



# SIWARD Crystal Technology Co., Ltd.

## 2025 Annual Report

Prepared by SIWARD Crystal Technology Co., Ltd.

April 30, 2026

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5. The name of any exchanges where the company's securities are traded offshore, and the method by which to access information on said offshore securities:  
Not applicable.
6. The Company's website: www.siward.com

# SIWARD Crystal Technology Co., Ltd.

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# One. Letter to Shareholders

## I. 2025 Business Review

### (I) 2025 Operating Performance

In 2025, the global economic environment remained uncertain. Changes in U.S. tariff policies and ongoing competition between the United States and China increased market uncertainty. In addition, geopolitical risks and tariff-related factors led to customer relocation and increased costs, thereby indirectly affecting overall industry development.

Furthermore, the impact of excess production capacity in China and a sluggish economic environment resulted in a significant decline in product prices. The appreciation of the New Taiwan Dollar further intensified pricing pressure. As a result of the above unfavorable factors, the Company's gross margin declined to a relatively low level, which posed challenges to long-term profitability.

In response, the Company adjusted its operating strategies to mitigate the decline in gross margin. Although the New Taiwan Dollar exchange rate has stabilized and tariff policies have become clearer, price competition in the market remains intense. The Company will continue to adjust its operating strategies in a timely manner to enhance competitiveness in response to future challenges. The Company's 2025 operating results are stated as follows.

#### 1. Standalone operating results and financial income, expenditures and profitability

Unit: NT\$ thousands

Item	2025	2024	Increase (Decrease) Amount	Increase (Decrease) %
Operating income	2,231,647	2,005,781	225,866	11.26%
Gross profit	340,691	360,781	-20,090	-5.57%
Operating profit	59,056	75,529	-16,473	-21.81%
Net income after taxes	103,660	158,228	-54,568	-34.49%

Item	2025 (%)	2024 (%)
Debt ratio	16.99	14.58
Current ratio	445	403.59
Quick ratio	228.78	217.69
Receivables turnover (times)	3.92	3.60
Number of days of receivables collection	93	101
Inventory turnover (times)	2.01	1.81
Days sales in inventory	182	202
Return on assets	2.40	3.43
Return on equity	2.77	4.06
Profit margin	4.64	7.89
Earnings per share (NT\$)	0.65	0.99

## 2. Consolidated operating results and financial income, expenditures and profitability

Unit: NT\$ thousands

Item	2025	2024	Increase (Decrease) Amount	Increase (Decrease) %
Operating income	2,409,846	2,189,460	220,386	10.07%
Gross profit	421,903	428,925	-7,022	-1.64%
Operating profit	79,326	86,697	-7,371	-8.50%
Net income after taxes	103,661	157,637	-53,976	-34.24%

Item	2025 (%)	2024 (%)
Debt ratio	19.26	16.98
Current ratio	409.81	388.78
Quick ratio	229.88	226.47
Receivables turnover (times)	3.77	3.52
Number of days of receivables collection	97	104
Inventory turnover (times)	2.00	1.88
Days sales in inventory	182	194
Return on assets	2.35	3.35
Return on equity	2.77	4.04
Profit margin	4.30	7.20

(II) Budget Implementation: The Company did not announce financial forecast for fiscal year 2025.

### (III) Research and Development

#### 1. R&D Expenditures

The Company's R&D expenditures for 2025 amounted to NT\$118,482 thousand, accounting for approximately 5% of operating revenue.

#### 2. Key R&D Achievements

The major technologies and products successfully developed during the year include:

- Miniaturized automotive TPMS quartz crystal resonator ( $1.6 \times 1.2 \text{ mm}^2$ )
- 800G / 1.6T optical communication module with differential output ( $3.2 \times 2.5 \text{ mm}^2$ )
- Miniaturized high-frequency differential dual-output quartz crystal oscillator for optical communication and eCPRI applications ( $2.0 \times 1.6 \text{ mm}^2$ )
- Ultra-low voltage (1.2V) compensated oscillator for wearable and low-power devices ( $1.6 \times 1.2 \text{ mm}^2$ )
- Mass production introduction of TF-1610 (4-inch process)
- Introduction of AT-MESA 1612 high-frequency design
- Mass production introduction of AT-MESA 1008

II. 2026 Business Plan Summary

(I) Operating Policy

The Company’s primary objectives for 2026 are to increase revenue from key industries and improve gross margin to enhance overall profitability. The Company will continue to expand into diversified markets to reduce direct price competition in consumer segments and strengthen long-term competitiveness.

Despite potential challenges in the future operating environment, the management team will continue to dedicate its efforts to maximizing corporate value and shareholders’ interests.

(II) Estimated Sales Volume

The estimated sales volume for 2026 is based on historical data, market trends, management judgment, competitive conditions, and capacity expansion.

Unit: In thousands

Product Category	Estimated Sales Volume
Quartz Components	1,105,870

(III) Major Business Policies

1. Market Strategies
  - Strengthen design-in activities and collaboration with IC design companies
  - Enhance sales and technical service capabilities and expand into emerging application markets, including low earth orbit satellites, unmanned aerial vehicles (UAVs), EV automotive electronics, and industrial control applications
  - Expand markets in Europe and the Americas to maintain profitability
  - Promote miniaturized applications and high-end products, including high-frequency oscillators and optical communication modules for AI servers
2. Product Development Strategy
  - Provide high-quality and competitive products
  - Implement smart and automated manufacturing systems to improve efficiency and yield
  - Strengthen cost control to enhance profitability
  - Improve process management and introduce professional management talent
3. Production Strategies:
  - Provide high-quality and competitive products
  - Implement smart and automated manufacturing systems to improve efficiency and yield
  - Strengthen cost control to enhance profitability
  - Improve process management and introduce professional management talent
4. Quality Assurance Strategies:
  - Adhere to a customer-oriented approach
  - Strengthen process quality management to ensure product stability
  - Pursue zero customer complaints
  - Comply with automotive electronics quality management system requirements

### III. Impact from external environment, regulatory environment and general business environment

#### (I) Impact from external environment and regulatory environment

In terms of important domestic and international policies, standards of environmental laws and regulations have the greatest impact on our operations. As environmental laws and regulations are covering more aspects and becoming stricter, we have set up a unit to follow up and propose countermeasures accordingly at all times. In particular, our facilities and discharge outlets for waste and sewage treatment generated by processes are in line with the criteria set by the Environmental Protection Agency (EPA). For all products we make, we follow the WEEE and RoHS Directives based on the SONY SS-00269 system. We also coach our upstream material suppliers and ask them to follow the same standards. Moreover, we control and manage chemical composition in the process and have introduced ISO 14001 Environmental Management System, TS-16949 quality management standard for the automotive industry, QC080000 Hazardous Substance Process Management (HSPM), ISO 14064 Greenhouse Gas (GHG) Emission Verification, and ISO 45001 Occupational Safety and Health Management System. By doing so, we hope to reduce the impact on the environment while providing customers with products that are more competitive.

#### (II) Impact from general business environment

With quartz crystal components being extensively used in electronics, their applications in the market are wide and deep. However, under an environment where economic growth is slow, the innovation and development of technology has become common under the rapid application of knowledge. Due to this, the technological gap between peers has narrowed while the difficulty of product differential has increased, resulting in a shortened life cycle of the applied products. The key issues for the Company are to correctly determine the trend of product development, rapidly and effectively develop with customers, strengthen quality, reduce costs, and quickly respond to the trend. In addition, the factors that impact the Company's general business environment also include interest rates, foreign exchange rates and inflation. For the evaluation of risk management, please see p.88 this Annual Report.

## Two. Corporate Governance Report

### I. Information on the company's directors, general manager, vice general manager, assistant general managers, and the heads of all the company's divisions and branch units:

#### (I) Directors:

##### 1. Information of Directors

April 25, 2026

Title	Nationality or Place of Registration	Name	Gender Age	Date of Election	Term of Office	Date of First Election	Shareholding at the Time of Election		Current Shareholding		Current Shareholding of Spouses and Minor Children		Shareholding in the Name of Others		Principal Work Experience and Academic Qualifications	Position(s) Held Concurrently in the Company/in Any Other Company	Other Officers, Directors or Heads With Spouses, or Relatives Within the Second Degree of Kinship			Remark (Note 2)
							No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio			Title	Name	Relationship	
Chairman	Taiwan	Tseng, Ying-Tang	Male 78	2023.6.19	2023.6.19–2026.6.18	1988.1.19	4,276,593	2.846%	4,276,593	2.682%	1,813	0.001%	-	-	Master of Science in Honors, National Taiwan University of Science and Technology Department of Electronics, Taichung Municipal Taichung Industrial High School	Director of SIWARD Technology Co., Ltd., Director of Apex Optech Corporation, Director of APEX OPTECH CO., Director of Apex Optech (Wuxi) Corporation, Chairman of SCT (USA) Inc., Chairman of Securitag Assembly Group Co., Ltd., Director of SIWARD Electronic Technology (Shenzhen) Inc. Chairman of SIWARD Crystal Technology (Dongguan) Co., Ltd.	Director	Tseng Jung-Meng	Brothers	None
Director	Taiwan	Tseng, Jung-Meng	Male 74	2023.6.19	2023.6.19–2026.6.18	1988.1.19	3,585,983	2.386%	3,585,983	2.249%	302,662	0.190%	-	-	EMBA, Feng Chia University Department of Electronics, Taichung Municipal Taichung Industrial High School	The Company's President, Representative, director of SIWARD Technology Co., Ltd., Chairman of Apex Optech Corporation, Chairman of APEX OPTECH CO., Apex Optech(Wuxi) Corporation, Representative of corporate director of Securitag Assembly Group Co., Ltd., Representative director of SE JAPAN CO., LTD., Vice chairman of SIWARD Crystal Technology (Dongguan) Co., Ltd., Chairman of SIWARD Electronic Technology (Shenzhen) Inc. Director of Rakon Limited, Independent director and member of the Remuneration Committee of Sun Own Industrial Co., Ltd. Independent director of Liton Technology Corp.	Chairman	Tseng Ying-Tang	Brothers	None
Director	Taiwan	Liu, Ping-Feng	Male 72	2023.6.19	2023.6.19–2026.6.18	1988.1.19	4,177,183	2.62%	4,159,183	2.609%	286	-	-	-	Department of Mechanical Engineering, Tamkang University	The Company's vice president, director of SIWARD Technology Co., Ltd., Director of Apex Optech Corporation, Director of Apex Optech(Wuxi) Corporation, general manager of SIWARD Crystal Technology (Dongguan) Co., Ltd., Director of SIWARD Electronic Technology (Shenzhen) Inc.	None	None	None	None
Director	Taiwan	Ku, Chih-Yun	Male 70	2023.6.19	2023.6.19–2026.6.18	1998.4.11	2,002,473	1.256%	2,002,473	1.256%	49,708	0.031%	-	-	Department of Electronics, Ta Hwa University of Science and Technology	The Company's assistant vice president of the Production Technology Division Director of SIWARD Technology Co., Ltd. Supervisor of Apex Optech Corporation	None	None	None	None

Title	Nationality or Place of Registration	Name	Gender Age	Date of Election	Term of Office	Date of First Election	Shareholding at the Time of Election		Current Shareholding		Current Shareholding of Spouses and Minor Children		Shareholding in the Name of Others		Principal Work Experience and Academic Qualifications	Position(s) Held Concurrently in the Company/in Any Other Company	Other Officers, Directors or Heads With Spouses, or Relatives Within the Second Degree of Kinship			Remark (Note 2)
							No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio			Title	Name	Relationship	
Director	Taiwan	Liao, Lu-Lee	Male 81	2023.6.19	2023.6.19–2026.6.18	2002.6.11	55,000	0.034%	60,000	0.038%	15,058	0.009%	-	-	Department of Electrical Engineering, Tatung University Chairman, Merry Electronics Co., Ltd.	Chairman of Merry Electronics Co., Ltd., Director of AZ Instrument Corporation, director of Xiang-Ying Investment Co., Ltd., chairman of Ri-Dan Electric (Shenzhen) Co., Ltd., chairman of Sheng-Li Chemical Co., Ltd.	None	None	None	None
Director	Taiwan	Chiang, Hung-Yu	Male 62	2023.6.19	2023.6.19–2026.6.18	2011.6.15	-	-	-	-	-	-	-	-	M.S., Electrical Engineering, University of Southern California, USA	Director and CEO of Securitag Assembly Group Co., Ltd. Independent director of Excel Cell Electronic Co., Ltd.,	None	None	None	None
Director	Taiwan	Liao, Pen-Lin (Note 1)	Male 75	2023.6.19	2023.6.19–2026.6.18	Note 1	708	-	708	-	1,206	0.001%	-	-	M.A., Tulane University, USA	Chairman of Excel Cell Electronic Co., Ltd., director of P-DUKE Technology Co., Ltd., director of Securitag Assembly Group Co., Ltd., director of Fuzetec Technology Co., Ltd.	None	None	None	None
Independent Director	Taiwan	Tien, Chia-Sheng	Male 57	2023.6.19	2023.6.19–2026.6.18	2017.6.15	-	-	-	-	-	-	-	-	National Chung Hsing University EMBA Department of Accounting, Tunghai University	Person in charge of Sunpower CPA Firm, Person in charge of Yuan-Dong-Li Consulting Co., Ltd., Independent director of Intai Technology Corp. Director of Genius Electronic Optical Co., Ltd., Independent director of Horien Biochemical Technology Co., Ltd. Independent director of Joules Miles Co.,Ltd	None	None	None	None
Independent Director	Taiwan	Liu, Chien-Cheng	Male 61	2023.6.19	2023.6.19–2026.6.18	2020.6.12	-	-	-	-	-	-	-	-	Law Department, Tunghai University	Managing Attorney, Liu Chien-Cheng Law Firm	None	None	None	None
Independent Director	Taiwan	Lee, Shu-Min	Female 60	2023.6.19	2023.6.19–2026.6.18	2023.6.19	-	-	-	-	-	-	-	-	National Chung Hsing University EMBA Department of Accounting, Chung Yuan Christian University BDO Taiwan Vice President, Business Division, Capital Market Department, Taishin Financial Holdings	Independent director, SIWARD Crystal Technology Co., Ltd. Independent director, WINSON Machinery Co., LTD. Independent director, IJANG Industrial Co., Ltd. Independent director, LARGAN Precision Co.,Ltd Supervisor, Kuen Tong Technology Co., Ltd	None	None	None	None

Note 1: Liao Pen-Lin was first elected as the Company's supervisor on June 27, 2008 until June 6, 2014; he was first elected as the Company's director on June 6, 2014.

Note 2: Supplementary information on matters regarding the chairman 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. additional seats of Independent Directors, no more than half of the seats of directors are serving concurrently as an employee or a manager, or other ways).

- (1) Information on the major shareholders of the corporate shareholder, if the director is a representative of a corporate shareholder: None.
- (2) If the director is a corporate shareholder's representative and the major shareholder of the corporate shareholder is the corporate shareholder's representative: None.

## 2. Information of Directors

### (1) Disclosure of Professional Qualifications of Directors and Independence of Independent Directors

Name	Criteria	Professional Qualifications and Experience (Note 1)	State of Independence (Note 2)	Number of other public companies where the member also serves as an independent director
Tseng, Ying-Tang		Qualifications: A person with at least five years of working experience in a department of commerce or a department related to the business needs of the company and has not been involved in any of the circumstances in the subparagraphs of Article 30 of the Company Act. Experience: The Company's chairman, chairman of Securitag Assembly Group Co., Ltd.,	Non-independent Director	0
Tseng, Jung-Meng		Qualifications: A person with at least five years of working experience in a department of commerce or a department related to the business needs of the company and has not been involved in any of the circumstances in the subparagraphs of Article 30 of the Company Act. Experience: The Company's president, independent director and member of the Remuneration Committee of Sun Own Industrial Co., Ltd. director of Rakon Limited, independent director of Liton Technology Corp.	Non-independent Director	2
Liu, Ping-Feng		Qualifications: A person with at least five years of working experience in a department of commerce or a department related to the business needs of the company and has not been involved in any of the circumstances in the subparagraphs of Article 30 of the Company Act. Experience: The Company's vice president	Non-independent Director	0
Ku, Chih-Yun		Qualifications: A person with at least five years of working experience in a department of commerce or a department related to the business needs of the company and has not been involved in any of the circumstances in the subparagraphs of Article 30 of the Company Act. Experience: The Company's assistant vice president of the Production Technology Division	Non-independent Director	0
Liao, Lu-Lee		Qualifications: A person with at least five years of working experience in a department of commerce or a department related to the business needs of the company and has not been involved in any of the circumstances in the subparagraphs of Article 30 of the Company Act. Experience: Chairman of Merry Electronics Co., Ltd.	Non-independent Director	0
Chiang, Hung-Yu		Qualifications: A person with at least five years of working experience in a department of commerce or a	Non-independent Director	1

Name \ Criteria	Professional Qualifications and Experience (Note 1)	State of Independence (Note 2)	Number of other public companies where the member also serves as an independent director
	<p>department related to the business needs of the company and has not been involved in any of the circumstances in the subparagraphs of Article 30 of the Company Act.</p> <p>Experience: Director and CEO of Securitag Assembly Group Co., Ltd.</p>		
Liao, Pen-Lin	<p>Qualifications: A person with at least five years of working experience in a department of commerce or a department related to the business needs of the company and has not been involved in any of the circumstances in the subparagraphs of Article 30 of the Company Act.</p> <p>Experience: Chairman, Excel Cell Electronic Co., Ltd.</p>	Non-independent Director	0
Tien, Chia-Sheng	<p>Qualifications: Professional specialist such as an accountant who has passed a national examination and been awarded a certificate and has not been involved in any of the circumstances in the subparagraphs of Article 30 of the Company Act.</p> <p>Experience: Person in charge of Sunpower CPA Firm, person in charge of Yuan-Dong-Li Consulting Co., Ltd. Independent director of Intai Technology Corp. Independent director of Horien Biochemical Technology Co., Ltd. Independent director of Joules Miles Co.,Ltd Director of Genius Electronic Optical Co., Ltd.,</p>	Met all matters stated in Note 2.(1) to (4)	3
Liu, Chien-Cheng	<p>Qualifications: Professional specialist such as an attorney who has passed a national examination and been awarded a certificate and has not been involved in any of the circumstances in the subparagraphs of Article 30 of the Company Act.</p> <p>Experience: Managing Attorney, Liu Chien-Cheng Law Firm</p>	Met all matters stated in Note 2.(1) to (4)	0
Lee,Shu-Min	<p>Qualifications: Possess accounting and finance expertise and more than five years of work experience required for business and corporate operations, and not be subject to any of the circumstances described in Article 30 of the Companies Act.</p> <p>Experience: Department of Accounting, Chung Yuan Christian University · National Chung Hsing University EMBA BDO Taiwan · Vice President, Business Division, Capital Market Department,</p>	Met all matters stated in Note 2.(1) to (4)	3

Name	Criteria	Professional Qualifications and Experience (Note 1)	State of Independence (Note 2)	Number of other public companies where the member also serves as an independent director
		Taishin Financial Holdings ‧ Independent director, Winson Machinery Co., Ltd. Independent director, I JANG Industrial Co., Ltd. Independent director, LARGAN Precision Co.,Ltd Supervisor, Kuen Tong Technology Co., Ltd		

Note 1: Professional qualifications and experience: Specify the professional qualifications and experience of individual directors and supervisors. If the person is a member of the Audit Committee with accounting or financial expertise, their accounting or financial background and work experience shall be specified, **while stating whether this person has been involved in any of the circumstances in the subparagraphs of Article 30 of the Company Act.**

Note 2: For independent directors, their state of independence must be specified, including but not limited to whether they, their spouse, relatives within the second degree of kinship meet the following criteria (1) to (4)

- (1) This party himself/herself, their spouse, relatives within the second degree of kinship is not serving as a director, supervisor or employee of the Company or its affiliates;
- (2) This party himself/herself, their spouse, relatives within the second degree of kinship (or in the name of others) is not holding shares of the Company;
- (3) This party is not serving as a director, supervisor or an employee of a company with which the Company has a specific relationship (as referred to in Article 3, Paragraph 1, Subparagraphs 5-8 in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and
- (4) This party did not provide business, legal, financial or accounting services to the Company or its affiliates in the past two years.

## (2) Board Diversity and Independence:

### A. Board Diversity:

At SIWARD, we promote and respect the board diversity policy. As we strive for enhancing corporate governance and promoting the comprehensive development of the composition and structure of the Board of Directors, we believe that the diversity policy will help improve the Company's overall performance. The appointment of the board members is based on the principle of using talent with a wide range of complementary competencies across industry sectors. The basic composition includes age, gender and nationality; the board members must also have their respective industry experience and related skills as well as capabilities for business judgement, business management, leadership in decision-making and crisis handling.

