cash Inadequacy	
					Investment plan	Financing plan
2,277,604	566,173	(223,222)	107,912	2,728,467	-	-

(1) Analysis of Cash Flow Variations:

- Net cash inflow from operating activities is NT\$ 566,173 thousand:
It was mainly due to an increase in orders.
- Net cash outflow from investing and financing activities is NT\$ 223,222 thousand:
It was mainly due to an increase in cash dividend payments and the acquisition of financial assets.

(2) Improvements for Lack of Liquidity: Not applicable.

(3) Liquidity Analysis for the Next Year: Not applicable.

IV. Effect upon financial operations of any major capital expenditures during the most recent fiscal year: None.

V. The company's reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans coming year:

The company's investment policy is based on the long-term strategy, and the "Procedures for the Acquisition or Disposal of Assets" in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" established by the competent authority is used as the basis for the company's investment business, in order to grasp the related business and financial situation. In addition, the company has established control and management rules for its subsidiaries in its internal control system, and set up relevant regulations for information disclosure, finance, business, inventory and financial management. The company regularly performs audits on important subsidiaries to establish the related operational risk mechanism so that the company can maximize the effectiveness of its investees.

In response to the global trend towards net-zero carbon emissions advocated by governments and various countries, the company is also focusing on the future transformation of the manufacturing industry towards low-carbon and intelligent upgrades. We are investing in and implementing plans for infrastructure development to facilitate this transition.

VI. Risk Management and Assessments:

- (I) The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

1. The effect upon the company's profits (losses) of interest rate fluctuation, and response measures to be taken in the future:

The interest income of the company and its subsidiaries for 2024 was \$117,390 thousand, representing 3.27% of the net operating income; the interest expense was \$35,287 thousand, representing 0.98% of the net operating income. Given their relatively low proportion; therefore, the effect of interest rate fluctuations on the overall profitability is not significant. The company regularly evaluates bank borrowing rates to obtain more favorable borrowing rates or types of loans for the company. Short-term working capital is often funded by lower interest rates from the money market. The company has adjusted to increase the proportion of medium- and long-term loans in order to strengthen its financial structure and reduce capital risk. In addition, the company maintains good relationships with its creditors. In response to the interest rate fluctuations, the company will closely monitor the interest rate movements in the future, adjust the borrowing structure and take necessary measures to avoid the risk of interest rate increases promptly.

2. The effect upon the company's profits (losses) of exchange rate fluctuation, and response measures to be taken in the future:

The exchange gain of the company and its subsidiaries for 2024 was \$142,408 thousand, representing 3.96% of net operating income. The fluctuation of the exchange loss was mainly due to the impact of exchange rate changes in the current year on the valuation of related assets and liabilities. As the proportion of such gains relative to operating income increased this year, the company adjusted the exchange rate of foreign currency quotations for foreign sales contracts, taking into account changes in interest rates and exchange rates, or set the terms and conditions when accepting foreign currency quotations. The company also conducts forward exchange transactions for hedging purposes as necessary to mitigate the possible impact of foreign exchange losses. Since the company has a high export ratio and a low import ratio, the foreign exchange strategy primarily focuses on the company's funding needs to seek the most favorable exchange rate available at the time. When there is a large number of export foreign exchange transactions, we will use forward exchange and options to hedge the exchange rate risk.

3. The effect upon the company's profits (losses) of changes in the inflation rate, and response measures to be taken in the future:

The company and its subsidiaries will keep track of price fluctuations of raw materials and key components, maintain good interaction with suppliers and customers, and timely adjust product prices and raw material inventory quantity in response to the price vitality, so as to reduce inflation impact on the company.

- (II) The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

The company does not engage in high-risk and high-leverage investment activities, except for the endorsement and guarantee or lending of funds for the financing needs of its subsidiaries. The company follows the company's procedures for lending funds to others and the procedures for endorsement and guarantee. In addition, the policy on derivative transactions is governed in accordance with the "Procedures for the Acquisition or Disposal of Assets".