According to the "Code of Practice on Corporate Governance", the composition of the board of directors should consider diversity, and formulate an appropriate diversity policy based on its own operation, operation type and development needs. It should include but not limited to the following two standards:

1. Basic conditions and values: gender, age, nationality and culture, etc. Among them, female directors account for one-third of the board of director seats.
2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

The specific management objectives and achievement of the company's diversity policy are as follows:

Management Goals	Achievement
The proportion of female directors accounts for one-third of the board seats	There is currently only one female director.

	It is expected that female director seats will be gradually added starting from the next board of directors.
Directors with professional background other than industrial experience, up to three director seats	Achieved The background of the three independent directors are as follows: Tien Chia-Sheng: CPA Liu Chien-Cheng: lawyer Lee Shu-Ming: specialist in industrial analysis and financial accounting

As a means to strengthen board functions and achieve the desired corporate governance objective, Article 20 of the Company’s “Corporate Governance Rules” sets forth the competencies for the Board of Directors as a whole as follows:

1. Legal ability 2. Accounting and financial analysis ability 3. The ability to make judgments about operations 4. Business management ability 5. Crisis management ability 6. Knowledge of the industry 7. An international market perspective 8. Leadership ability 9. Decision-making ability. The Company’s diversity policy of the current Board members and the implementation status are as follows:

Core Items for Diversity Board member	Gender	Part-time employee of the Company	Age			Seniority of independent director	Legal ability	Accounting and financial analysis ability	The ability to make judgments about operations	Business management ability	Crisis management ability	Knowledge of the industry	An international market perspective	Leadership ability	Decision-making ability
			50-60	60-70	70-80										
Tseng Ying-Tang	Male	✓			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Tseng Jung-Meng	Male	✓			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Liu Ping-Feng	Male	✓			✓			✓	✓	✓	✓	✓	✓	✓	✓
Ku Chih-Yun	Male	✓		✓				✓	✓	✓	✓	✓	✓	✓	✓
Liao Lu-Lee	Male				✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Chiang Hung-Yu	Male			✓			✓	✓	✓	✓	✓	✓	✓	✓	✓
Liao Pen-Lin	Male				✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Tien Chia-Sheng (Independent director)	Male		✓			9	✓	✓		✓					
Liu Chien-Cheng (Independent director)	Male			✓		6	✓			✓					
Lee, Shu-Min (Independent director)	Female			✓		3		✓	✓		✓				

B. Independence of the Board of Directors: The number and proportion of independent directors must be specified; explain the independence of the Board of Directors; with details on matters stated in Article 26-3, Subparagraphs 3 and 4 of the Securities and Exchange Act; with a description provided where there is a spouse or second degree of kinship between directors or supervisors or between directors and supervisors.

(1) Number and proportion of independent directors: We have 3 independent directors, accounting for 30% of all directors.

- (2) Independence of the Board of Directors:  
Three board members also serve as part-time employees of the Company and account for 40% of all directors. None of the directors of the Company concurrently serve as employees of subsidiaries or sister companies. Among the ten directors in the Board, only Tseng Ying-Tang and Tseng Jung-Meng are relatives within second degree of kingship, no more than half of the board seats, in line with Article 26-3, Paragraph 3 of the Securities and Exchange Act. For more details, please see p.5-6 of the Annual Report.
- (3) As the Company does not have supervisors, Article 26-3, Subparagraphs 4 of the Securities and Exchange Act does not apply.

(II) Information on the company's general manager, vice general manager, assistant general managers, and the heads of all the company's divisions and branch units:

April 25, 2026

Title	Nationality	Gender	Name	Date of Election	of Others		Current Shareholding of Others		Shareholding in the Name		Shareholding in the Name of Others Work Experience and Academic Qualifications	Any position(s) concurrently held in other companies	A spouse or relative within the second degree of kinship of a manager			Remark
					No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio			Title	Name	Relationship	
President	Taiwan	Male	Tseng Jung-Meng	1988.4.1	3,585,983	2.249%	302,662	0.190%	-	-	EMBA, Feng Chia University Department of Electronics, Taichung Municipal Taichung Industrial High School	Representative director of SIWARD Technology Co., Ltd., representative director of S.E JAPAN CO., chairman of Apex Optech Corporation, chairman of APEX OPTECH CO., Apex Optech(Wuxi) Corporation , chairman of Apex Optech Corporation, vice chairman of SIWARD Electronic Technology (Shenzhen) Inc., representative of corporate director of Securitag Assembly Group Co., Ltd., independent director and member of the Remuneration Committee of Sun Own Industrial Co., Ltd. director of Rakon Limited, independent director of Liton Technology Corp.	Chairman	Tseng Ying-Tang	Brothers	None
CSO	Taiwan	Male	Tseng Ying-Tang	2024.5.6	4,276,593	2.682%	1,813	0.001%	-	-	Master of Science in Honors, National Taiwan University of Science and Technology Department of Electronics, Taichung Municipal Taichung Industrial High School	Director of SIWARD Technology Co., Ltd., Director of Apex Optech Corporation, Director of APEX OPTECH CO., Director of Apex Optech (Wuxi) Corporation, Chairman of SCT (USA) Inc., Chairman of Securitag Assembly Group Co., Ltd., Director of SIWARD Electronic Technology (Shenzhen) Inc. Chairman of SIWARD Crystal Technology (Dongguan) Co., Ltd.	President	Tseng Jung-Meng	Brothers	None
Vice President	Taiwan	Male	Liu Ping-Feng	1988.4.1	4,159,183	2.609%	286	-	-	-	Department of Mechanical Engineering, Tamkang University	Director of SIWARD Technology Co., Ltd., director of Apex Optech Corporation, director of Apex Optech (Wuxi) Corporation, Director of SIWARD Electronic Technology (Shenzhen) Inc.	None	None	None	None
Production Technology Division Assistant Vice President	Taiwan	Male	Ku Chih-Yun	1991.4.8	2,002,473	1.256%	49,708	0.031%	-	-	Department of Electronics, Ta Hwa University of Science and Technology	Director of SIWARD Technology Co., Ltd. Supervisor of Apex Optech Corporation	None	None	None	None
R&D Department Assistant Vice President r	Taiwan	Male	Lai Chih-Cheng	1990.8.1	800,607	0.502%	-	-	-	-	MBA, Chaoyang University of Technology	None	None	None	None	None
Marketing Sales Division Vice President	Taiwan	Male	Chang Yu-An	2014.9.1	-	-	6,738	0.004%	-	-	Department of Electronic Engineering, Ocean University	None	None	None	None	None
Finance Department Assistant Vice President r	Taiwan	Female	Huang Ling-Ling	1996.9.2	14,092	0.009%	-	-	-	-	Master of Finance, EMBA, Chung Hsing University Taiwan CPA	None	None	None	None	None

Title	Nationality	Gender	Name	Date of Election	of Others		Current Shareholding of of Others		Shareholding in the Name		Shareholding in the Name of Others Work Experience and Academic Qualifications	Any position(s) concurrently held in other companies held in other companies	A spouse or relative within the second degree of kinship of a manager			Remark
					No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio	No. of Shares	Shareholding Ratio			Title	Name	Relationship	
Administration Department Manager	Taiwan	Female	Chen Chun-Jung	2024.5.2	3,000	0.002%	-	-	-	-	EMBA, Tunghai University	None	None	None	None	None
Audit Office Assistant Manager	Taiwan	Male	Wu, Ya-Ping	2024.6.26	-	-	-	-	-	-	Department of Accounting Information, Kun Shan University Taiwan CIA	None	None	None	None	None
IT Department Manager	Taiwan	Male	Lin Wei- Hsu	2023.3.23	-	-	-	-	-	-	Department of Industrial Engineering, Tunghai University	None	None	None	None	None

(III) Supplementary information on matters regarding the chairman 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. additional seats of Independent Directors, no more than half of the seats of directors are serving concurrently as an employee or a manager, or other ways):  
None.

II. Remuneration to directors, general managers and vice general managers for the most recent fiscal year  
(I) Remuneration to general directors and independent directors (disclose aggregate remuneration information)

December 31, 2025  
Unit: NT\$ thousands

Title	Name	Remuneration to Directors								Sum of A, B, C, and D as a percentage of the net profits after tax (%)		Remuneration received as company's part-time employee								Sum of A, B, C, D, E, F and G, as a percentage of the net profits after tax (%)		Remuneration from investee enterprises other than subsidiaries or parent company
		Remuneration (A)		Severance and Pension (B) (Note 1)		Director Remuneration (C)		Expenses for Services Rendered (C)		The Company	All the companies included in the financial statements	Salaries, bonuses, special allowances, etc. (E)		Pension (F) (Note 2)		Employee Remuneration (G)				The Company	All the companies included in the financial statements	
		The Company	All the companies included in the financial statements	The Company	All the companies included in the financial statements	The Company	All the companies included in the financial statements	The Company	All the companies included in the financial statements			The Company	All the companies included in the financial statements	The Company	All the companies included in the financial statements	Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
Chairman	Tseng, Ying-Tang	0	0	0	0	364	364	21	21	0.37	0.37	3,854	3,854	0	0	215	0	215	0	4.30	4.30	0
Director	Tseng, Jung-Meng	0	0	0	0	364	364	21	21	0.37	0.37	4,261	5,300	108	108	215	0	215	0	4.79	5.80	0
Director	Liu, Ping-Feng	0	0	0	0	364	364	21	21	0.37	0.37	3,745	3,745	108	108	184	0	184	0	4.27	4.27	0
Director	Ku, Chih-Yun	0	0	0	0	364	364	21	21	0.37	0.37	2,032	2,032	98	98	56	0	56	0	2.48	2.48	0
Director	Liao, Lu-Lee	0	0	0	0	363	363	18	18	0.37	0.37	0	0	0	0	0	0	0	0	0.37	0.37	0
Director	Chiang, Hung-Yu	0	0	0	0	363	363	21	21	0.37	0.37	0	0	0	0	0	0	0	0	0.37	0.37	0
Director	Liao, Pen-Lin	0	0	0	0	363	363	21	21	0.37	0.37	0	0	0	0	0	0	0	0	0.37	0.37	0
Independent Director	Tien, Chia-Sheng	600	600	0	0	0	0	21	21	0.60	0.60	0	0	0	0	0	0	0	0	0.60	0.60	0
Independent Director	Liu, Chien-Cheng	600	600	0	0	0	0	21	21	0.60	0.60	0	0	0	0	0	0	0	0	0.60	0.60	0
Independent Director	Lee,,Shu-Min	600	600	0	0	0	0	21	21	0.60	0.60	0	0	0	0	0	0	0	0	0.60	0.60	0

Note 1: The Company does not have a pension system.

Note 2: Pension funds are contributions and there was no contribution this year.

Note 3: In addition to the disclosure in the above table, in the most recent fiscal year, remuneration received by directors (e.g. serving as a consultant for a non-employee): None.

## (II) Remuneration to President and Vice President

December 31, 2025

Unit: NT\$ thousands

Title	Name	Salary (A)		Pension (B)		Bonus and Special Allowances, etc. (C)		Amount of Employee Remuneration (D)				Sum of A, B, C, and D as a percentage of the net profits after tax (%)		Remuneration from investee enterprises other than subsidiaries or parent company
		The Company	All the companies included in the financial statements	The Company	All the companies included in the financial statements	The Company	All the companies included in the financial statements	The Company		All the companies included in the financial statements		The Company	All the companies included in the financial statements	
								Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
President	Tseng Jung-Meng	2,704	3,743	108	108	1,557	1,557	215	0	215	0	4.42	5.42	0
CSO	Tseng Ying-Tang	2,297	2,297	0	0	1,557	1,557	215	0	215	0	3.93	3.93	0
Vice President	Liu Ping-Feng	2,423	2,423	108	108	1,321	1,321	184	0	184	0	3.89	3.89	0
Vice President	Chang Yu-An	1,900	1,900	108	108	1,287	1,287	177	0	177	0	3.35	3.35	0

## (III) Remuneration for top-5 paid managers of the company:

December 31, 2025

Unit: NT\$ thousands

Title	Name	Salary (A)		Pension (B)		Bonus and Special Allowances, etc. (C)		Amount of Employee Remuneration (D)				Sum of A, B, C, and D as a percentage of the net profits after tax (%)		Remuneration from investee enterprises other than subsidiaries or parent company
		The Company	All the companies included in the financial statements	The Company	All the companies included in the financial statements	The Company	All the companies included in the financial statements	The Company		All the companies included in the financial statements		The Company	All the companies included in the financial statements	
								Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
President	Tseng Jung-Meng	2,704	3,743	108	108	1,557	1,557	215	0	215	0	4.42	5.42	0
CSO	Tseng Ying-Tang	2,297	2,297	0	0	1,557	1,557	215	0	215	0	3.93	3.93	0
Vice President	Liu Ping-Feng	2,423	2,423	108	108	1,321	1,321	184	0	184	0	3.89	3.89	0
Vice President	Chang Yu-An	1,900	1,900	108	108	1,287	1,287	177	0	177	0	3.35	3.35	0
Assistant Vice President	Ku Chih-Yun	1,496	1,496	98	98	536	536	56	0	56	0	2.11	2.11	0

## (IV) Names of the managers receiving employee remuneration and the distribution thereof

December 31, 2025

Unit: NT\$ thousands

	Title	Name	Amount in share bonus	Amount in cash bonus	Total	Ratio of total amount to profit after tax (%)
Manager      (Note)	President	Tseng Jung-Meng	0	965	965	0.93
	CSO	Tseng Ying-Tang				
	Vice President	Liu Ping-Feng				
	Vice President	Chang Yu-An				
	Assistant Vice President	Ku Chih-Yun				
	Assistant Vice President	Lai Chih-Cheng				
	Chief of the Finance and Accounting Department	Huang Ling-Ling				

Note: Pursuant to FSC Letter No. Tai-Cai-Zheng-3-0920001301 dated March 27, 2003; the role of manager covers the following positions:

1. President or other equivalent position
2. Vice president or other equivalent position
3. Assistant Vice President or other equivalent position
4. Chief finance officer
5. Chief accounting officer
6. Others with the right to manage affairs and sign for the Company

(V) Compare and describe total remuneration, as a percentage of net income stated in the parent company only financial report, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, general manager and vice general manager, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to business performance and future risk exposure:

1. Analysis of remuneration paid to Directors, Supervisors, President and Vice President by the Company and all companies in the consolidated financial statements in the recent two years as a percentage of net income in the parent company only or individual financial statements:

Unit: NT\$ thousands

Item	The Company				All companies included in the consolidated statements			
	2024		2025		2024		2025	
	Total	As a percentage of net income after tax	Total	As a percentage of net income after tax	Total	As a percentage of net income after tax	Total	As a percentage of net income after tax
Remuneration to General Directors	20,168	12.75	17,564	16.94	21,217	13.41	18,603	18.95
Remuneration to Independent Directors	1,860	1.18	1,863	1.80	1,860	1.18	1,863	1.80
Remuneration to President and Vice President	17,231	10.89	16,161	17.59	18,280	11.55	17,200	16.59
Net income after tax	158,228	-	103,660	-	158,228	-	103,660	-

The total amount of remuneration to directors in 2025 decreased from 2024 due to the decrease in net income after tax, resulting in the decrease in bonus payments and employee remuneration.

2. Remuneration policy, standards and composition, procedures and the correlation with operation performance and future risks:

(1) Remuneration policy, standards and composition:

A. Remuneration to the Company's directors – according to Article 25 of the Articles of Incorporation, no more than 3% of the Company's profit for the year, if any, shall be allocated as remuneration to directors. Independent directors do not participate in the distribution of director remuneration. In accordance with the "Rules for Performance Evaluation of Board of Directors," the Company regularly evaluates director remuneration. The relevant performance appraisals and reasonableness of remuneration are reviewed by the Remuneration Committee and the Board of Directors.

B. Remuneration (including bonuses) to the Company's president, vice president and other managers – remuneration is subject to standards of peers, as well as the title, rank, education, professional competence and duties; while bonuses are subject to the manager's performance evaluation covering the contribution to the achievement rate of the Company's revenue, profit before tax, profit after tax. The

remuneration system of managers is examined at any time according to the actual business situation and applicable laws. In addition, 5% of the Company's profit of the current year, if any, will be allocated as remuneration to employees in accordance with Article 25 of the Articles of Incorporation. The above remuneration is reviewed and determined by the Remuneration Committee and the Board of Directors.

- C. The Company's package of remuneration is determined according to the Remuneration Committee Charter, covering cash remuneration, stock options, stock ownership, retirement benefits or severance pay, various allowances and other incentives. The scope of the Charter is consistent with the director and manager remuneration set forth in the "Regulations Governing Information to be Published in Annual Reports of Public Companies".

(2) Procedure for determining remuneration

- A. The results of the assessments performed in accordance with the Company's "Rules for Performance Evaluation of Board of Directors" and the "Performance Management Measures" designed for managers and employees are used to regularly evaluate the remuneration to directors and managers. Reasonable remuneration is paid by taking account the Company's overall operational performance, the industry's future management risks and development trends, as well as the degree of contribution to the performance of the Company. Remuneration is reviewed by the Remuneration Committee and the Board of Directors and the system is examined in a timely manner according to the actual business situation and applicable laws and regulations
- B. The results of the self-assessments performed by the Board of Directors and Board members in 2025 were significantly above the standard. The Company's assessment results for the annual business indicator have reached the highest standards.
- C. The Company's performance assessment and remuneration reasonableness of directors and managers are subject to the annual regular evaluation and review of the Remuneration Committee and the Board of Directors. In addition to taking into account the individual's performance achievement rate and the degree of their contribution to the Company, its overall operational performance, the industry's future risks and development trends are also considered. The remuneration system is also promptly reviewed based on the business situation and applicable laws. After considering the current corporate governance trends, reasonable remuneration is paid in order to strike a balance between sustainable management and risk control of the Company. The actual amount of 2025 remuneration to directors and managers reviewed by the Remuneration Committee is submitted to the Board of Directors to be determined.

(3) Linkage to business performance and future risk exposure:

- A. The payment standards and system of the Company's remuneration policy are mainly based on the Company's overall operations. The payment standards are determined by taking into consideration the performance achievement rate and the degree of contribution of the Board of Directors and managers to improve the overall organizational team effectiveness. We also make reference to the industry's salary

standards in order to ensure remuneration to management is competitive to retain quality management talent.

- B. The Company's performance objectives for managers are based on the results of the actual performance appraisal, linked to relevant human resources and remuneration policies. The important decisions of the Company's management are subject to risk factors. The performance of the relevant decisions is reflected in the profitability of the Company and remuneration of the management is related to the performance of risk management

### III. State of Corporate Governance Implementation

#### (I) State of Operations of the Board of Directors

For the most recent fiscal year, 6 (A) meetings of the Board of Directors were held, the attendance of directors is as follows:

Title	Name	Actual Attendance ( B)	Attendance by Proxy	Actual Attendance (%) [B/A]	Remark
Chairman	Tseng Ying-Tang	6	0	100	
Director	Tseng Jung-Meng	6	0	100	
Director	Liu Ping-Feng	6	0	100	
Director	Ku Chih-Yun	6	0	100	
Director	Liao Lu-Lee	5	1	83	
Director	Chiang Hung-Yu	6	0	100	
Director	Liao Pen-Lin	6	0	100	
Independent Director	Tien Chia-Sheng	6	0	100	
Independent Director	Lee,Shu-Min	6	0	100	
Independent Director	Liu Chien-Cheng	6	0	100	

Other information required:

- I. For board of directors meetings that meet any of the following descriptions, state the date, session, the discussed agenda, independent directors' opinions and how the company has responded to such opinions:

#### 1. Matters listed in Article 14-3 of the Securities and Exchange Act:

Session of board meeting	Date of board meeting	Motion content	Independent directors' opinions and how the company has responded to such opinions:
12 <sup>th</sup> meeting of the 13 <sup>th</sup> term Board of Directors	2025.1.15	1. Motion for the establishment of the distribution rate of the 2024 remuneration to directors. 2. Motion for 2024 year-end bonus of managers	Opinions of independent directors: None. How the Company responded to their opinions: None Resolution: Motion passed.
13 <sup>th</sup> meeting of the 13 <sup>th</sup> term Board of Directors	2025.2.27	1. Motion for the amendment to some provisions of the Company's "Internal control system"	Opinions of independent directors: None. How the Company responded to their opinions: None Resolution: Motion passed.

14 <sup>th</sup> meeting of the 13 <sup>th</sup> term Board of Directors	2025.5.5	1. Motion for the professionalism and independence evaluation of CPAs and review of the fees of CPAs	Opinions of independent directors: None. How the Company responded to their opinions: None Resolution: Motion passed.
17 <sup>th</sup> meeting of the 13 <sup>th</sup> term Board of Directors	2025.11.3	1. Motion for the replacement of CPAs and the professionalism and independence evaluation of CPAs.	Opinions of independent directors: None. How the Company responded to their opinions: None Resolution: Motion passed.

2. Except for the preceding matters, any matter resolved by the Board of Directors with an independent director expressing an objection or reservation that has been included in records or stated in writing: None.

II. For the implementation and state of directors' recusal for conflicts of interest, the directors' name, topic discussed, reasons for the required recusal, and participation in the voting process:

- (I) Motion at the 12<sup>th</sup> meeting of the 13<sup>th</sup> term: Discussion of the motion for 2024 year-end bonus of managers –four directors (Tseng Ying-Tang, Tseng Jung-Meng, Liu Ping-Feng, and Ku Chih-Yun) who were also part-time employees recused themselves due to conflict of interest and did not participate in the discussion and voting.
- (II) Motion at the 14<sup>th</sup> meeting of the 13<sup>th</sup> term: Discussion of the motion for 2025 Dragon Boat Festival bonus of managers –four directors (Tseng Ying-Tang, Tseng Jung-Meng, Liu Ping-Feng, and Ku Chih-Yun) who were also part-time employees recused themselves due to conflict of interest and did not participate in the discussion and voting.
- (II) Motion at the 16<sup>th</sup> meeting of the 13<sup>th</sup> term
  1. Discussion of the motion for 2024 distribution of employee remuneration to managers – four directors (Tseng Ying-Tang, Tseng Jung-Meng, Liu Ping-Feng, and Ku Chih-Yun) who were also part-time employees recused themselves due to conflict of interest and did not participate in the discussion and voting.
  2. Discussion of the motion for 2025 Mid-Autumn Festival bonus of managers –four directors (Tseng Ying-Tang, Tseng Jung-Meng, Liu Ping-Feng, and Ku Chih-Yun) who were also part-time employees recused themselves due to conflict of interest and did not participate in the discussion and voting.

III. Information on the evaluation cycle and period, evaluation scope, method and evaluation content of self-assessment of the Board of Directors:

The Company's assessment of the Board of Directors has been implemented once a year. Please see the following table for information on the self-assessment of the Board of Directors for 2025.

IV. Measures undertaken during the current year and past year in order to strengthen the functions of the board of directors:

1. To strengthen corporate governance, we perform internal self-evaluations of the Board of Directors, self-evaluations of the Board members and self-evaluations of the functional committees.
2. We take information transparency very seriously. We disclose our important information on the websites designated by the competent authorities as well as the Company's website. Meeting minutes of the Audit Committee and the Board of Directors are also fully disclosed on the Company's website to meet the requirements of information transparency.

### Implementation of the Assessment of the Board of Directors

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once a year	January 1 to December 31, 2025	Performance evaluation of the Board of Directors, functional committees and Board members	Internal self-evaluation of the Board of Directors, self-evaluation of the Board members Internal self-evaluation of the Audit Committee Internal self-evaluation of the Remuneration Committee	Note 1

Note 1: The results of the 2025 assessment of the Board of Directors has been submitted to the Board meeting on January 28, 2026. The assessment content and results are summarized as follows:

1. Performance evaluation of the Board of Directors includes: Participation in the operation of the company, quality of the Board of Directors' decision-making, composition and structure of the Board of Directors, election and continuing education of the directors, and internal control. The results of the 2025 assessment of the Board of Directors are as follows:

Evaluation Items	Performance Evaluation Results
A. Participation in the operation of the company (11 indicators)	92.7%
B. Quality of the Board of Directors' decision making (12 indicators)	95.0%
C. Composition and structure of the Board of Directors (7 indicators)	94.3%
D. Election and continuing education of the directors (4 indicators)	95.0%
E. Internal control (7 indicators)	91.4%
Total	93.7%

2. Performance evaluation of individual board members includes: Alignment of the goals and missions of the company, awareness of the duties of a director, participation in the operation of the company, management of internal relationship and communication the director's professionalism and continuing education, and internal control. The results of the 2025 assessment of the Board of Directors are as follows:

Evaluation Items	Performance Evaluation Results
A. Alignment of the goals and missions of the company (3 indicators)	95.3%
B. Awareness of the duties of a director (3 indicators)	98.0%
C. Participation in the operation of the company (8 indicators)	95.0%
D. Management of internal relationship and communication	96.7%
E. The director's professionalism and continuing education (3 indicators)	93.3%
F. Internal control (3 indicators)	97.3%
Total	95.7%

3. Performance evaluation of the Audit Committee includes:

<b>Evaluation Items</b>	<b>Performance Evaluation Results</b>
A. Their degree of participation in the company's operations. (4 indicator)	95.0%
B. Their recognition of the duties of the functional committee. (5 indicator)	88.0%
C. Improvement in the quality of decision making by the functional committee. (7 indicator)	97.1%
D. The composition of the functional committee, and election and appointment of committee members (3 indicator)	93.3%
E. Internal control (3 indicator)	93.3%
Total	93.6%

4. Performance evaluation of the Remuneration Committee includes :

<b>Evaluation Items</b>	<b>Performance Evaluation Results</b>
A. Their degree of participation in the company's operations. (4 indicator)	95.0%
B. Their recognition of the duties of the functional committee. (5 indicator)	88.0%
C. Improvement in the quality of decision making by the functional committee. (7 indicator)	97.1%
D. The composition of the functional committee, and election and appointment of committee members (3 indicator)	100.0%
E. Internal control (1 indicator)	100.0%
Total	95.0%

## (II) State of Operations of the Audit Committee:

## State of Operations of the Audit Committee

For the most recent fiscal year, 4 (A) Audit Committee meetings were held, the attendance of independent directors is as follows:

Title	Name	Actual Attendance (B)	Attendance by Proxy	Actual Attendance Rate (%) (B/A)	Remark
Independent Director	Tien Chia-Sheng	3	1	75	
Independent Director	Lee Shu-Min	4	0	100	
Independent Director	Liu Chien-Cheng	4	0	100	

Other information required:

## I. Annual Operations of the Audit Committee

Session of Audit Committee meeting (date of meeting)	Motion content	Matters listed in Article 14-5 of the Securities and Exchange Act	Motions not passed by the Audit Committee but approved by more than two-thirds or more of all directors	Internal auditing officer and CPA were present for communication
7 <sup>th</sup> meeting of the 3 <sup>rd</sup> term (2025.2.27)	1. Motion for the review of the 2024 financial statements and business report	Yes	No	CPA present the chief internal auditor present
	2. Motion for the 2024 earnings distribution	No	No	the chief internal auditor present
	3. Motion for the amendment to some provisions of the Company's "Internal control system"	Yes	No	the chief internal auditor present
	4. Review of the self-evaluation report of the 2024 internal control system and the statement of internal control.	Yes	No	the chief internal auditor present
Resolution of the Audit Committee: Passed by all members. The Company's handling of the opinions of the Audit Committee: Passed by all directors present at the meeting. Objections, reservations or major suggestions of the independent directors: None.				
8 <sup>th</sup> meeting of the 3 <sup>rd</sup> term (2025.5.5)	1. Motion for the review of the consolidated financial statements for the Company and subsidiaries for first quarter of 2025	No	No	None
	2. Motion for the professionalism and independence evaluation of CPAs and review of the fees of CPAs	Yes	No	None
	Resolution of the Audit Committee: Passed by all members. The Company's handling of the opinions of the Audit Committee: Passed by all directors present at the meeting. Objections, reservations or major suggestions of the independent directors: None.			

9 <sup>th</sup> meeting of the 3 <sup>rd</sup> term (2025.8.4)	1. Motion for the review of the consolidated financial statements for the Company and subsidiaries for the second quarter of 2025	No	No	None
	Resolution of the Audit Committee: Passed by all members. The Company's handling of the opinions of the Audit Committee: Passed by all directors present at the meeting. Objections, reservations or major suggestions of the independent directors: None.			
10 <sup>th</sup> meeting of the 3 <sup>rd</sup> term (2025.11.3)	1. Motion for the placement of CPAs and the professionalism and independence evaluation of CPAs	No	No	the chief internal auditor present
	2. Motion for the review of the consolidated financial statements for the Company and subsidiaries for the third quarter of 2025	No	No	the chief internal auditor present
	3. Review of the "2026 audit plan"	Yes	No	the chief internal auditor present
	4. Motion for the "List of non-confidential services expected to be provided by accounting firms" in 2026	No	No	the chief internal auditor present
	Resolution of the Audit Committee: Passed by all members. The Company's handling of the opinions of the Audit Committee: Passed by all directors present at the meeting. Objections, reservations or major suggestions of the independent directors: None.			

II. For the implementation and state of independent directors' recusal for conflicts of interest, the independent directors' name, topic discussed, reasons for the required recusal, and participation in the voting process:

III. State of communication between independent directors, internal auditing officer and accountants (such as significant matters, methods and results of communications on the Company's finances and business status)

1. State of communication between independent directors and accountants:

(1) The Audit Committee reviewed the annual financial statements in accordance with Article 14-5 of the Securities and Exchange Act and communicated the key audit matters. The accountants were present at the Audit Committee meeting to report the review methods and results of the financial statements. The participation status is described as the table above.

(2) Individual communications between the independent directors and CPAs (the items, methods and results of audits of corporate finance or operations)

Methods	Items	Conclusions
2025/11/3 Individual communications between the independent directors and CPAs	1 · The CPAs reported matters relating to the third quarter audited financial statements to the Audit committee meeting. 2 · During these discussions, CPAs answered questions from directors regarding the consistency.	Noted with no comments

2. State of communication between independent directors and internal auditing officer:

(1) The audit results of the Company's financial operations are regularly reported to the independent directors in writing. If the independent directors have opinions, the internal auditing officer present at the meeting will be requested for communication.

There were no unusual circumstances in the most recent fiscal year.

- (2) The annual audit plan and the internal control system effectiveness from the self-evaluation report of the internal control system is submitted to the Audit Committee meeting for review. The internal auditing officer was present at the meeting for communication. The participation status is described as the table above.
- (3) As of November 3, 2025, Individual communication meeting between independent directors and internal auditing officer discussed about internal audit report in the third quarter of 2025 and internal audit plan for 2026.

IV. The annual key points of the Audit Committee's work are as follows:

The Committee mainly monitors the following matters:

- (1) The fair presentation of the Company's financial statements.
- (2) The selection (dismissal) of CPAs as well as their independence and performance.
- (3) The effective implementation of the Company's internal control
- (4) The Company's compliance with applicable laws and regulations
- (5) The control of the Company's existing or potential risks.

The Committee is responsible for the following:

- (1) Adoption or amendment of an internal control system pursuant to Article 14-1.
- (2) Assessment of the effectiveness of the internal control system.
- (3) Adoption or amendment, pursuant to Article 36-1, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.
- (4) A matter bearing on the personal interest of a director.
- (5) A material asset or derivative instrument transaction.
- (6) A material monetary loan, endorsement, or provision of guarantee.
- (7) The offering, issuance, or private placement of any equity-type securities.
- (8) The engagement or dismissal of an attesting CPA, or the remuneration given thereto.
- (9) The appointment or discharge of a financial, accounting, or internal auditing officer.
- (10) Annual financial reports.
- (11) Any other material matters so required by the company or the Competent Authority.

(III) State of corporate governance and any deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies and the reason for such deviation

Evaluation Item	State of Operations (Note 1)			Deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies and the reason for such deviation
	Yes	No	Summary	
I. Has the company established and disclosed its rules of corporate governance in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		We have formulated “Corporate Governance Best-Practice Principles,” which are disclosed on the Company’s website and the Market Observation Post System.	No difference
II. Equity structure and shareholders’ equity				
(I) Has the company formulated internal procedures regulated to handle shareholders’ proposals, doubts, disputes, and litigation matters and have the procedures been implemented accordingly?		V	Handled by the Company’s spokesperson.	No difference
(II) Does the company possess a list of the company’s major shareholders and a list of the ultimate controllers of its major shareholders?	V		The Company has a list of its major shareholders and a list of the ultimate controllers of its major shareholders	No difference
(III) Has the company established and implemented the risk control and firewall mechanisms between the affiliates?	V		This is performed in accordance with subsidiary supervisory operations and “the Rules Governing financial and Business Matters Between this Corporation and its Affiliated Enterprises”. The directors are required to obtain permission to lift the restriction of competitive activities when engaging in a competitive activity.	No difference
(IV) Has the company set up internal regulations to prohibit internal personnel from utilizing the undisclosed information to trade securities?	V		We have formulated “Procedures for Handling Material Inside Information,” “Ethical Corporate Management Best-Practice Principles” and “Guidelines for the Adoption of Codes of Ethical Conduct.” These are announced to	No difference

Evaluation Item	State of Operations (Note 1)			Deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies and the reason for such deviation
	Yes	No	Summary	
			employees in accordance with the Company's operating procedures and incorporated into the management system to prevent insider trading by the Company's employees and managers.	
<p>III. Composition and duties of the Board of Directors</p> <p>(I) Has the board formulated a diversity policy and specific management objectives, and have they been implemented?</p>	V		Article 3 of the Company's "Corporate Governance Best-Practice Principles" regarding "enhancing board functions" sets forth a diversity policy on guidelines that the composition of the Board members should take into consideration of diversification. For the implementation of the diversification of the 13th term Board of Directors, please see p.9 and p.10 of the Annual Report.	No difference
(II) Apart from the remuneration committee and audit committee, has the company voluntarily established other functional committees?		V	We currently have no other functional committees and may establish one when necessary.	Will be established according to the operational needs; it does not differ from the provisions of the Principles.
(III) Has the company established Regulations Governing the Board Performance Evaluation and its evaluation methods, and does the company conduct a performance evaluation each year, submit the performance evaluation results to the Board of Directors and use them as a reference in determining remuneration for individual directors, and nomination for reappointment?	V		We have formulated Rules for Performance Evaluation of the Board of Directors. The 2025 performance evaluation results have been reported to the Board meeting held on January 28, 2026. For more information, please see p.20–p.21 of the Annual Report.	No difference

Evaluation Item	State of Operations (Note 1)			Deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies and the reason for such deviation
	Yes	No	Summary	
(IV) Does the company regularly assess the independence of its CPAs?	V		<p>1. According to Article 28 of the Company's "Corporate Governance Best-Practice Principles," the Company shall periodically evaluate the suitability and independence of the CPAs and report to the Board of Directors each year, with the accounting firm issuing a letter of independent statement and an Audit Quality Index (AQI) information report for the reference of the company's board of directors.</p> <p>2. The Company completed the evaluation of the suitability and independence of the CPAs for 2025. The evaluation of the suitability and independence of the CPAs was approved by the Audit Committee and the Board meeting held on May 5, 2025. For more details of the review, please refer to Note 2.</p>	No difference.
IV. Has the company designated an appropriate number of personnel that specializes (including but not limited to providing directors with the information needed and assist directors in complying with the laws and regulations to perform their duties, convention of board meetings and shareholders' meetings, and preparation of board meeting and shareholders' meeting minutes)?	V		The 21 <sup>st</sup> meeting of the 12 <sup>th</sup> term board of directors has appointed that the chief accounting officer concurrently serve as the chief corporate governance officer of the company.	No difference.

Evaluation Item	State of Operations (Note 1)			Deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies and the reason for such deviation
	Yes	No	Summary	
V. Has the company established channels for communication with the stakeholders (including but not limited to shareholders, employees, customers, and suppliers), and set up a section for stakeholders on the official website of the Company with a proper response to the concerns of the stakeholders on issues related to corporate social responsibility?	V		There is a contact and Q&A section on the Company's website ( <a href="http://www.seward.com">www.seward.com</a> ). We have also set up a section dedicated to stakeholders for the identity of stakeholders, issues of concern, communication outlets and response methods. Please see Note 3. Administration Department reported to the Board of Directors on its communications with stakeholders in November 3, 2025.	No difference.
VI. Does the company engage a professional stock transfer agency to handle affairs related to shareholders' meetings?	V		The Company's stock agency is the stock department of President Securities Corporation	
VII. Information Disclosure (1) Does the company have a website set up where its financial business, and corporate governance information is disclosed? (2) Has the company adopted other information disclosure methods (e.g. establishing an English website, designating a responsible person for collecting and disclosing information of the Company, substantiating the spokesman system, and uploading the procedure of investors conference on its website)?  (3) Has the company published and reported its annual financial report within two months after the end of a fiscal year, and published	V  V  V		The Company's website: <a href="http://www.seward.com">www.seward.com</a>  We have set up a website ( <a href="http://www.seward.com">www.seward.com</a> ) for information disclosure. The collection and disclosure of company information is overseen by the spokesperson and relevant personnel. Moreover, the process of an investor conference held by us will be disclosed on the website. However, we were only invited to investor conferences for the most recent fiscal year, and the information has been disclosed on the company website.  The 2025 annual financial report was published on March 4, 2026. The first, second and third quarter financial reports of 2025 and the operating conditions of each month	No difference.  No difference.  No material difference.

Evaluation Item	State of Operations (Note 1)			Deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies and the reason for such deviation
	Yes	No	Summary	
and reported its financial reports for the first, second, and third quarters, as well as its operating status for each month before the specified deadline?			were published before the specified deadline.	
VIII. Is there any further information (including, but not limited to, employee rights and interests, employee care, investor relations, supplier relations, stakeholder rights, continuing education of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, and liability insurance for directors and supervisors) that is helpful in understanding the corporate governance operation of the company?	V		Please see Note 4 provided below.	Same as provided at left
<p>IX. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center, and propose enhancement items and measures for any issues that are yet to be improved.</p> <p>The Company conducted a report on self-evaluation on corporate governance according to the 2025 assessment indicators of the corporate governance system. Based on the results, the main deficiencies and improvements are as follows:</p> <p>Based on the evaluation results, there are no other specific improvement plans.</p>				

Note 1: Regardless of ticking “yes” or “no” for the state of operation, it should be explained in the summary field.

Note 2: Evaluation items for the independence and suitability of CPAs

- 1 Did the CPA serve in the Company 2 years prior to their practice?
- 2 Does the CPA hold shares in the Company?
- 3 Has the CPA taken a loan from the Company?
- 4 Does the CPA have a regular job with the Company and receive a fixed pay?
- 5 Is there is a joint investment or profit-sharing relationship with the Company?
- 6 Is the CPA is involved in the management function of the Company’s decision-making?

- 7 Is the CPA related to the Company's directors or management as a spouse, direct blood relative, direct relative by marriage or a relative within the fourth degree of kinship?
- 8 Is the CPA's name used by others to serve as the Company's CPA?
- 9 Does the CPA exercise due diligence in keeping the Company's business secrets confidential?
- 10 Is the remuneration of the succeeding CPA lower than that of the preceding CPA?
- 11 Does the CPA's professional services meet the Company's current needs?
- 12 Does the accounting firm issue an Audit Quality Index (AQI) information report for the reference of the company's board of directors?

Note 3: Identity of stakeholders, issues of concern, communication outlets and response methods

Stakeholder	Issues of Concern	Communication Outlets and Response Methods
Shareholders and investors	<ol style="list-style-type: none"> <li>1. Corporate governance</li> <li>2. Risk management</li> <li>3. Business performance</li> <li>4. Shareholder engagement</li> </ol>	Release major news Convene a shareholders' meeting and publish an annual report Participate in investor conferences Establish contacts for stock affairs and investor relations to facilitate two-way communication Manager Cheng, Spokesperson: irene@siward.com
Customers	<ol style="list-style-type: none"> <li>1. Customer management and communication</li> <li>2. Service quality</li> </ol>	Email: sales@siward.com
Suppliers	<ol style="list-style-type: none"> <li>1. Supplier management</li> <li>2. Corporate image</li> </ol>	Assistant Manager Lin: Email: stg211@siward.com
Employees	<ol style="list-style-type: none"> <li>1. Employee benefits</li> <li>2. Employee appraisal performance</li> <li>3. Labor-management relations</li> </ol>	We have intranet and personal email in place to keep employees updated on relevant rules, measures and announcements. Manager Cheng: irene@siward.com

Note 4:

1. We follow all laws and regulations when it comes to employee rights and interests. We do not lay off employees lightly as we regard them as members of our family. Information on employee benefits is disclosed on the company website and available to all employees. For more details, please refer to p.79–p.81 of the Annual Report.
2. The information associated with investors and stakeholders disclosed on the company website is transparent. We also have a contact and Q&A functions available on the website at www.siward.com.tw to provide investors and stakeholders with contact and grievance outlets.
3. Further education of directors for 2025: In addition to directors seeking professional courses depending on their expertise, the Company also provides courses organized by the competent authorities for directors.
  - (1) Directors who completed six hours of further education as required in the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies": Directors Tseng Ying-Tang, Tseng Jung-Meng, Chiang Hung-Yu, Liao Pen-Lin, Ku Chih-Yun, Liu Ping-Feng, Liao Lu-Li, and independent directors Tien Chia-Sheng, Liu Chien-Cheng, Lee Shu-Min. All directors completed six hours of courses.
4. For the implementation of the risk management policy and risk measurement standards, please refer to p.88 of the Annual Report.
5. The Company's directors are covered by liability insurance and information related to the coverage and insurance rate has been reported at the Board meeting held on August 4, 2025.