- (III) Future R&D plans and expected R&D expenditures:

The company invests in research and development in order to maintain its competitiveness in the marketplace through continuous research and development of new products and technologies. The company has been collecting global market information, industry development analysis, and trends in the development of press technology for a long time, based on global development. We formulate long-term research and development strategies and product development projects at various stages to effectively reduce the risk of ineffective investment of R&D funds. The estimated research and development expenses in 2025 are approximately \$140,000 thousand.

- (IV) Effect on the company's financial operations of changes in the domestic and overseas policies and regulatory environment, and measures to be taken in response:

The company and its subsidiaries operate in accordance with the relevant domestic and overseas laws and regulations. In recent years, domestic and overseas policies and laws have changed, the most important issues related to business operation are corporate governance and environmental protection. The company will gradually enhance its corporate governance based on the legal system with a steady and flexible response.

- (V) Impact on the company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response:

The company is a professional and leading manufacturer of stamping presses. Our products are widely used in various metal stamping industries. In response to market demand and

competition, the company continues to develop refined and high value-added products to enhance its competitiveness and leading position in the market.

Cyber security risk assessment: The company has established the highest guiding principles for its information system, along with relevant management regulations and operational procedures as a reference framework. At the same time, we integrate and strengthen our information security management system, establish an institutionalized, documented and standardized management mechanism, and continuously monitor and review management performance in order to implement our information system policy and the sustainable business operation concept. We will also achieve the implementation of information security management policies, introduce comprehensive information security management systems, train information security professionals, strengthen information security environment and response capabilities, and achieve information system policy measurement. The company ensures the confidentiality, integrity, and availability of the information assets belonging to the company, and complies with the relevant laws and regulations to protect them from internal and external threats, whether intentional or accidental, in order to protect the rights of the company's employees or customers.

(VI) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response:

The company and its subsidiaries have always been operating with professionalism and integrity. The management has been operating in a law-abiding manner, focusing on high-end development and sustainable services, and providing excellent products to our customers, so that we have a good reputation in the industry. There is no significant impact on the company due to the change of corporate image in the recent year.

(VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: None.

(VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: None.

(IX) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:

(X) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: None.

There is no significant transfer of equity by the company's directors, or major shareholders

who hold more than 10% of the shares. The current shareholding percentages of directors are in compliance with the regulations set by the competent authority and have not had a significant impact on the company's operations.

(XI) Effect upon and risk to the company associated with any change in managerial control and mitigation measures being or to be taken: None.

There is no change in the managerial control of the company and its subsidiaries that would affect the company's operations, and the company and its subsidiaries have established a complete internal control system and related management rules, so there should be no significant impact on operations if there is a change in the managerial control.

(XII) Disclosure of litigious and non-litigious matters: None.

(XIII) Disclosure of other significant risks and countermeasures: None.

VII. Other material items: None.

Chapter Six. Special items to be included

I. Information related to the company's affiliates:

(I) Consolidated business report of affiliates

Please refer to the Market Observation Post System (MOPS) for more information.

Access path:

Market Observation Post System (MOPS)

> Specific Company > Electronic Document >Download

> Related Party Transactions (Three Statements) Section

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

(II) Consolidated financial statements of affiliates:

In 2024, the company required to be included in the preparation of the consolidated financial statements of affiliated enterprises, in accordance with the “Regulations Governing the Preparation of Consolidated Business Reports, Consolidated Financial Statements, and Affiliation Reports of Affiliated Enterprises,” are the same as those required to be included in the parent-subsidiary consolidated financial statements under the International Financial Reporting Standards (IFRS). Therefore, separate consolidated financial statements for affiliated enterprises are not prepared.

(III) Affiliation reports: Not applicable.

II. Where the company has carried out a private placement of securities during the current fiscal year up to the date of publication of the annual report: None.

III. Other matters that require additional supplement: None.

IV. If any of the situations listed in Article 36, paragraph 2, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the current fiscal year up to the date of publication of the annual report: None.

SHIEH YIH MACHINERY INDUSTRY CO., LTD.

Chairman Ya-Hui Kuo