(IV) If the company has established a Remuneration Committee or Nomination Committee, their composition, duties and state of operation shall be disclosed:

1. The Company does not have a Nomination Committee.
2. The Company has formed a Remuneration Committee; its composition, duties and state of operation are as follows:

(1) Information on Remuneration Committee Members

Identity	Criteria Name	Professional Qualifications and Experience	State of Independence	Number of other companies where the member is also a member of their remuneration committees
Independent Director	Tien Chia- Sheng	<p>Qualifications: Professional specialist such as an accountant who has passed a national examination and been awarded a certificate and has not been involved in any of the circumstances in the subparagraphs of Article 30 of the Company Act.</p> <p>Experience: Person in charge of Sunpower CPA Firm, person in charge of Yuan-Dong-Li Consulting Co., Ltd. Independent director of Intai Technology Corp. Independent director of Horien Biochemical Technology Co., Ltd. Independent director of Joules Miles Co., Ltd Director at Genius Electronic Optical Co., Ltd.</p>	Met all matters stated in Note (1) to (4)	3
Independent Director	Liu Chien- Cheng	<p>Qualifications: Professional specialist such as an attorney who has passed a national examination and been awarded a certificate and has not been involved in any of the circumstances in the subparagraphs of Article 30 of the Company Act.</p> <p>Experience: Managing Attorney, Liu Chien-Cheng Law Firm</p>	Met all matters stated in Note (1) to (4)	0
Independent Director	Lee,Shu-Min	<p>Qualifications: Possess accounting and finance expertise and more than five years of work experience required for business and corporate operations, and not be subject to any of the circumstances described in Article 30 of the Companies Act.</p> <p>Experience: Department of Accounting, Chung Yuan Christian University · National Chung Hsing University EMBA BDO Taiwan · Vice President, Business Division, Capital Market Department, Taishin Financial Holdings · Independent director, Winson Machinery Co., Ltd. Independent director, I JANG Industrial Co., Ltd. Independent director, LARGAN Precision Co., Ltd Supervisor, Kuen Tong Technology Co., Ltd</p>	Met all matters stated in Note (1) to (4)	3

- Note : For Remuneration Committee members, their state of independence must be specified, including but not limited to whether they, their spouse, relatives within the second degree of kinship meet the following criteria (1) to (4)
- (1) This party himself/herself, their spouse, relatives within the second degree of kinship is not serving as a director, supervisor or employee of the Company or its affiliates;
  - (2) This party himself/herself, their spouse, relatives within the second degree of kinship (or in the name of others) is not holding shares of the Company;
  - (3) This party is not serving as a director, supervisor or an employee of a company with which the Company has a specific relationship (as referred to in Article 3, Paragraph 1, Subparagraphs 5-8 in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and
  - (4) This party did not provide business, legal, financial or accounting services to the Company or its affiliates in the past two years.

## (2) State of Operations of the Remuneration Committee

1. The Company's Remuneration Committee is made up of 3 persons.
2. Term of this Committee: June 19, 2023 to June 18, 2026
3. The Remuneration Committee had 3 meetings (A) in the most recent fiscal year. The qualifications of members and attendance are as follows:

Title	Name	Actual Attendance (B)	Attendance by Proxy	Actual Attendance Rate (%) (B/A)	Remark
Convener/ Independent Director	Tien Chia-Sheng	3	0	100	
Member/ Independent Director	Liu Chien-Cheng	3	0	100	
Member/ Independent Director	Lee, Shu-Min	3	0	100	

Other information required:

### State of Annual Operations of the Remuneration Committee

Session of Remuneration Committee meeting	Election	Motion content		
			For the resolution of the remuneration committee, has a member expressed any objection or reservation, either by recorded statement or in writing and all members' opinions and handling of members' opinions	If the board of directors declines to adopt or modify a recommendation of the remuneration committee, the handling of the situation and the difference and reasons of the board of directors.
5 <sup>th</sup> meeting of the 5 <sup>th</sup> term	2025.1.15	<ol style="list-style-type: none"> <li>1. Motion for the establishment of the distribution rate of the 2024 remuneration to directors.</li> <li>2. Motion for 2024 year-end bonus of managers</li> </ol>	<ol style="list-style-type: none"> <li>1. Opinions of the members: None.</li> <li>2. Handling of the opinions by all members: None.</li> <li>3. Resolution: Motion passed and submitted to the Board meeting for resolution.</li> </ol>	Resolution of the 12 <sup>th</sup> meeting of the 13 <sup>th</sup> term: Motion passed.
6 <sup>th</sup> meeting of the 5 <sup>th</sup> term	2025.5.5	<ol style="list-style-type: none"> <li>1. Motion for the 2024 distribution of director remuneration</li> <li>2. 2025 distribution of Dragon Boat Festival bonus to managers.</li> </ol>	<ol style="list-style-type: none"> <li>1. Opinions of the members: None.</li> <li>2. Handling of the opinions by all members: None.</li> <li>3. Resolution: Motion passed and submitted to the Board meeting for resolution.</li> </ol>	Resolution of the 14 <sup>th</sup> meeting of the 13 <sup>th</sup> term: Motion passed.

7 <sup>th</sup> meeting of the 5 <sup>th</sup> term	2025.9.30	<ol style="list-style-type: none"> <li>1. Motion for 2024 distribution of employee remuneration to managers.</li> <li>2. Motion for distribution of 2025 Mid-Autumn Festival bonus to managers</li> </ol>	<ol style="list-style-type: none"> <li>1. Opinions of the members: None.</li> <li>2. Handling of the opinions by all members: None.</li> <li>3. Resolution: Motion passed and submitted to the Board meeting for resolution.</li> </ol>	Resolution of the 10 <sup>th</sup> meeting of the 13 <sup>th</sup> term: Motion passed.
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II. The annual key points of the Remuneration Committee's work are as follows:

The Committee faithfully exercises the following duties with the duty of care of a good manager and submits its recommendations to the Board of Directors for discussion. However, remuneration to independent directors is resolved by the Board of Directors as required in Article 21 of the Articles of Incorporation.

- (1) These Procedures are periodically reviewed and recommendations proposed for modification.
- (2) The performance evaluation criteria, annual and long-term performance targets for the Company's directors as well as the remuneration policy, system, standards and structure are established and regularly reviewed.
- (3) The achievement of the performance objectives of the Company's directors and managers are regularly evaluated. The contents and amount of each individual's remuneration is determined based on the evaluation results of the performance evaluation criteria.

(V) State of the company's promotion of sustainable development, any deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for such deviation

Evaluation Item	State of Operations (Note 1)			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX-Listed Companies and the reason for such deviation
	Yes	No	Summary	
I. Has the company established a governance structure to promote sustainable development and set up a special (part-time) unit to promote sustainable development which is authorized by the board of directors to be handled by senior management and supervised by the board of directors?	V		<p>Structure: Administration Department is in charge of the environmental management of operations, labor safety, hygiene and health issues. The HR Department is in charge of the establishment, implementation and maintenance of the awareness system the code of ethical conduct among all employees.</p> <p>Execution: Administration Department as the part-time unit reported the implementation results at the Board meeting held on November 3, 2025.</p>	No difference.

Evaluation Item	State of Operations (Note 1)			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX-Listed Companies and the reason for such deviation
	Yes	No	Summary	
II. Has the company conducted risk assessments of environmental, social and corporate governance issues pertaining to company operation in accordance with the materiality principle and established the relevant risk management policy or strategy? (Note 2)	V		<p>The Company has conducted risk assessments of environmental, social and corporate governance issues and established the relevant risk management policy as follows:</p> <p><b>Environment:</b>  We passed ISO 14001 environmental management system certification (the current valid date is 2024/11–2027/11) in 2003.</p> <p>By upholding the principle of “pollution prevention and continuous improvement,” the output of our business waste has gradually reduced while the reuse rate of waste has gradually increased year by year. All emission inspection data are in line with the requirements of government regulations. Moreover, we control the use of raw materials and ban environmentally hazardous substances, in line with the major international manufacturers’ requirements of green production and green products. Meanwhile, we have passed the Sony Green Partner certification in 2004.</p> <p><b>Social:</b></p> <p>1. occupational safety:  We have set up a Safety and Health Department responsible for the identification, evaluation and control of the working environment and operational hazards while preventing work injuries. In a bid to provide workers with a safe and healthy working environment as required by the system, we passed ISO 45001 occupational safety and health management system verification in December 2020 (the current</p>	No difference.

Evaluation Item	State of Operations (Note 1)			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX-Listed Companies and the reason for such deviation
	Yes	No	Summary	
			<p>valid date is 2023/12–2026/12).</p> <p>2. product safety: As a means to reduce hazardous substances contained in our products in line with the requirements of RoHS, we have formulated and adopted the requirements of green design management and green procurement management so that processes meet RoHS standards. As well as this, we have also engaged in communications and promotion with suppliers and our current products are fully in compliance with the RoHS requirements.</p> <p>Corporate governance:</p> <p>1. Social economy and compliance with laws and regulations: through the establishment and implementation of internal control mechanisms to ensure that the company's personnel and operations do comply with relevant laws and regulations.</p> <p>2. Strengthen the functions of directors: plan training topics for directors and provide the latest regulations. Take out liability insurance for directors to protect them from lawsuits or claims.</p> <p>3. Stakeholder communication: establish various communication channels and actively communicate. The investor mailbox is set up and the spokesperson is responsible for responding.</p>	
<p>III. Environmental Issues</p> <p>(I) Does the company have an appropriate environmental management system established in accordance with its industrial characteristics?</p>	V		<p>We passed ISO 14001 environmental management system certification (the current valid date is 2024/11–2027/11) in 2003.</p>	No difference

Evaluation Item	State of Operations (Note 1)			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX-Listed Companies and the reason for such deviation												
	Yes	No	Summary													
(II) Is the company committed to enhancing the utilization efficiency of resources and using renewable materials that have low impact on the environment?	V		By upholding the principle of “pollution prevention and continuous improvement,” the output of our business waste has gradually reduced while the reuse rate of waste has gradually increased year by year. All emission inspection data are in line with the requirements of government regulations. Moreover, we control the use of raw materials and ban environmentally hazardous substances, in line with the major international manufacturers’ requirements of green production and green products. Meanwhile, we have passed the Sony Green Partner certification in 2004.													
(III) Does the company assess the present and future potential risk and opportunities of climate change and adopt countermeasures related to climate issues?	V		Please refer p.40 of the Annual Report.	No difference												
(IV) Has the company prepared statistics on greenhouse gas emissions, water consumption and total volume of waste for the past two years, and formulated policies for to save energy saving and reduce carbon, greenhouse gas, water use, or other waste management?	V		<p>1. greenhouse gas emissions, water consumption and total volume of waste</p> <table border="1"> <thead> <tr> <th></th> <th>2025</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>greenhouse gas emissions</td> <td>Please see p.47</td> <td>Please see p.47</td> </tr> <tr> <td>water consumption</td> <td>83,704 tons</td> <td>76,522 tons</td> </tr> <tr> <td>total volume of waste</td> <td>156 tons</td> <td>119 tons</td> </tr> </tbody> </table> <p>2. Establish a strategy for energy conservation and carbon and greenhouse gas (GHG) reduction: Please see p.48 Result: As the industry that the Company is in does not consume high volumes of water, water bills only account for a minimal ratio of approximately 0.03% of the manufacturing costs. Hence,</p>		2025	2024	greenhouse gas emissions	Please see p.47	Please see p.47	water consumption	83,704 tons	76,522 tons	total volume of waste	156 tons	119 tons	No difference
	2025	2024														
greenhouse gas emissions	Please see p.47	Please see p.47														
water consumption	83,704 tons	76,522 tons														
total volume of waste	156 tons	119 tons														

Evaluation Item	State of Operations (Note 1)			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX-Listed Companies and the reason for such deviation
	Yes	No	Summary	
			<p>the reduction of electricity use will be our central aim and two major directions have been set up</p> <p>(1) Full replacement of LED lighting equipment.</p> <p>(2) Install solar power panels on the roofs of the Company's two factories</p> <p>The above two projects were completed by the end of 2018, reducing carbon emissions by 212 metric tons per year.</p>	
<p>IV. Social Issues</p> <p>(I) Does the company have the relevant management policies and procedures stipulated in accordance with the applicable laws and regulations and international conventions on human rights?</p>	V		<p>At SIWARD, we follow the Labor Standards Act and emphasize the legal rights and interests of employees. As well as this, we have various operating procedures in place in line with the requirements of applicable labor laws and regulations for all employees to follow.</p>	<p>No difference.</p> <p>No difference</p>
<p>(II) Has the company established and implemented reasonable measures for employee benefits (including remuneration, holidays and other benefits) that appropriately reflects the business performance or achievements in the employee remuneration?</p>	V		<p>1. For more information on the Company's employee benefits, please refer to p.79 of the Annual Report.</p> <p>2. Our management performance or achievements are adequately reflected in the remuneration to employees: In accordance with Article 25 of the Company's "Articles of Incorporation": Where there is a profit for the current year, the Company shall distribute 5% of the profit as remuneration to employees (2% of the profit as remuneration to non-executive employees) and not more than 3% of the profit as remuneration to directors. However, if the Company has accumulated losses, profit shall be set aside in advance to make up for losses.</p>	No difference.

Evaluation Item	State of Operations (Note 1)			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEx-Listed Companies and the reason for such deviation
	Yes	No	Summary	
(III) Has the company provided employees with a safe and healthy work environment and regularly provided safety and health education to employees?	V		Each employee is regularly provided with a health checkup and we also organize periodic safety and health seminars and recreational activities. In December 2020, we passed ISO 45001 occupational safety and health management system verification in an attempt to provide workers with a safe and healthy working environment as required by the system. The certification is valid from December 2023 to December 2026.	No difference.
(IV) Has the company established an effective career development training program for its employees?	V		We provide general training courses to newcomers on a regular basis. As well as this, we also request that the conduct of all employees must meet the requirements of our principles. For information on employee education and training, please refer to p.80 of the Annual Report.	No difference.
(V) Does the company comply with laws and international standards with respect to customer health, safety and privacy, marketing and labeling in all products and services offered, and have the company implemented consumer protection policies and complaint procedures?	V		There is a contact and Q&A section on the Company's website ( <a href="http://www.seward.com">www.seward.com</a> ). We have assigned personnel in charge of matters associated with various types of stakeholders. The section on our website dedicated to stakeholders is independently labeled.	No difference.
(VI) Has the company implemented a supplier management policy that regulates suppliers' conduct with respect to environmental protection, occupational safety and health or work rights/human rights issues, and does the company track suppliers' performance on a regular basis?		V	The company actively engages in the construction and management of ethical supply chains, proactively invites suppliers to participate in the "Supplier Ethical Code of Conduct Agreement" commitment, and cultivates a consensus on CSR with senior management of suppliers.	No difference.

Evaluation Item	State of Operations (Note 1)			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEX-Listed Companies and the reason for such deviation
	Yes	No	Summary	
V. Has the company prepared a sustainability report or a report on non-financial information with reference to internationally accepted standards or guidelines? Are these reports supported by the assurance or opinion of a third-party verification entity?	V		The “ESG Report” was prepared with reference to internationally accepted standards or guidelines and is available on the company website at <a href="http://www.siward.com.tw/tw/csr">http://www.siward.com.tw/tw/csr</a> and the MOPS. However, the CSR Report has not yet been supported by the assurance or opinion of a third-party verification entity.	No difference.
<p>VI. If the company has formulated its own Sustainable Development Best-Practice Principles in accordance with the “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies,” please describe the differences between its operation and the Principles:</p> <p>We have formulated our own “Sustainable Development Best-Practice Principles,” which are disclosed on the Company’s website and the Market Observation Post System. The contents are not different from the “Sustainable Development Best-Practice Principles for TWSE/TPEX-Listed Companies.”</p>				
<p>VII. Other important information to help understand the promotion of sustainable development implementation:</p> <ol style="list-style-type: none"> <li>1. Protection measures for the working environment and safety of employees and their actual implementation: We have set up a Safety and Health Department responsible for the identification, evaluation and control of the working environment and operational hazards while preventing work injuries. In a bid to provide workers with a safe and healthy working environment as required by the system, we passed OHSAS18001 occupational safety and health management system verification in December 2008 and ISO 45001 occupational safety and health management system verification (valid from December 2023 to December 2026) in December 2020.</li> <li>2. Specific plans to promote sustainable development in 2025 and their implementation results: <ol style="list-style-type: none"> <li>(1) Donation-Social Service Donation-Jieren Association NT55,000</li> <li>(2) Donation - 2024 Love Project Sponsorship - Juheng.com NT60,000</li> <li>(3) Donation-Hina Balan Elementary School NTD150,000</li> <li>(4) Cooperate with the Eden Welfare Foundation for the company's Mother's Day event NT176,700</li> <li>(5) Donation- IEEE Frequency Control Seminar NT50,000</li> </ol> </li> </ol>				

Note 1: If “Yes” is selected for the implementation, please explain the key policies, strategies and measures taken and their implementation; if “No” is selected for the implementation, please provide the difference and reason for “difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof” column, and explain any policy, strategy and measure planned for the future.

Note 2: “Materiality principle” refers to environmental, social and corporate governance issues that are of material impact to the Company’s investors and stakeholders.

## Climate related information

### 1. Climate information implementation status

Item	Implementation status
<p>1. Expressly state the supervision and governance of climate-related risks and opportunities by the Board of Directors and management.</p>	<p>In response to the climate-related risks and opportunities, and to manage the potential changes of government policies and markets, Siward constructs its sustainable development governance to enhance the functioning of risk management. We identify major climate-related risks and opportunities by evaluating its risk evaluations and governance mechanism periodically, and develop countermeasures to strengthen our sustainable development strategies.</p> <p><b>Board of Directors.</b> The Board of Directors is the highest supervisory unit of Siward's climate change governance and is responsible for supervising the control measures formulated by the Sustainable Development Promotion Taskforce. After the Sustainable Development Promotion Taskforce completes the climate risk and opportunity identification and management strategy goals every year, the relevant implementation results will be submitted to the Board of Directors, and the Board of Directors will supervise the relevant implementation results.</p> <p><b>CEO.</b> The CEO is the head of the sustainability development, responsible for the planning and practice of the strategies to manage climate-related risks and opportunities.</p> <p><b>Sustainable Development Promotion Taskforce.</b> The Sustainable Development Promotion Taskforce convenes various coordination teams to identify climate-related risks and opportunities, and further develops strategies and management goals for key climate risks and opportunities.</p> <p><b>Sustainability Editor Group.</b> The group is formed by the members in charge of sustainability issues of each unit. The group members collect and identify issues relevant to climate-related risks for the management to evaluate.</p> <p><b>Greenhouse Gas Inventory Group.</b> Greenhouse gas inventory group appoints an assurance agency to verify the inventory and reports to the board of directors.</p>
<p>2. Expressly state how the identified climate risks and opportunities affect the enterprise's business, strategies and finance (short-term, mid-term and long-term).</p>	<p>Siward follows the Task Force on Climate-related Financial Disclosures (TCFD) framework in 2025 to analyze the risks and opportunities brought by climate change to Siward. Based on the identified key climate risks and opportunities, we analyze the financial impact in different climate scenarios and formulate response strategies and management goals to enhance Siward's climate governance capabilities and resilience, and look forward to mitigating the operational impact of carbon reduction transformation and physical disasters on Siward. Our analyses are as follows (Please refer to our Sustainability Report, forthcoming in August 2026, for the details):</p>

Item	Implementation status				
	Impact period	Risk/opportunity		Financial impacts	Precautions taken
3. Expressly state the impact to be posed by extreme climate incidents and transformation actions to finance.	Short term (1-3 years)	Transition risks	Fast changing Climate-related regulations poses compliance risk	<b>Increase in operating costs</b> Failing to comply with new regulations in time would cause penalties and other compliance costs.	A team regularly checks changes of regulations. Our consulting law firm and accountants provide trainings for our workers to enhance their understandings of and prepare themselves for the changes
			Carbon Tax / Carbon Fee Control and Carbon Reporting Obligations	<b>Increase in operating costs/reduction in financial stability</b> Cost of greenhouse gas inventory and investment on energy saving technology would increase operating cost. Forthcoming carbon tax/fee also could increase cost. Failed to update polices to meet new environmental and labor security regulations could bring penalties and law suits that adversely affect financial stability and operating cost.	Closely follow current trends of climate-related policies of major countries. Establish a mechanism to check environmental regulations. Keep working on greenhouse gas inventory to disclose information and apply for government subsidies, like the energy saving subsidy of the Administration of Commerce, MOEA. Enhance our capabilities in sustainable management by pushing for innovations on carbon reduction, keeping tracks of our carbon footprint, and setting goals for carbon reductions.
		Opportunities	Actively participate in government sponsored programs	<b>Reduction in operating costs</b> Government subsidies could lower replacement cost of energy saving equipment. Use of high efficiency chiller could enhance energy efficiency, cuts electricity usage, and reduce operating costs.	In 2024, Apply for the energy saving subsidies of Administration of Commerce, MOEA., and replace the chiller. Use measurement and monitors to assure the energy efficiency of new equipment. In 2025, the purchased machinery and equipment will meet the relevant regulations for net-zero carbon emission equipment, and an application will be made for a machinery and equipment upgrade loan from the National Development Fund Management Committee of the Executive Yuan.
			Expand market shares in in-vehicle electronic markets	<b>Increase in revenue/more stable financial performance</b> Increase revenue by providing high quality solutions for in-vehicle devices to meet the growing demand of advanced in-vehicle technology. Meanwhile, protect our advantage by	Keep maintaining IATF 16949 accreditation to make sure our products meet the strict quality requirement of the vehicle industry. Ensure stability and consistency of products' qualities by hiring outside consultant to help us with accreditation of VDA 6.3, and improving workers' skills. In addition, refine production

Item	Implementation status				
				<p>strict quality management and continuing technology refinement. Ensure long-term development and financial stability.</p>	<p>process to meet the special needs of in-vehicle products, and to strengthen our competitiveness and stability.</p>
			<p>Capitalize on tax credits</p>	<p><b>Reduction in operating costs/increase in operating revenue</b>            Take advantage of tax credits to reduce tax burden and operating costs; and to increase R&amp;D expenditure to innovate and upgrade equipment. Overall, enhance competitiveness and increase future operating revenue.</p>	<p>Apply for eligible subsidies provided in the Statute for Industrial Innovation, section 10. Stay tuned for new investment tax credits offered to intelligent machinery, AI, and ESG. Improve writings of applications to meet the review criteria of IRS. Make sure our related investment is accounted properly for the credits, so as to maximize their financial benefits.</p>
	<p>Medium term (3-5 years)</p>	<p>Physical risks</p>	<p>Power outages caused by extreme weather</p>	<p><b>Increase in operating costs/reduction in operating revenue</b>            Power outages might cause damages to equipment, and increase repair or replacement costs. Outages also might interrupt production, causing delay and possible compensation to customers. Our reputation and relations with customers might get hurt, reducing operating revenue and increasing operating costs.</p>	<p>Put risk management into the governance structure. Bringing in new emergency procedures and practicing their applications regularly to make sure the production can resume in the shortest time after shocks. Maintain regularly functioning of machinery and UPS to minimize the impacts of power outage. Apply the environment management system of ISO 14001 to optimize energy consumption and supply to reduce the effects of power instability on operation. Adopt automatic production line, high energy-efficiency equipment, and electronic operation process to reduce energy consumption and further enhance efficiency.</p>

Item	Implementation status				
		Transitional risks	Customers' demand for sustainable, environmentally friendly, or low-carbon products	<p><b>Increase in operating costs/reduction in operating revenue</b></p> <p>If unable to meet customers' low-carbon and sustainable demand, customers would lose confidence and have lower intention to continue business with us. Furthermore if we cannot provide low-carbon products to meet new requirements of governments, we need to spend higher costs in the future to catch up.</p>	<p>Follow ISSB standards and invite a certified agency to audit on-site. The audited reports are included in annual financial and sustainability reports for stake holders to inspect. In the future we will promote carbon neutral and carbon footprint management of our product. Prepare for the review of ISO 14064-2 to enhance our ESG management and competitiveness in sustainability. Stay tuned for changes and trends of international environmental regulations and markets to make sure our production process and quality of products meet customers' need. Expand low-carbon related products and services by technology innovation to maintain our advantage.</p>
		Physical risks	Typhoo, flooding, and heavy rainfalls	<p><b>Increase in operating costs/reduction in operating revenue</b></p> <p>Extreme weather might damage plant structure and equipment, causing high repair and replacement costs, and affecting future business. Extreme weather also affect employees' commute, interrupting production and causing delay in delivery. Suppliers might also get affected and fail to deliver in time.</p>	<p>Apply the environment management system of ISO 14001 to optimize resources to setup climate related risk management procedure and enhance environmental adaptability of offices. Effectively follow procedures to protect the plant during typhoons, and to report and repair damages in real time to minimize losses. The IT sector sets up remote backup of key data and communications to minimize the downtime after extreme weather events.</p>
		Opportunities	Better-than-regulations company charters	<p><b>Reduction in operating cost or financial burden</b></p> <p>Prepare in advance for the future changes in regulations to avoid penalties, law suits, or additional compliance costs.</p>	<p>Formulate management mechanism that meet the sustainable development goals of Taiwan and the sustainable trends of international supply chain. Make sure we comply with regulations and meet market demand.</p>
	Long term (5 years and	Opportunities	Enhance energy efficiency	<p><b>Reduction in operating costs/enhance in operating performance</b></p> <p>Use high-efficiency equipment and intelligent management to reduce energy</p>	<p>Use energy management system to optimize the energy efficiency of equipment. Regularly evaluate and improve energy consumption to meet the goal of saving in consumption.</p>

Item	Implementation status				
	above)			consumption, and electricity and energy . Higher energy efficiency also refines production process, cuts capacity idle time and waste, and improves operating performances.	
			Enhance the resilience and security of infrastructure	<b>Reduction in operation costs</b> Reducing down time of equipment and preventing cyber attacks help manage operating risk, reduce repair costs and overall costs.	Increase resources on information and communication security management. Strengthen cyber security measures to reduce information risks and protect operation system and key data.
4. Expressly state how to integrate the climate risk identification, assessment and management procedures into the entire risk management system	In the face of the intensifying climate crisis and the international trend towards stronger environmental regulation, Siward has responded proactively, particularly in its efforts to comply with the Climate Related Financial Disclosures (TCFD) framework. Lead by the CEO and planned by the management, Siward has not only analyzed the risks and opportunities of climate change under the TCFD framework in 2024, but is also working to deepen its understanding and application of TCFD for future implementation. We update regularly climate risks and our countermeasures, and incorporate the evaluations of climate related risk into the overall risk report. The board of directors review the reports and the policies taken by the management.				
5. If the scenario analysis is applied to assess Yuanta FHC's resilience to deal with climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts applied should be explained	We have not applied the scenario analysis.				
6. If any transformation plan in response to the cli-	We have not setup transformation plans for climate risk management.				

Item	Implementation status
<p>mate risk management is in place, please describe the contents of the plan, and the indicators and targets used to identify and manage the tangible risk and transformation risk.</p>	
<p>7. If the internal carbon pricing is applied as a planning tool, please specify the pricing basis.</p>	<p>We have not planned to setup internal carbon pricing.</p>
<p>8. If any climate-related target is set, please specify the activities, scope of GHG emissions, planning schedule and annual achievement progress covered by the target. If carbon offsets or renewable energy certificates (RECs) are used to achieve related goals, please specify the source and quantity of offset carbon reduction limit, or quantity of RECs.</p>	<p>We have not setup the relevant climate goals. In the future, we will follow our path of sustainable carbon reduction to setup the goals. We have not planned to use carbon offsets or RECs yet.</p>

<b>Item</b>	<b>Implementation status</b>
9. GHG accounting and assurance status	See table 1-1 and 1-2.

## 1-1 Greenhouse gas inventory and assurance

### 1-1-1 greenhouse gas inventory

Siward's paid-in capital is less than 5 billion, and is required to disclose the separate GHG inventory from 2026, and the consolidated GHG from 2027. Siward has identified its reporting boundary, sources of emission, and scopes, and has disclosed its CO<sub>2</sub> emissions in its annual report since 2018, and has since 2022 setup GHG inventory management following ISO 14064-1:2018 to audit its emission in Scopes 1, 2, and 3. Since 2024, Siward has expand the boundary to include all plants. Next table shows the inventory of the last two years.

Scopes	2024 (base year)		2025	
	Emission (ton CO <sub>2</sub> e)	Intensity (ton CO <sub>2</sub> e per thousand revenue )	Emission (ton CO <sub>2</sub> e)	Intensity (ton CO <sub>2</sub> e per thousand revenue )
Scope 1	580.3404	0.00026506	485.0347	0.00021734
Scope 2	12,639.9554	0.00577309	11,460.4154	0.00513541
Scope 3	5456.8395	0.00249232	3,658.6272	0.00163943
Total	18677.1353	0.00853048	15,604.0773	0.00699218
Assurance agency	Feng Chia University		Feng Chia University	
Assessment	Siward has been verified on 2025/3/17. The agency provides reasonable assurance for scopes 1 and 2, and limited assurance for scope 3.		Not yet convinced	

Note 1 : The boundaries of GHG inventory are: the parent company (the headquarter, Wafer Branch, and STSP Branch).

Note 2 : Although not classified as a GHG regulated entity, Siward conducts its own GHG inventories in accordance with ISO 14064-1:2018 GHG Inventory Guidelines, and in general follows the Sustainable Development Roadmap.

Note 3 : The emission factor of scope 1 is based on the "Table of Coefficients of Greenhouse Gas Emission" published by the Ministry of Environment, and is calculated by the 2021 IPCC AR6 standard to estimate GWP.

Note 4 : The actual calculation of scope 2 is based on the "Electricity Emission Factor" published by the Bureau of Energy of Taiwan's Ministry of Economic. If the coefficient of electricity emission for 2024 has not yet been announced, the coefficient of the previous year was used for calculation.

Note 5 : Scope 3 covers indirect GHG emissions from sources controlled by other companies.

Note 6 : Emission intensity is based on emission per thousand NT dollars of revenue.

### 1-1-2 Information on GHG assurance

Siward's paid-in capital is less than 5 billion, and is required to disclose the assured separate GHG inventory from 2028, and the assured consolidated GHG from 2029. Siward commissioned an independent agency Feng Chia University in 2024 to verify the GHG inventory of the parent company(the headquarter, Wafer Branch, and STSP Branch). In general follow the Sustainable Development Roadmap.

## **1-2 Objectives, strategies, and operation procedures to reduce GHG emission**

Siward upholds the idea of sustainable management, and continues the practice toward sustainable environment. To reduce GHG and carbon dioxide emission following the strategies that the Ministry of Environment proposes, Siward push for the following procedures:

1. Cut carbon emission from operation by replacing old and high energy consumption equipment, and develop and verify low carbon production process
2. Implement environment management and expand its influences
  - Implement the accreditations of related environmental issues
  - Strengthen environment data management and implement digital energy management system
  - Promote and implement environmental friendly and energy saving practices.
  - Hold events to promote energy saving, carbon reduction, or ecological conservation.
3. Promote and implement environmental friendly and energy saving practices.
4. Hold events to promote energy saving, carbon reduction, or ecological conservation.
5. Increase the use of renewable energy by building solar electricity generators for own-use or selling to a grid.

(VI) State of ethical corporate management and deviations from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof

Evaluation Items	State of Operations			Deviation from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reason for such deviation
	Yes	No	Summary	
<p>I. Establishment of the ethical corporate management policy and integrity management policies and action plans</p> <p>(I) Has the company established an ethical corporate management policy approved by the board of directors? Does the policy clearly specify in its rules and external documents the ethical corporate management policies, and the commitment of the board of directors and the senior management to proactively implement the management policy?</p> <p>(II) Has the company established a risk assessment mechanism against unethical acts, analyzed and assessed business activities within their business scope regularly that are at a higher risk of being involved in unethical acts, and established prevention programs covering at least the preventive measures specified in Paragraph 2, Article 7 “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”?</p> <p>(III) Has the company clearly provided the operating procedures, conduct guidelines, disciplines for violations and a grievance system in its program to prevent unethical acts and have these been implemented, and has the formally disclosed program been regularly reviewed and amended?</p>	V		The Company has formulated its “Ethical Corporate Management Best-Practice Principles” with reference to the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies.”	No difference.
	V		The Company has formulated “Procedures for Ethical Management and Guidelines for Conduct” with reference to its “Ethical Corporate Management Best-Practice Principles.”	No difference.
	V		Prevention measures have been established in the “Procedures for Ethical Management and Guidelines for Conduct” and relevant matters handled in accordance with the “Measures for Handling of Reports of Illegal/Unethical/Dishonest Conduct.”	No difference.
<p>II. Implementation of ethical corporate management</p> <p>(I) Has the company evaluated the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements entered into with business partners?</p>		V	Although the Company evaluates the integrity of all counterparties it has business relationships with, it does not specify any integrity clauses in the agreements entered into with business partners.	Same as provided at left.

Evaluation Items	State of Operations			Deviation from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reason for such deviation
	Yes	No	Summary	
(II) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and has such unit reported to the Board of Directors its execution in terms of ethical management policy and preventive programs against unethical conducts and the supervision status on a regular basis (at least once a year)?	V		The “Procedures for Ethical Management and Guidelines for Conduct” clearly specify that the Management Department is the part-time unit that promotes ethical corporate management. We regularly report to the Board of Directors on the unit’s ethical management policy and prevention plan of unethical practices as well as monitoring the implementation. The matters were reported at the 18 <sup>th</sup> meeting of the 13 <sup>th</sup> term Board on November 3, 2025.	No difference.
(III) Has the company formulated a policy that prevents conflicts of interest and a channel that facilitates the reporting of conflicting interests?	V		These are provided for in the “Procedures for Ethical Management and Guidelines for Conduct” and the “Guidelines for the Adoption of Codes of Ethical Conduct.”	No difference.
(IV) Has the company established an effective accounting system and internal control system in order to implement ethical management, and proposed relevant audit plans according to the assessment results of the risks of unethical conducts, and reviewed the compliance of the prevention of unethical conducts, or entrusted an accountant to carry out the review?	V		The process of the Company’s operating items of the “accounting system” and “internal control system” is designed based on the ethical management principle. Regular audits are performed by the internal auditing unit while the CPAs perform an annual audit of the “internal control system.”	No difference.
(V) Has the company organized internal or external training on a regular basis to maintain ethical management?	V		The directors take part in external training on ethical management and the Company provides general training courses to newcomers on a regular basis. For information on education and training, please refer to p.79 of the Annual Report.	No difference.
III. State of operations of the company’s reporting system	V		Precautionary measures have	No difference.

Evaluation Items	State of Operations			Deviation from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reason for such deviation
	Yes	No	Summary	
(I) Has the company set up a specific reporting and incentive system, and established a channel to facilitate reporting and assigned dedicated personnel to receive reports?			been established in the “Procedures and Conduct Guidelines for Integrity Management” and the “Handling of Reports of Illegal/Unethical/Dishonest Conduct” to handle related matters.	
(II) Has the company implemented any standard operating procedures and/or subsequent measures after carrying out an investigation or confidentiality measures for handling reported misconducts?	V		We have formulated “Measures for Handling of Reports of Illegal/Unethical/Dishonest Conduct.”	No difference.
(III) Has the company taken appropriate measures to protect the whistleblower from improper treatment as a result of whistleblowing?	V		This has been provided in the “Procedures and Conduct Guidelines for Integrity Management” and the “Handling of Reports of Illegal/Unethical/Dishonest Conduct.”	No difference.
IV. Information Disclosure Strengthening (I) Has the company disclosed the content of its ethical corporate management Best-Practice principles and the results of implementation on its official website and the MOPS?	V		The Company’s “Ethical Corporate Management Best-Practice Principles,” “Procedures for Ethical Management and Guidelines for Conduct,” and “Measures for Handling of Reports of Illegal/Unethical/Dishonest Conduct” have been disclosed on the company website and the MOPS.	No difference.
V. For companies that have established Ethical Corporate Management Best-Practice Principles in accordance with the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies,” please describe the current practice and any deviations from the code of conduct: There is no difference between the Company’s “Ethical Corporate Management Best-Practice Principles” and the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies.				
VI. Any other important information that may help understanding the performance of ethical corporate management better: (e.g. review of and amendment to its Ethical Corporate Management Best-Practice Principles) The Company’s Board meeting held on November 1, 2019 passed amendments to some provisions of the Company’s “Ethical Corporate Management Best-Practice Principles.”				

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

The Company has formulated "Procedures for Handling Material Inside Information" passed by the Board of Directors. These Procedures are announced to employees in accordance with the Company's operating procedures and incorporated into the management system to prevent insider trading by the Company's employees and managers.

(VIII) Implementation of the company's internal control system:

1. Statement on Internal Control

SIWARD Crystal Technology Co., Ltd.  
Statement on Internal Control

Date: March 4, 2026

The Company declares the following concerning its internal control system during the fiscal year 2025, based on the findings of a self-assessment:

- I. The Company acknowledges that the establishment, implementation and maintenance of the internal control system are the responsibilities of the Board of Directors and Managers of the Company. As such, the Company has established the aforementioned system. Its objectives are to provide reasonable assurance for the effectiveness and efficiency of its operations (including profitability, performance, and the guarantee of assets safety); reliable, timely and transparent reporting; and conformity to applicable rules, regulations, and laws.
- II. The internal control system has its inherent limitations. Regardless of how exhaustive the design is, an effective internal control system can only provide reasonable assurance for the achievement of the aforementioned three objectives. Further, due to changes in the environment or circumstances, the effectiveness of the internal control system may vary accordingly. Nevertheless, the Company's internal control system has set up a self-supervision mechanism. Once a deficiency has been identified, the Company will take the remedial actions immediately.
- III. In accordance with the determining criteria for the effectiveness of the internal control system prescribed in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereafter the "Regulations"), the Company evaluated the effectiveness of the design and execution for its internal control system. The determining criteria of the internal control system prescribed in the "Regulations" are based on the process of management control, dividing the internal control system into five composite factors: 1. Control of the environment, 2. Risk evaluation, 3. Control of operations, 4. Information and communication, and 5. Supervision. The composition of each element also includes several items. Please refer to the "Regulations" for the aforesaid items.
- IV. The Company has adopted the aforementioned determining criteria of the internal control system to evaluate the effectiveness of design and execution for its own internal control system.
- V. Based on the evaluation result of the preceding paragraph, the Company believes that its internal control system (including the supervision and management of its subsidiaries) as of December 31, 2023, including understanding the achievement for the objectives of effectiveness and efficiency of its operations, reliability, timeliness and transparency of its reporting and compliance with the applicable law and regulations, was effective in design and execution, and can be reasonably assured of the achievement of the aforementioned objectives.
- VI. This Statement will serve as the main content of the Company's annual report and prospectus and will be made available to the public. If the aforesaid public content has any illegal events including falseness or concealment, etc., it shall be liable to the legal liabilities stipulated in Article 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This Statement has been passed by the Board of Directors Meeting of the Company held on March 4, 2026, where none of the attending Directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

SIWARD Crystal Technology Co., Ltd.

Chairman: Tseng Ying-Tang  
President: Tseng Jung-Meng

2. CPA audit report, where a CPA was engaged to carry out a special audit of the internal control system: None.

(IX) Important resolutions of a shareholders' meeting or a board of directors meeting during the most recent fiscal year or up to the date of publication of the annual report:

1. Resolution of the Shareholders' Meeting and Implementation Status

Resolutions of the 2025 Shareholders' Meeting	Implementation Status and Review
1. Ratification of the Company's 2024 financial statements.	Implementation status: Completed.
2. Ratification of the motion for the 2024 earnings distribution – distribution of cash dividends for NT\$0.7 per share.	Implementation status: Resolution of the Board meeting on August 4, 2025: The shareholders' meeting resolved to distribute cash dividends of NT\$0.7 per share. August 31, 2025 was set as the ex-dividend date and September 26, 2025 was the cash dividend payment date. Completed.
3. Motion for amendments to some provisions of the Company's "Articles of Incorporation".	Implementation status: Completed.

2. Important resolutions of the Board of Directors:

Election	Name of Meeting	Important Resolution
2025.1.15	12 <sup>th</sup> meeting of the 13 <sup>th</sup> term	<ol style="list-style-type: none"> <li>1. 1.2025 business plan.</li> <li>2. Motion for the bank's short-term financing facility.</li> <li>3. Motion for the establishment of the distribution rate of the 2023 remuneration to directors.</li> <li>4. Motion for distribution of 2023 year-end bonus of managers.</li> </ol>
2025.2.27	13 <sup>th</sup> meeting of the 13 <sup>th</sup> term	<ol style="list-style-type: none"> <li>1. Review of the Company's 2024 financial statements and business report</li> <li>2. Motion for the 2024 earnings distribution.</li> <li>3. Motion for the amendment to some provisions of the Company's "Internal control system"</li> <li>4. Method to distribute 2024 employee remuneration.</li> <li>5. Motion for amendments to some provisions of the Company's "Articles of Incorporation".</li> <li>6. Motion for the convening of a shareholders' meeting.</li> <li>7. Review of the self-evaluation of the internal control system and the statement on internal control.</li> <li>8. Motion for the bank's medium-term financing facility.</li> </ol>

Election	Name of Meeting	Important Resolution
2025.5.5	14 <sup>th</sup> meeting of the 13 <sup>th</sup> term	<ol style="list-style-type: none"> <li>1. Review of the Company's financial statements for the first quarter of 2025.</li> <li>2. Motion for the professionalism and independence evaluation of CPAs and review of the fees of CPAs.</li> <li>3. Motion for amendments to some provisions of the Company's "Articles of Incorporation".</li> <li>4. Motion for bank's short-term financing facility and the renewal of the credit facility of derivative instruments.</li> <li>5. Motion for the 2024 distribution of director remuneration</li> <li>6. 2025 distribution of Dragon Boat Festival bonus of managers.</li> </ol>
2025.8.4	15 <sup>th</sup> meeting of the 13 <sup>th</sup> term	<ol style="list-style-type: none"> <li>1. Review of the Company's financial statements for the first half of 2025.</li> <li>2. Setting of an ex-dividend date.</li> <li>3. Motion for bank's short-term AR financing facility.</li> </ol>
2025.9.30	16 <sup>th</sup> meeting of the 13 <sup>th</sup> term	<ol style="list-style-type: none"> <li>1. Motion for the bank's medium-term financing facility.</li> <li>2. Motion for 2024 distribution of employee remuneration to managers.</li> <li>3. Motion for 2025 distribution of Mid-Autumn Festival bonus for managers.</li> </ol>
2025.11.3	17 <sup>th</sup> meeting of the 13 <sup>th</sup> term	<ol style="list-style-type: none"> <li>1. Motion for the replacement of CPAs and the professionalism and independence evaluation of CPAs.</li> <li>2. Review of the Company's financial statements for the first three quarters of 2025.</li> <li>3. Motion for the amendment to some provisions of the Company's "Internal control system" and "internal audit implementation rules".</li> <li>4. Review of the "2026 audit plan"</li> </ol>
2026.1.27	18 <sup>th</sup> meeting of the 13 <sup>th</sup> term	<ol style="list-style-type: none"> <li>1. 2025 business plan.</li> <li>2. Motion for the bank's short-term financing facility.</li> <li>3. Motion for the bank's medium-term financing facility.</li> <li>4. Motion for bank medium-term equipment loan financing</li> <li>5. Motion for the amendment to some provisions of the Company's "Internal control system".</li> <li>6. Discussion on the disposal of Rakon stock.</li> <li>7. Motion for the establishment of the distribution rate of the 2025 remuneration to directors.</li> </ol>

Election	Name of Meeting	Important Resolution
		8. Motion for distribution of 2025 year-end bonus of managers. 9. Amendment to the Company's Managers' Bonus Calculation Method for Dragon Boat Festival and Mid-Autumn Festival
2026.3.4	19 <sup>th</sup> meeting of the 13 <sup>th</sup> term	1. Review of the Company's 2025 financial statements and business report 2. Motion for the 2025 earnings distribution. 3. Motion for cash allotment from capital surplus. 4. Method to distribute 2025 employee remuneration 5. Elections for the Company's 14th Board. 6. Motion to remove the restriction of non-compete agreement of newly elected directors. 7. Motion for the convening of a shareholders' meeting. 8. Review of the self-evaluation of the internal control system and the statement on internal control.

(X) Where, during the most recent fiscal year or up to the date of publication of the annual report, a director has expressed a dissenting opinion with respect to an important 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:

During the most recent fiscal year or up to the date of publication of the annual report, no directors expressed a dissenting opinion with respect to an important resolution passed by the board of directors.

#### IV. Information on the professional fees of the CPAs

- (I) The company shall disclose the amounts of the audit fees and non-audit fees paid to the CPAs and to the accounting firm to which they belong and to any affiliated enterprises as well as the details of non-audit services.

Amount unit: NT\$ thousands

Name of accounting firm	Name of accountant	Audit period	Audit fee	Non-audit fee					Total	Remark
				Tax certification	Production of report of transfer pricing	Business registration	Other	Subtotal		
EY Taiwan	Huang Yu-Ting	2025.01.01 – 2025.12.31	3,330	350	310	13	480	1,153	4,483	Other: Coaching on ESG report writing
	Ke, Ya-Ting	2025.01.01 – 2025.12.31								

Note 1: Where the company has changed the CPAs or the accounting firm, please indicate the audit period separately, and explain the reason for the replacement in the Remarks field and disclose the audit and non-audit professional fees and other information.

Note 2: Non-audit fees should be separately listed. "Other" for non-audit fees shall be disclosed in the Remarks field.

- (II) Audit fee for the change of accounting firms paid in the year is less than the previous year, the decreased amount, percentage and reason of the audit fee shall be disclosed: None.
- (III) Over 10% decrease in audit fee on a year-to-year basis, the decreased amount, percentage and reason of the audit fee shall be disclosed: None.

#### V. Information on replacement of certified public accountants

If the company has replaced its certified public accountant within the last 2 fiscal years or any subsequent interim period, it shall disclose the relevant information: The Company did not replace its CPAs.

##### (I) Regarding the former accountants

Date of change	The 7 <sup>th</sup> meeting of the 13 <sup>th</sup> term Board of Directors on February 29, 2024 The 17 <sup>th</sup> meeting of the 13 <sup>th</sup> term Board of Directors on November 3, 2025		
Reasons and explanations of change	EY internal job transfer		
Explanation whether it was the appointer or the accountant who called for termination or declined the appointment	The parties situation	accountant	appointer
	Proactively terminate the appointment	None	None
	Declined (discontinued) the appointment	None	None
Any issuance of audit report with reserved opinions within the past two years and the reasons thereof.	None		
Any different opinion with the issuer?	Yes		Accounting the principle or practice
			Disclosure of financial statements
			Scope or steps of audit

		Other
	No	✓
	Explanation: None	
Other disclosures (matters to be disclosed pursuant to Sub-paragraph 1.4 to 1.7 Paragraph 6. Section 10 of the Guidelines)	None	

(II) Regarding the new accountant

Name of the firm	Ernst & Young	
Accountant name	Hunag, Ching-Ya	Ke, Ya-Ting
Appointment date	February 29, 2024	November 3, 2025
Pre-appointment consultations regarding the accounting treatment or accounting principles for specific transactions and opinions on the possible issuance of financial reports and the results thereof.	None	None
Written opinions of new accountant stating different opinions to that of the previous accountants	None	None

(III) Former accountant's reply to the matters stated in Sub-paragraph 1 and 2.3, Paragraph 6, Session 10 of the Guidelines: None.

VI. Where the company's chairman, general manager, or any manager in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm: None.

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

(I) Transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, manager, or major shareholder with a stake of more than 10 percent

Title	Name	2025		Current year up to April 25, 2026	
		Shareholding Increase (decrease) number	Pledged shares Increase (decrease) number	Shareholding Increase (decrease) number	Pledged shares Increase (decrease) number
Chairman	Tseng Ying-Tang	-	-	-	-
Director (President)	Tseng Jung-Meng	-	-	-	-
Director (Vice President)	Liu Ping-Feng	-	-	(18,000)	-
Director (Assistant VP)	Ku Chih-Yun	-	-	-	-

Title	Name	2025		Current year up to April 25, 2026	
		Shareholding Increase (decrease) number	Pledged shares Increase (decrease) number	Shareholding Increase (decrease) number	Pledged shares Increase (decrease) number
Director	Liao Lu-Lee	-	-	-	-
Director	Chiang Hung-Yu	-	-	-	-
Director	Liao Pen-Lin	-	-	-	-
Independent Director	Tien Chia-Sheng	-	-	-	-
Independent Director	Liu Chien-Cheng	-	-	-	-
Independent Director	Lee,Shu-Min	-	-	-	-
Vice President	Chang Yu-An	-	-	-	-
Assistant VP	Lin Hsien-Ting	-	-	-	-
Assistant VP	Lai Chih-Cheng	-	-	-	-
Chief financial and Accounting officer	Huang Ling-Ling	-	-	-	-

(II) Information on equity transfer counterparties who are related parties: None.

(II) Information on equity pledge counterparties who are related parties: None.

### VIII. Relationship information, if among the company's 10 largest shareholders any one is a related party of another

Name	Number of Others		Shareholding by spouse and minor children		Shareholding in the name of others		Names and relationships between the top ten shareholders including spouses, second degree of kinship of another.		Remark
	No. of Shares	Shareholding Ratio (%)	No. of Shares	Shareholding Ratio (%)	No. of Shares	Shareholding Ratio (%)	Name	Relationship	
Tseng Ying-Tang	4,276,593	2.682	1,813	0.001	-	-	Tseng Jung-Meng	Brothers	-
Liu Ping-Feng	4,159,183	2.609	286	-	-	-	-	-	-
Chen Zu-yuan	3,927,000	2.463	-	-	-	-	-	-	-
Tseng Jung-Meng	3,585,983	2.249	302,662	0.190	-	-	Tseng Ying-Tang	Brothers	-
Deutsche Bank Custodianship Account of Jia Qu Kuo Zi Co., Ltd.	3,200,000	2.007	-	-	-	-	-	-	-
Fan Gang-xu	2,188,000	1.372	-	-	-	-	-	-	-
Ku Chih-Yun	2,002,473	1.256	49,708	0.031	-	-	-	-	-
Hefeng United Co., Ltd.	1,650,000	1.034	-	-	-	-	-	-	-
JP Morgan Securities Limited Investment Account Managed by JPMorgan Chase	1,435,386	0.900	-	-	-	-	-	-	-
Citibank manages Nomura International Co., Ltd. investment account	1,337,000	0.838	-	-	-	-	-	-	-

Note 1: List the top 10 shareholders. If they are corporate shareholders, list the names of the corporate shareholders and their representatives separately.

Note 2: The calculation of the percentage of shareholding refers to the calculation of the percentage of shareholding in the name of the shareholder themselves, spouse, minor children or of another party.

Note 3: The aforementioned shareholders for disclosure shall include corporate shareholders and natural persons, with the relationships between the shareholders disclosed as required by the Criteria for the Compilation of

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

December 31, 2025

Investment business (Note)	The Company's investment		Investment by directors, managers and any companies controlled either directly or indirectly by the company		Comprehensive investment	
	No. of Shares	Shareholding ratio	No. of Shares	Shareholding ratio	No. of Shares	Shareholding ratio
Securitag Assembly Group Co., Ltd.	5,761,280	13.63%	2,307,699	5.46%	8,068,979	19.09%

Note: The Company's long-term investment accounted for using the equity method

### THREE. Capital Raising Overview

#### I. Capital and issuance of shares

##### (I) Source of capital stock

Year/month	Issue price	Authorized capital stock		Paid-up capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of capital stock	Offset by any property other than cash	Other
2010.1	10	230,000,000	2,300,000,000	143,119,134	1,431,191,340	Conversion of stock options NT\$62,500	None	Note 1
2010.11	10	230,000,000	2,300,000,000	154,721,816	1,547,218,160	Convertible bonds conversion of NT\$116,026,820	None	Note 2
2011.1	10	230,000,000	2,300,000,000	155,718,448	1,557,184,480	Convertible bonds conversion of NT\$9,966,320	None	Note 2
2011.7	10	230,000,000	2,300,000,000	157,449,086	1,574,490,860	Convertible bonds conversion of NT\$17,306,380	None	Note 2
2011.10	10	230,000,000	2,300,000,000	157,476,022	1,574,760,220	Convertible bonds conversion of NT\$269,360	None	Note 2
2014.6	10	230,000,000	2,300,000,000	157,506,022	1,575,060,220	Conversion of stock options NT\$300,000	None	Note 3
2014.9	10	230,000,000	2,300,000,000	157,546,022	1,575,460,220	Conversion of stock options NT\$400,000	None	Note 3
2014.11	10	230,000,000	2,300,000,000	158,021,022	1,580,210,220	Conversion of stock options NT\$4,750,000	None	Note 3
2015.1	10	230,000,000	2,300,000,000	159,421,022	1,594,210,220	Conversion of stock options NT\$14,000,000	None	Note 3

Note 1: On April 15, 2003, employee stock options were approved by Letter No. Tai-Cai-Zheng(1)-0920112370; changes in capital were registered each quarter during the execution period.

Note 2: On January 3, 2008, convertible bonds were approved by Letter No. Jin-Guan-Zheng(1)0960072385; changes in capital were registered each quarter during the execution period.

Note 3: On November 8, 2007, employee stock options were approved by Letter No. Tai-Cai-Zheng(1)-0960062091; changes in capital were registered each quarter during the execution period.

April 25, 2026

Type of shares	Approved shares			Remark
	Outstanding shares (listed)	Unissued shares	Total	
Common stock	159,421,022	70,578,978	230,000,000	The above unissued shares include 18,900,000 convertible shares of convertible bonds and 8,000,000 stock options

##### (II) List of Major Shareholders

April 25, 2026

Name on major shareholders	Shares	Shareholding	Shareholding ratio (%)
Tseng Ying-Tang		4,276,593	2.682
Liu Ping-Feng		4,159,183	2.609
Chen Zu-yuan		3,927,000	2.463
Tseng Jung-Meng		3,585,983	2.249
Deutsche Bank Custodianship Account of Jia Qu Kuo Zi Co., Ltd.		3,200,000	2.007
Fan Gang-xu		2,188,000	1.372
Ku Chih-Yun		2,002,473	1.256
Hefeng United Co., Ltd.		1,650,000	1.034
JP Morgan Securities Limited Investment Account Managed by JPMorgan Chase		1,435,386	0.900
Citibank manages Nomura International Co., Ltd. investment account		1,337,000	0.838

(III) The Company's dividend policy and its current implementation status

1. Dividend policy as defined in the articles of incorporation :

As we are in a volatile industry, the dividend policy must take into account the Company's future capital requirements and long-term business planning, while at the same time fulfilling shareholders' needs for cash inflows. The Company's earnings, if any, in its annual final account shall be first used to pay income taxes and make up for its accumulated losses, and then 10% of the said profits shall be set aside as legal reserves, as required by law or the competent authority. After that, no less than 10% of the total cash dividends may be paid to shareholders. The Board of Directors shall prepare a distribution proposal based on the actual profit and capital for the year. The proposal is submitted to the shareholders' meeting for resolution.

When the Company provides special surplus reserves in accordance with the law, the insufficient amounts in "net increase in fair value of investment property accumulated in prior periods" and "net decrease in other equity accumulated in prior periods" shall be provided by the same amount from special reserve of prior years' undistributed earnings prior to the distribution of earnings.

2. Implementation status: The Company's proposed distribution of dividends for the year is as follows

The meeting of Board of Directors held on March 4, 2026 approved the motion for earnings distribution for 2025, distributing cash dividends to shareholders of NT\$79,710,511(NT\$0.5 per share); however, it is pending resolution by the shareholders' meeting.

(IV) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting.

(V) Remuneration of employees, directors, and supervisors:

1. The percentages or ranges with respect to employee, director, and supervisor remuneration, as set forth in the company's Articles of Incorporation:

In accordance with Article 25 of the Company's "Articles of Incorporation": Where there is a profit for the current year, the Company shall distribute 5% of the profit as remuneration to employees (2% of the profit as remuneration to non-executive employees) and not more than 3% of the profit as remuneration directors. However, if the Company has accumulated losses, profit shall be set aside in advance to make up for losses.

The "profit" as defined in the previous paragraph is income before income taxes less net of remuneration to employees and directors.

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

(1) The basis for estimating the amount of employee, director, and supervisor remuneration is subject to the clauses provided in the Articles of Incorporation and the distribution rate of remuneration to directors resolved by the Board of Directors. The calculation of the number of employees' bonus shares is based on the closing price on the date before the resolution of the Board meeting.

(2) Accounting treatment of the discrepancy between the actual distributed amount and the estimated figure:

Any discrepancy between the actual distributed amount and the estimated figure

is recorded as profit or loss for the following year.

3. Information on any approval by the board of directors of distribution of remuneration:  
(1) The amount of any employee remuneration distributed in cash or stocks and remuneration for directors:

The Board of Directors approved the distribution of NT\$2,544,982 in cash as remuneration to directors and NT\$6,362,455 in cash as remuneration to employees (remuneration to non-executive employees NT\$2,544,982). There were no material differences in the recognized amount for the year ended December 31, 2025 financial report.

- (2) The amount of any employee remuneration distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income and total employee compensation stated in the parent company only financial reports for the current period:

There is no employee compensation distributed in the form of stocks during this period.

4. The actual distribution of employee, director compensation for the previous fiscal year, and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated:

Distribution of NT\$4,097,964 in cash as remuneration to directors and NT\$10,244,909 in cash as remuneration to employees. There were no material differences in the recognized amount for the year ended December 31, 2024 financial report.

(VI) Status of the company buying back its own shares: None.

II. Issuance of corporate bonds: None.

III. Issuance of preferred shares: None.

IV. Issuance of global depository receipts: None.

V. Issuance of employee stock warrants, new restricted employee shares: None.

VI. Merger and acquisition activities (including mergers, acquisitions, and demergers): None.

VII. Status of implementation of capital allocation plans: None.

## Four. An Overview of Operations

### I. A description of the business:

#### (I) Scope of business:

The Company's business is to research, develop, design, manufacture, and sell quartz components, as well as providing after-sales services. Our products include quartz crystals and quartz oscillators, mainly applied in computer information products and communication equipment for basic signal generation and transmission.

#### 1. Major lines of business:

- (1) Manufacturing and processing of quartz components.
- (2) Manufacturing and processing of quartz raw materials.
- (3) Import and export trading business.

#### 2. Major lines of business and relative weight of current products:

Name of product	Weight (%)
Quartz components	100

#### 3. New products planned for development

- A. Ultra-Miniaturized Quartz Crystal Resonators (0.8x0.6mm<sup>2</sup>): Development for wireless communication and wearable device systems.
- B. Ultra-Thin Quartz Crystal Resonators (1.0x0.8mm<sup>2</sup>): Development with a maximum thickness of 0.19 mm for wireless communication and wearable device systems.
- C. 1.6T/3.2T Optical Communication Modules: Development of (2.0x1.6mm<sup>2</sup>) differential output solutions for AI Data Centers.
- D. 800G/1.6T Optical Communication Modules: Development of (2.0x1.6mm<sup>2</sup>) differential output solutions for AI Data Centers.
- E. Automotive Quartz Crystal Oscillators (2.5x2.0mm<sup>2</sup>): Development of miniaturized high-fundamental frequency differential dual-output units for automotive panel transmission and eCPRI applications.
- F. TF-1610S1 Tuning Fork Crystal Units: New product development for next-generation tuning fork crystal chips.
- G. AT-MESA 1612 High-Frequency Crystal Chips: Mass production implementation and process optimization.
- H. AT-MESA 1008 High-Frequency Crystal Chips: Mass production implementation and process optimization.
- I. AT-MESA Ultra-High-Frequency (UHF) Crystal Units: Research and

development of high-performance UHF crystal chips.

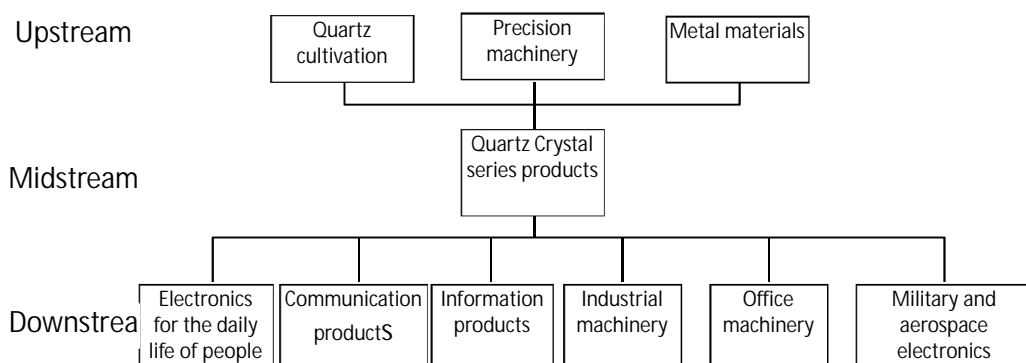
(II) An overview of the industry

1. Current status and development of the industry

Thanks to the low sensitivity of quartz components to temperature, the frequency drift caused by temperature is less. Due to this advantage, quartz components are more accurate and stable compared to other oscillators, and are particularly suitable for communication products that require high frequency accuracy, making them important for communication products. The product specifications of quartz components are usually distinguished by frequency (HZ), accuracy (ppm), and packaging methods and can be applied extensively, divided into the following categories:

Product	Function	Application
Quartz Crystal	Using piezoelectricity of quartz, quartz blanks are produced through the first stage process of cutting and grinding of quartz rods; then quartz crystals are made through electrode vaporization and packaging and capping in the second stage of the process. The main function of quartz crystal is to generate stable frequency, the basic element of quartz crystal series products.	I. Information products peripheral product .PC, NB, CD-R, CD-RW, DVD-R, DVD-RW, CRT monitor, TFT-LCD monitor, W-LAN, Bluetooth, and other related peripheral products. II. Communication industry 1. Fixed communication Cable phone, cordless phone, PAGER, etc. 2. Mobile communication GSM, PHS, CDMA, W-CDMA, and Bluetooth. 3. Satellite communication GPS, navigation radio, V-SAT optical and carrier communication PCM, etc. III. Machines for use in daily life AV-related machines: CTV, VCR and camera, clock.
Quartz oscillator	Circuits or devices that generate continuous or discontinuous waveforms such as sine waves or pulse waves can be divided into TCXO, VCXO, VC-TCXO, etc.	

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



As the main raw materials in the quartz component industry are quartz, base and cover materials, the industry's upstream are quartz cultivation, precision machinery and metal material industries. These industries primarily process the above raw materials into electronic components, including quartz crystals and quartz oscillators manufactured into electronics, communication products and information products widely used by downstream industries.

3. Development trends for the company's products

Quartz parts and components are mainly used in information, communication and consumer electronic products. Their development trends are linked closely to end products and the development directions are described as follows:

- (1) Miniaturization: As the trends for downstream 3C products are light, thin, small products, quartz products must also develop towards miniaturization.
- (2) SMD: To meet the characteristics of the thin and light internal space of communication equipment and downstream customers' SMT product lines, SMD quartz crystals must be developed to increase competitiveness.
- (3) High frequency: The wireless communication industry is developing towards high frequency, allowing ample growing room for high-frequency components. Due to this, the related parts and components must keep up the pace.
- (4) High-frequency component modules: Making high-frequency components into modules for processes and providing customers specifications is the future trend.

4. Competition for the company's products

The global production value of quartz components is relatively small compared to other industries, such as the IC industry and the technology level is not as good as the IC industry. While Japan has a complete basic structure for its production equipment for parts and raw materials, the country is the world leader in production technology with a large domestic demand market. Despite all advantages, Japan's overall costs are higher and it has lower organizational flexibility. In terms of China, as technology for low-end products is competitive in the market and there is significant growth in domestic demand, the production value increases year by year. As for Taiwan, although its overall technology is behind Japan and personnel costs are higher than those of manufacturers in China, the process flexibility and cost competition are more likely to meet customer demand. As long as Taiwan's production technology keeps improving in order to narrow down the gap to the leading country Japan, the overall market share will continue to expand.

(III) An overview of the company's technologies

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

The Company's R&D expenditures for 2025 totaled NT\$118,482 thousand,

accounting for 5% of revenue.

2. Technologies or products successfully developed:

(1) Miniaturized automotive TPMS quartz crystal resonator ( $1.6 \times 1.2 \text{ mm}^2$ ).

(2) 800G / 1.6T optical communication module with differential output ( $3.2 \times 2.5 \text{ mm}^2$ ).

(3) Miniaturized high-frequency differential dual-output quartz crystal oscillator for optical communication and eCPRI applications ( $2.0 \times 1.6 \text{ mm}^2$ ).

(4) Ultra-low voltage (1.2V) compensated oscillator for wearable and low-power devices ( $1.6 \times 1.2 \text{ mm}^2$ ).

(5) TF-1610 4-inch mass production and introduction.

(6) AT-MESA 1612 mass production and introduction.

(7) AT-MESA 1008 mass production and introduction.

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

1. Short-term plans

(1) Marketing strategy

① As a means to disperse market and exchange risks, we control the ratio of domestic and foreign sales and the global sales according to the characteristics of the market and customer.

② We lower production costs to give back to customers, while at the same time strictly controlling and improving product quality. This way, we are able to provide prompt and friendly services to customers that give them peace of mind.

③ We establish agents and distribution bases according to the market demand potential to facilitate the development of customers and expand the market.

(2) Production policy

① We introduce advanced process and precision automated equipment to increase efficiency and enhance product levels. At the same time, we enhance information speed and management timeliness with the company's intranet for rapid and accurate information flows.

② We strive for improving and transforming processes to increase yields while focusing on small wafer design and production.

(3) Product development

① Develop new MEMS products and process modification, and proactively carry out technology exchange and transfer with Japan to improve the overall technology standards.

② We allocate around 4% of our annual revenue to train technical personnel. We work closely with Taiwan's academia and technical units and recruit highly educated technical researchers to develop high frequency components for future market demands.

(4) Scale of operations and financing direction

Taking into account the growth over the years and the projected volume of business, the Company may plan to support its finances with working capital and bank financing.

## 2. Long-term plans

### (1) Marketing strategy

- ① Make a proactive approach to build up the automotive market to expand sales.
- ② Provide OEM and ODM services to attract major manufacturers in Europe, the Americas and Japan.
- ③ Reinforce the sales channels of cell phones, internet, 3C products and GPS in the Greater China region.

### (2) Production policy

- ① Introduce advanced technology and equipment and improve engineering technology capabilities.
- ② Keep abreast of materials through technology transfer and expanding production bases to supply electronic and optical grade wafer materials. This way, the Company is able to sufficiently supply its own raw materials.
- ③ Small wafer design and production are carried out in the factory.

### (3) Product development:

- ① Expand product capability and market share.
- ② Provide a variety of products to meet customer demand.
- ③ Develop new MEMS products and process modification.

### (4) Scale of operations and financing

Through listing our shares, we in turn have enhanced the company image and visibility in an attempt to attract more talent. Moreover, we have expanded our R&D production scale and strengthened marketing channels by utilizing the financing channels of the capital market. The results delivered by the Company are shared with its employees and shareholders to increase the employees' commitment to the Company and maximize shareholders' interests.

## II. An analysis of the market as well as the production and marketing situation, including:

### (1) Market analysis

1. The geographic areas where the main products (services) of the company are provided (supplied)

Unit: NT\$ thousands

Region \ Year	2023		2024		2025	
	Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)
Taiwan	366,156	15.55	450,742	20.59	581,200	24.12
Europe	403,501	17.13	212,081	9.69	241,690	10.03
Asia	1,346,995	57.19	1,326,857	60.60	1,344,024	55.77
Americas	238,742	10.13	199,780	9.12	242,932	10.08
Total	2,355,394	100	2,189,460	100	2,409,846	100

## 2. Market share

According to the 2025 revenue data announced by six public companies (TXC, SIWARD Crystal, Harmony Electronics, Tai-Saw Technology, TAITIEN Electronics, Aker Technology) in Taiwan, SIWARD accounted for 10% of the total production value of Taiwan’s listed crystal companies.

## 3. Market Outlook: Supply, Demand, and Growth Potential

Quartz frequency components are essential core elements in electronic and communication devices, functioning as the “heartbeat” that ensures precise and stable timing signals with low phase noise. Entering the AI-native era in 2026, both AI servers handling large-scale data processing and edge AI devices requiring real-time computation rely heavily on quartz components for accurate logic operations and high-speed data transmission, underscoring their strategic importance.

Driven by the continued development of applications such as 5G-Advanced (5.5G), Wi-Fi 7, automotive electronics, and device miniaturization, overall market demand is expected to gradually recover and expand. The quartz component market application status and growth are as follows:

### A. Growth in 5G Applications

Rising demand for high-speed connectivity continues to accelerate global 5G adoption. With advantages including high bandwidth, low latency, and massive connectivity, 5G is widely applied across smartphones, IoT devices, base stations, and connected vehicle systems (C-V2X), driving sustained demand for quartz components.

As 5G evolves toward millimeter wave (mmWave) and 5G-Advanced (5.5G), higher frequencies increase signal attenuation risks. This trend is expected to accelerate the deployment of small cells and customer premises equipment (CPE), further increasing demand for high-performance quartz

components.

The global 5G market size was estimated at USD 125.7 billion in 2024 and is projected to reach USD 2,070.9 billion by 2030, reflecting strong long-term growth potential.

#### B. Smartphones: AI-Driven Replacement Cycle

The smartphone industry is entering a new phase driven by AI integration and 5G maturity. Following two years of market contraction, demand is recovering as generative AI-enabled devices stimulate a replacement cycle.

Global smartphone shipments are projected to reach approximately 1.26 billion units in 2025, supported by the release of pent-up replacement demand and ongoing technological upgrades.

#### C. Wi-Fi Devices

Advancements in Wi-Fi technology are driving the next generation of wireless connectivity, characterized by higher speeds, lower latency, and expanded application scenarios across smart homes, industrial IoT, connected vehicles, and edge AI computing.

Wi-Fi 7 began large-scale commercialization in 2024 and is expected to become mainstream in 2025. With the opening of the 6 GHz spectrum, Wi-Fi 7 supports 320 MHz bandwidth and 4096-QAM modulation, significantly enhancing data transmission performance. Multi-Link Operation (MLO) further enables simultaneous data transmission across multiple frequency bands, improving throughput and reducing latency.

Looking ahead, Wi-Fi 8 (802.11bn) is expected to emphasize ultra-high reliability and multi-device coordination, with potential integration of AI-driven spectrum management to enhance performance in high-density environments.

#### D. Wearables Devices

Wearable devices are evolving from data tracking tools into AI-enabled personal health management platforms. The integration of AI and biometric sensing technologies is enabling real-time health monitoring, predictive analytics, and personalized medical insights.

By 2026, generative AI is expected to support real-time analysis of physiological metrics such as heart rate, blood pressure, sleep quality, and

glucose levels, facilitating a shift from reactive to preventive healthcare.

The wearable device market continues to expand, with product diversification including smartwatches, smart rings, and smart glasses. According to IDC, global shipments are projected to reach 612 million units by 2028, indicating strong growth momentum.

#### E. Automotive Automation

The development of vehicle connectivity technologies (V2X) and Advanced Driver Assistance Systems (ADAS) is accelerating the transition toward vehicle automation. These systems require substantial numbers of quartz components, while features such as tire pressure monitoring systems (TPMS) have become standard.

In parallel, global carbon reduction policies are driving the transition from internal combustion engine vehicles to electric vehicles (EVs). According to BloombergNEF (2025/2026), global EV sales are projected to reach 22 million units in 2025, representing approximately 25% year-on-year growth. Each EV incorporates approximately 60–90 quartz components, significantly increasing demand in the automotive sector.

#### F. Smart Healthcare

The integration of AI, wearable devices, big data, and IoT is transforming the healthcare industry toward greater automation and precision. In 2026, generative AI is expected to further enhance applications such as surgical assistance, physiological monitoring, and diagnostic accuracy.

Emerging applications include AI-assisted surgical navigation systems, remote patient monitoring solutions, and cloud-based diagnostic platforms, reflecting a structural shift toward smart healthcare.

According to Fortune Business Insights (2026), the global healthcare AI market is projected to reach USD 56 billion, supporting continued demand for high-reliability quartz components in advanced medical devices.

### 4. The company's competitive niche, positive and negative factors for future development, and the company's response to such factors

#### (1). Strength

The trend of market demand growth and transformation will continue to pose positive factors to the Company's product positioning and market competitiveness. As we produce our own high-end quartz crystal rods, we

are able to fully grasp raw material supply to make investments and perform R&D with a vertical integration approach. The Company's future product development, market positioning and capacity deployment will focus on ultra-miniature, high-frequency and high-precision SMD products.

We will make an effort to continue to strengthen 5G and AIoT application deployment in order to improve their market share. Moreover, we are in the process of capacity expansion in response to the growth in demand and the investment scale will double compared to the previous year. Through the investment in our strategic allied partner Rakon in Oceania, we have been certified as the global communication base station leader. As well as this, we have been shipping TCXO products mainly supplying 5G base station installations and satellite positioning devices.

#### A. Vertical integration

- A1. We have mastered the production technology of synthetic quartz bars, making ourselves self-sufficient for supply and not having to rely on others.
- A2. We ensure the supply of high quality crystal rods while fully keeping abreast of production capacity and delivery schedules.
- A3. The QMEMS process enables Tuning Fork products to gain a major foothold in the market.

#### B. Horizontal integration

- B1. Our product lines are more complete and diverse than other manufacturers, fully providing products that meet customer demand.
- B2. Tuning Fork and TSX thermal products are gradually being launched to enrich the product line.

#### C. Core technology

- C1. With the demand for high stability for miniature coupled with high precision and high stability demand for frequency control products, the core technology is focused on the design and mass production yields of miniature wafers.
- C2. As one of the most advanced Japanese manufacturers, our subsidiary (Siward Technology Co, Ltd.) has a strong R&D team with advanced technology and decades of extensive experience in miniature, high precision and stable wafer design.
- C3. Quartz MEMS is the only factory in Taiwan that produces Tuning Fork Wafers. Other products can also be derived from this photographic processing, benefitting vertical/horizontal product development.
- C4. With Rakon's technology transfer, we are more confident for high precision TCXO temperature compensated oscillators.

C5. Complete product lines: We provide one-stop services that meet customer demand covering Xtal, OSC, TCXO, VCTCXO and MEMS products Tuning Fork 32.768KHz, as well as thermal products.

D. Competitive production

D1. We have invested in factories in Taiwan for production of high and medium-end products, fully exerting the advantages of mass production to reduce production costs. This way, we are able to offer competitive prices for products.

D2. We have mastered upstream long crystal technology and are able to integrate upstream and downstream resources to build point-to-point process, meeting the highest product quality.

D3. We make every effort to continue to expand product lines to strengthen market competitiveness.

(2). Weakness

Although overall capacity has improved, mass production scale is still behind Japan's largest manufacturers.

A. Key raw materials such as ceramic packages and ICs used by OSCs are in the hands of major Japanese factories. With the prices, quantities and delivery schedules being determined by suppliers and raw materials controlled in Japan, we have yet to find effective solutions.

B. Due to external market changes, product demand categories are prone to being concentrated, resulting in a constant decline in prices. Coupled with the expansion of factories by peers and the entry of Chinese suppliers, the existing oversupply situation of the market will worsen.

C. The speed of technology development for high frequency and precision products needs to be improved.

D. The current customer market is too concentrated and should develop other markets.

E. There are few large customers and revenue contributed by them is not high.

F. Chinese crystal suppliers are beginning to make a name for themselves, making the market more competitive with lower product prices.

(3). Opportunities

A. In terms of the market

A1. As quartz crystal components are known as the heart of electronics. They are widely applied in an array of electronic and communication products.

A2. There is an ongoing demand for SMD products in the market and the proportion of crystal and TSX thermal crystals continues to

increase; however, there is a slight decrease in oscillators. The Company's past product development, market positioning and capacity deployment focused on SMD products. The mega trend for the market demand transition in the above markets will continue to have favorable factors to the Company's subsequent product positioning and market competitiveness.

- A3. SIWARD tuning fork products were launched to deepen product segmentation and the opportunity was taken to once again establish awareness and expand market share.
- A4. So long as the abovementioned major and emerging industries continue to grow, demand for frequency control components will also grow.

B. In terms of peer competition

- B1. Given that the production of peers in Europe and the Americas is less competitive, some manufacturers have been withdrawn or merged. Even some Japanese manufacturers with a long history and scale have had to seek merger opportunities or withdrawn from some markets due to lack of competitiveness.
- B2. Even though there are many Chinese manufacturers, their technology and product levels are lower with unstable quality, and their international marketing channels are weaker. Although the strategy of Chinese manufacturers is to offer lower prices, the application level is not high. Considering some large manufacturers in China began to invest in SMD product lines, they are, however, limited to larger-size products. There are only a few manufacturers in China that make SMD oscillators.

C. In terms of products

SMD miniature products are launched for a wide range of 32.768KHz applications. The new products include CSF-1610(1.6 X 1.0mm) 、SX-1008 、CSX-1210 、SXT-1210 SMD Crystal. The abovementioned products can be used in nearly all electronics, especially in wearables that have been thriving in recent years, particularly miniature SMD products.

(4) Threats

A. Peer threats

- A1. As SMD miniature frequency control components require production equipment that is more sophisticated, the demand for automation also increases, resulting in a larger amount of investment in production equipment. With market prices continuing to decline, return on investment is lowered.
- A2. Chinese manufacturers continue to offer low prices in an attempt to compete in the single low-end product market. Moreover, with the advantage of raising capital locally, Chinese manufacturers

have been deploying their SMD production capacity and established the design and mass production capability of low-end SMD products. This has gradually posed threats to Taiwanese crystal manufacturers. This situation will be ongoing in the next few years and is expected to pressure low-end SMD product prices. As for demand for high-end products including mobile phones and satellite positioning, peers in Japan will continue to maintain their comparative advantage with respect to brands and channels.

- A3. The result from vicious competition among peers is a price war in the market and cost factors have put pressure on the Company's overall operation. Due to this, we will make every effort to increase yields and production equipment. Prices have continued to decline since the rise of Chinese competitors. As a result of this price war, many manufactures are finding it difficult to survive through this challenge and have started to seek mergers, eventually eliminating poor quality competitors.
- A4. With technology and production scale advantages, major Japanese manufacturers are leading their strong main SMD products to miniature products of 1210(1.2 x 1.0 mm). These Japanese manufacturers create a niche market through their leading technologies and larger mass production scales, further widening the gap with competitors.

#### B. Other threats

- B1. The global supply chain is navigating significant headwinds due to geopolitical fragmentation. Amid the escalating U.S.-China semiconductor trade disputes and shifting tariff policies, manufacturers are prioritizing supply chain localization to secure their competitive edge in AI. These developments have impeded the cross-border flow of critical materials and equipment. Consequently, we anticipate that export controls and trade barriers may further impact material availability and extend production lead times.
- B2. The surge in Generative AI has led to a structural supply crunch in 2026. Upstream semiconductor providers are currently prioritizing capacity for high-margin AI server components, which has introduced shortages and price volatility within the consumer electronics and industrial sectors. While AI investment remains robust, we remain vigilant: any potential AI bubble or weakened consumer purchasing power in Western markets due to inflation could lead to a post-overinvestment growth stagnation across the global electronics industry.

#### (5) Countermeasures

The Company will continue to accelerate the implementation of the following necessary countermeasures:

- A. Continue to invest R&D manpower and resources to proactively develop ultra-miniature, high-frequency and high value-added products. Break through the conventional framework, seek innovation opportunities, and enhance the stability and timeliness of product development.
- B. Keep a close eye on the impact on the economy and customer needs from changes and quickly make arrangements to the deployment and monitoring of raw materials and production capacity.
- C. Keep abreast of quality, performance, cost and delivery advantages, and continue to expand the scale to widen the competition gap with peers, creating a more favorable competitive advantage.
- D. Make flexible adjustments to the product portfolios of the factories in both Taiwan and China and seek dynamic production competitiveness according to market characteristics and needs.
- E. Establish and keep sound partnerships with suppliers; take a proactive approach to explore new supplier sources for key materials.
- F. Strengthen the cooperation and strategic alliances with peers and with leading technology manufacturers, from aspects of technology, product, production, market, to pursue maximum complementarity.
- G. Make an effort to incorporate our design in products by reinforcing the deployment of the international marketing network and carefully selecting strategic marketing partners, hoping to grasp and create more international customers in Europe and the Americas.

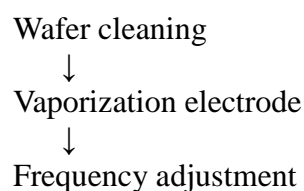
(II) Usage and manufacturing processes of the company's main products.

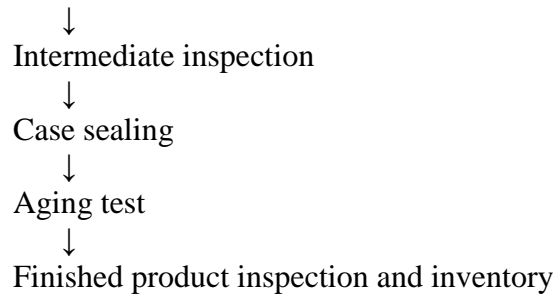
1. Important usage of products

Product	Usage
Quartz Crystal	Used in computers, remote control toys, TV games, and cordless phones, and are divided into 49U, LP, SMD, etc., according to external sizes.
Quartz Oscillator	Used in cordless phones, mobile phones, satellite navigation receivers, and fax machines, and are divided into TCXO, VCXO, VC-TCXO, etc., according to functions.

2. Manufacturing processes of products

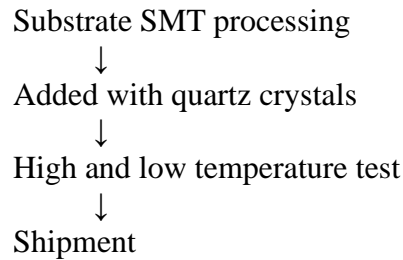
(1) Quartz Crystal





After cleaning, the wafer is placed in the vacuum vaporizing machine and plated with silver electrode surface according to the design. The frequency adjustment machine is then used to achieve the frequency set with the volume of silver plating. After an intermediate inspection is performed, the base and shell are sealed through welding. After a standard aging experiment is performed, the automatic inspection machines will check the specifications required by the customer. After confirmation by the Quality Control Department, the product will be put into inventory.

(2) Quartz Oscillator



According to the compensation circuit design, necessary parts and components are assembled by SMT, then connected to quartz crystals. A high and low temperature test will be performed according to the specifications of the customer. Each oscillator will have a complete test report.

(3) Supply situation for the company’s major raw materials

Name of raw material	Name of major supplier
Chip	Hunan Kexintai Electrical, Chengdu Timemaker
IC, base	Kyocera, NGK, JRC, Zenitron, KANEMATSU
Quartz Crystal	Huilang Crystal, Tangshan Guoxin Jingyuan electronics

(IV) A list of any suppliers and clients accounting for 10 percent or more of the company’s total procurement (sales) amount in the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures:

## 1. List of major importers in the 2 most recent fiscal years

Unit: NT\$ thousands

Ranking	2024				2025				2026 up to the previous quarter			
	Company name	Amount	As a percentage of net procurement for the year (%)	Relations with the Company	Company name	Amount	As a percentage of net procurement for the year (%)	Relations with the Company	Company name	Amount	As a percentage of net procurement for the year (%)	Relations with the Company
1	Kyocera	309,631	31.15	None	Kyocera	414,416	33.56	None	Kyocera	88,866	29.51	None
2	Huilang Crystal	131,850	13.26	None	Solar	152,522	12.35	None	Solar	56,450	18.75	None
3	Solar	61,073	6.14	None	Huilang Crystal	134,972	10.93					
	Other	491,440	49.45	-	Other	532,854	43.16	-	Other	155,786	51.74	-
	Net procurement	993,994	100		Net procurement	1,234,764	100		Net procurement	301,102	100	

Reason for increase/decrease: No significant difference.

Note: A list of any suppliers and clients accounting for 10 percent or more of the company's total procurement amount in either of the 2 most recent fiscal years. Where the company is prohibited by contract from revealing the name of a client, or where a trading counterpart is an individual person who is not a related party, it may use a code in place of the actual name

## 2. List of major sales clients in the 2 most recent fiscal years

Unit: NT\$ thousands

Ranking	2024				2025				2026 up to the previous quarter			
	Company name	Amount	As a percentage of net sales for the year (%)	Relations with the Company	Company name	Amount	As a percentage of net sales for the year (%)	Relations with the Company	Company name	Amount	As a percentage of net sales for the year (%)	Relations with the Company
1	Company A	243,594	11.13	None	Company B	361,280	14.99	None	Company B	50,160	8.98	None
	Other	1,945,818	88.87	-	Other	2,048,566	85.01	-	Other			-
	Net sales	2,189,412	100	-	Net sales	2,409,846	100	-	Net sales	558,493	100	-

Reason for change in increase/decrease: Company A and Company B belong to the same group. No significant difference.

Note: A list of any suppliers and clients accounting for 10 percent or more of the company's total sales amount in either of the 2 most recent fiscal years. Where the company is prohibited by contract from revealing the name of a client, or where a trading counterpart is an individual person who is not a related party, it may use a code in place of the actual name

## III. Number of employees employed

Year		2024	2025	Current year up to Feb 28, 2026
Number of employee	Production personnel	518	512	500
	Management personnel	152	144	124
	R&D personnel	65	65	65
	Total	735	721	689
Average age		40	40	40
Average years of service		9.69	9.69	9.69
Education distribution rate (%)	PhD	0.27	0.28	0.29
	Master	4.13	4.22	4.31
	College	42.7	41.7	42.4
	Senior high school	49.9	50.9	50.2

Year	2024	2025	Current year up to Feb 28, 2026
Below senior high school	3	2.9	2.8

#### IV. Disbursements for environmental protection

1. Disbursements for environmental protection: 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 and disclosing an estimate of possible expenses that could be incurred currently and in the future, and measures being or to be taken: None.
2. As a means to reduce hazardous substances contained in our products in line with the requirements of RoHS, we have formulated and adopted the requirements of green design management and green procurement management so that processes meet RoHS standards. As well as this, we have also engaged in communications and promotion with suppliers and our current products are fully in compliance with the RoHS requirements.
3. We passed ISO 14001 environmental management system certification in 2003. By upholding the principle of “pollution prevention and continuous improvement,” the output of our business waste has gradually reduced while the reuse rate of waste has gradually increased year by year. All emission inspection data are in line with the requirements of government regulations. Moreover, we control the use of raw materials and ban environmentally hazardous substances, in line with the major international manufacturers’ requirements of green production and green products. Meanwhile, we have passed the Sony Green Partner certification in 2004.

#### V. Labor–management relations

- (I) List any employee benefit plans, further education, training, retirement systems, and the status of their implementation, and the status of labor–management agreements and measures for preserving employees’ rights and interests
  1. Employee benefits
    - ① Medical/Insurance
      - a. Labor insurance
      - b. National health insurance
      - c. Employee group benefit insurance: The premium is fully covered by the Company with the insured and beneficiary being employees.
    - ② Employee benefits

To improve employee welfare and increase employee benefits, the Company and the Welfare Committee make every effort to promote various benefits and activities as follows:

      - a. Year-end bonus and year-end luck of the draw.
      - b. Employee wedding, funeral, childbirth and birthday celebration.

- c. Recreational activities:  
To encourage employees to engage in activities that help them stay healthy and relieve their stress from work, we provide an annual subsidy of NT\$6,000 per person for them to participate in a variety of recreational activities organized by the Company.
- d. Emergency relief and incentives:  
With the spirit of helping one another, the Company and the Welfare Committee express our concerns in the event of an emergency. We have also established “Emergency Relief and Incentive Measures” for fatal injuries and injuries.

2. Further education, training

At SIWARD, we have set up employee training measures. Pre-employment training is provided to newcomers while regular employees are dispatched to take part in on-the-job training outside the factory according to their work requirements. We also hire educational institutions to perform training in the factory or internal education and training provided by our education and training seed personnel from each department. In 2025 we spent NT\$3,044 thousands employee education and training, accounting for 0.126% of the current year’s operating revenue. A detailed education and training table is provided as follows:

Training category	No. of courses	Hours of training	Number of attendees	Instructor and application fee	Person/ hour fee	Total fees
General course training	43	388	302	34,160	416,100	450,260
Professional skills training	279	1,625	5,438	73,000	1,156,150	1,229,150
Ethical management regulatory compliance (including courses related to accounting systems and internal controls)	122	276	1,177	110,000	448,875	558,875
Project training	10	63	139	721,300	84,740	806,040
Total	454	2,352	7,056	938,460	2,105,865	3,044,325

3. Retirement system and its implementation status

(1) We formed a Labor Fund Supervisory Committee in accordance with provisions of the Labor Standards Act at the end of 1996. We contribute a certain percentage of our employees’ monthly wages to be deposited to the pension account of the Bank of Taiwan. This is applicable to employees

who meet the requirements stipulated in the “Labor Standards Act” on July 1, 2005 or those who opt for the pension system in the Labor Pension Act and retain the years of service prior to the Act. We also review whether the balance of the pension account meets the regulatory requirements at the end of each year and any shortfall is made up by the end of March of the following year. As of December 31, 2025, the Company no longer has any employees under the defined benefit plan.

(2) In accordance with the Labor Pension Act, the Company has adopted a defined contribution plan from July 2005. For employees applicable to the Act, the Company contributes 6% of the employees’ monthly wage to be deposited to the pension account of the Bureau of Labor Insurance. In 2025, a total of NT\$20,608 thousands was allocated.

4. Agreement between labor and management and measures to protect the rights and interests of employees

Regarding labor–management interaction issues, the Company always communicates and coordinates with employees to reach a consensus. Employees may also directly express their views to their supervisors to achieve the effectiveness of communication. Furthermore, we hold a labor–management meeting on a regular basis, enabling both parties to speak their minds to promote harmonious labor–management relations. There has been no labor dispute to date.

5. Protection measures for the workplace and employees’ safety

We have set up a Safety and Health Department responsible for the identification, evaluation and control of the working environment and operational hazards while preventing work injuries. In a bid to provide workers with a safe and healthy working environment as required by the system, we passed OHSAS18001 in December 2008 and ISO 45001 occupational safety and health management system verification in December 2020.

(II) List any losses suffered by the company in the most recent 2 fiscal years and up to the annual report publication date due to labor disputes, and disclosing an estimate of possible expenses that could be incurred currently and in the future, and measures being or to be taken: None.

VI. Cyber security management:

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

1. Risk management organizational structure:

The company has established an information security committee to promote information security management in 2023 and the general manager serves as the direct supervision. This term is responsible for the promotion, coordination, supervision and review of information security management matters related to information security. The internal audit unit shall conduct information security internal audit and tracking at least once a year based on the internal audit plan.

Information security policy: We have formulated relevant regulations and conduct internal self-assessments and audits each year.

2. Information security policy:

- (1) Implement information security publicity and education training for company colleagues to improve information security awareness and reduce the probability of information security incidents.
- (2) Ensure compliance with various information security management measures to ensure the security of computer hardware, software, peripherals and network systems used and the correctness and effectiveness of information operations.
- (3) The confidentiality and integrity of the company's sensitive information and information systems are protected from unauthorized access, tampering and destruction.

3. Information security and network risk evaluation:

At SIWARD, we have established a set of comprehensive network and computer security protection systems to control and maintain the Company's manufacturing and accounting operations as well as other important functions for the Company to operate. However, we cannot guarantee that our computer systems are completely immune to network attacks from any third-party paralyzed systems. These cyber attacks can illegally intrude into the Company's internal network system and damage the Company's operations and reputation.

Cyber attacks may also attempt to steal the Company's business secrets, other intellectual property and confidential information; for example, proprietary information of customers or other stakeholders as well as personal information of employees. Malicious hackers are able to incorporate computer viruses, destructive software or ransomware into the Company's network system. In this way, they can interfere with company operations and regain control of the computer system in an attempt to blackmail the Company or spy on confidential information.

These attacks may result in the Company suffering from losses through paying compensation to customers due to delayed or disrupted orders or the Company may be required to pay a large sum to implement remedial and improvement measures to strengthen the Company's network security systems. Furthermore, these attacks may result in the Company being exposed to legal liability or

regulatory investigations arising from leaks of information of customers or third parties to whom the Company has confidentiality obligations.

In order to ensure information security and prevent the above-mentioned risks, we regularly supervise the implementation and implementation of information security operating procedures by various departments, convey information security-related publicity through information security publicity activities and supervisor meetings, and promote employee information security. Awareness and strengthening of their understanding of relevant responsibilities.

4. Investment resources

- (1) With the rapid development and advancement of information technology, the company continues to strengthen the planning of off-site data backup and information system backup, improve the anti-hacking function of the network firewall, improve the performance of the spam filtering system, optimize the functions of computer anti-virus software, etc. and network security management mechanisms.
- (2) Carry out social engineering drills and conduct information security education and promotion for users to enhance employees' personal information security awareness and effectively reduce the information security risks of hacker intrusions and malicious network attacks.
- (3) Establish an information security team and set up an information security supervisors and a staff in response to the requirements of the Financial Supervisory Commission.

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken.

1. In 2024 and up to the annual report publication date, No major cyber attacks or information related lawsuits during this period.
2. Counter measures to control losses of information security events:  
To prevent and control such losses, Siward has setup data and system backups to make sure the communication will not be interrupted. Backup data and media are also stored off-site to further strengthen the security. Regularly practice data recovery to verify the authenticity, reliability, and recoverability of backup data. Control the risk from unannounced interruptions from natural disasters or man-made errors.

## VII. Important contracts

Contract nature	Counterparty	Start and end dates of the contract	Main contents	Restrictive clause
Facility contract	KGI Bank	March 2025 to March 2028	The loan was NT\$600 million for enriching working capital	Note 1
Facility contract	KGI Bank	February 2026 to January 2031	The loan was NT\$200 million for purchasing machinery and equipment	Note 1

Note 1: During the loan period, the Company shall maintain a current ratio of 120% or more, a debt ratio (total debt/total net worth) of less than 100% and a ratio of interest expense, income tax, depreciation and amortization to interest expense of at greater than or equal to 3 (the above calculation of financial ratios and restrictions are based on the figures in the annual consolidated financial report certified by accountants and semi-annual consolidated financial report reviewed by accountants). The net worth of the Company shall not be lower than NT\$2 billion. If the Company fails to meet the financial limits on the above financial ratios, the Company must repay the loans in advance according to the agreement.

## Five. A Review and Analysis of the Company's Financial Position and Financial Performance, and Risk Management

### I. Financial position

#### Comparative Analysis of Financial Position

Unit: NT\$ thousands

Item \ Year	2025	2024	Increase (Decrease) Difference	
			Amount	%
Current assets	2,364,436	2,300,353	64,083	2.79%
Property, plant and equipment	1,419,764	1,384,600	35,164	2.54%
Intangible assets	20,403	34,951	-14,548	-41.62%
Other assets	873,795	754,885	118,910	15.75%
Total assets	4,678,398	4,474,789	203,609	4.55%
Current liabilities	576,955	591,684	-14,729	-2.49%
Non-current liabilities	324,270	168,183	156,087	92.81%
Total liabilities	901,225	759,867	141,358	18.60%
Capital stock	1,594,210	1,594,210	-	-%
Capital surplus	722,762	722,762	-	-%
Retained earnings	1,386,045	1,393,941	-7,896	-0.57%
Other equity	68,280	-2,166	70,446	-3252.35%
Total equity	3,771,297	3,708,747	62,550	1.69%
Non-controlling interests	5,876	5,875	1	0.02%
Reason for significant changes, the effect and measures taken in response to the above items: Significant change:				
<ol style="list-style-type: none"> <li>1. The increase in non-current assets was due to the increase in unrealized valuation gains on investments with equipment instruments measured at fair value in other comprehensive income.</li> <li>2. The increase in non-current liabilities was due to the increase in long-term borrowings.</li> <li>3. The increase in other equity was mainly due to the increase in unrealized valuation gains on investments with equipment instruments measured at fair value in other comprehensive income.</li> </ol>				

## II. Financial Performance

- (I) The annual report shall list the main reasons for any material change in operating revenues, operating income, or income before tax during the past 2 fiscal years

Unit: NT\$ thousands

Item \ Year	2025	2024	Increase (Decrease) Difference	
			Amount	%
Operating revenue	2,409,846	2,189,460	220,386	10.07%
Gross profit	421,903	428,925	-7,022	-1.64%
Operating income	79,326	86,697	-7,371	-8.50%
Non-operating income and expenses	47,153	108,975	-61,822	-56.73%
Profit before tax	126,479	195,672	-69,193	-35.36%
Net income for the period	103,661	157,637	-53,976	-34.24%
Other comprehensive income for the period (net after tax)	70,485	-293,561	364,046	-124.01%
Total comprehensive income for the period	174,146	-135,924	310,070	-228.12%
Net income attributable to owners of the parent company	103,660	158,228	-54,568	-34.49%
Analysis of changes in increase or decrease:				
1. The decrease in non-operating income and expenses was mainly due to the increase in foreign exchange losses, net.				
2. The increase in Other comprehensive income for the period was mainly due to the increase in unrealized valuation gains on investments with equipment instruments measured at fair value in other comprehensive income.				

- (II) Sales volume forecast and the basis, and describe the effect upon the company's financial operations as well as measures to be taken in response.

The forecast of the Company's 2026 sales volume forecast of products takes into account the outcomes of factors such as historical data, the sensitivity of managers to the market, competitive market trends and the Company's increased production capacity. There is no significant effect on upon future financial operations as the Company's current production capacity is able to cope with the situation. The Company's forecasted sales volume is detailed as follows:

Unit: kpcs

Major product	Sales volume
Quartz components	1,105,870

### III. Cash flows

(I) An analysis of cash flow changes for the most recent fiscal year:

#### Condensed Statement of Cash Flows

Unit: NT\$ thousands

Item	2025	2024	Increase (Decrease) Amount	Change ratio (%)
Cash inflows from operating activities	248,696	242,524	6,172	248,696
Cash outflows from investing activities	-208,360	-65,678	-142,682	-208,360
Cash outflows from financing activities	-83,429	-491,602	408,173	-83,429

1. The increase in net cash outflows from investing activities was due to the increase in capital expenditures in 2025.
2. The decrease in cash outflows from financing activities was due to the decrease in cash dividends paid and proceeds from long-term borrowings in 2025 compared to 2024.

(II) Liquidity analysis for the coming year:

#### Cash flow analysis

Unit: NT\$ thousands

Opening cash balance (1)	Projected full-year net cash flows from operating activities (2)	Projected full-year cash outflows (3)	Projected cash surplus (shortfall) amount (1)+(2)-(3)	Remedies for projected cash shortfalls to maintain a comparable cash balance	
				Investment plan	Financial plan
631,148	151,628	180,074	602,702	-	-

IV. The annual report shall describe the effect upon financial operations of any major capital expenditures during the most recent fiscal year: None.

V. 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 for the coming year

Unit: NT\$ thousands

Description Item	Investment profit and loss recognized for the period	Policy	Main reason for profit or loss	Plan for improvement	Other investment plans for the coming year
Securitag Assembly Group Co., Ltd.	27,810	RFID Manufacturing	-	None	None

## VI. Matters Analyzed and Evaluated for Risk Management

(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. Interest changes:

#### Effect on the Company

The Company's interest expenses in 2025 only accounted for 0.19% of its revenue. With weighted average cost of capital interest rate for long-term loans for 2026 estimated at approximately 2%, assuming other circumstances remain unchanged, 10% interest rate fluctuation is expected to affect profit before tax by approximately NT\$420 thousands, which is not significant to the Company's profit or loss.

#### Measures taken in response:

The Company mainly borrows in Taiwan dollars. With the general economic factors in Taiwan, there is no significant increase in the coming year, hence the risk of interest rate changes have little impact on the Company.

### 2. Exchange rate changes

#### Effect on the Company

(1) The Company's foreign procurement of raw materials, semi-finished and finished products is denominated in JPY and USD. In 2025, the exchange fluctuations of JPY and USD against TWD were in the range of 0.20 to 0.22 and 29.32 to 32.98, respectively, and is expected to be in the range of 0.20 to 0.22 and 30 to 32, respectively in 2026. If the Company's external procurement in 2026 is ¥2,646,000 thousands and USD14,554 thousands, with other circumstances remain unchanged, a 1% change in the exchange rate would affect profit before tax by approximately NT\$9,840 thousands.

(2) The Company's foreign sales are mainly denominated in USD and JPY. In 2025, the exchange rates of USD and JPY against TWD were in the range of 29.32 to 32.98 and 0.20 to 0.22, respectively, and is expected to be in the range of 30 to 32 and 0.20 to 0.22, respectively in 2026. If the Company's foreign sales revenue is approximately USD65,500 thousands and ¥169,000 thousands, with other circumstances remain unchanged, a 1% change in the exchange rate would affect profit before tax by approximately NT\$20,600 thousands.

Measures taken in response:

As a means to reduce exchange rate risk, we regularly check the liability positions of foreign currencies and consider using foreign exchange-related derivative instruments for appropriate hedging.

3. Inflation:

Effect on the Company:

The recent continuous salary increase and the price of raw materials have put pressure on the Company. As salary adjustment is underway according to plan in 2026, the increase in material prices and production costs is inevitable.

Measures taken in response: Improve production capacity with automation to reduce unit production costs.

(II) Policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivative instrument transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future

1. High-risk investments: The Company is not engaged in high-risk investments.
2. Highly leveraged investments: The Company is not engaged in highly leveraged investments.
3. Loans to other parties: None.
4. Endorsement/Guarantees:
  - (1) The Company only provides endorsements/guarantees to its subsidiaries. All procedures are carried out in accordance with the Company's "Regulations Governing Endorsements/Guarantees." For endorsements/guarantees provided in 2025, please refer to disclosure in Notes XIII to the consolidated financial statements of 2025.
  - (2) Main reason for profit or loss: None.
  - (3) Measures taken in response: Not applicable.
5. Derivative instrument transaction
  - (1) The Company's engagement in derivative instrument transactions is carried out in accordance with Article 10 of the "Regulations Governing the Acquisition and Disposal of Assets" regarding regulations governing the acquisition and disposal of derivatives. Moreover, the Company engages in derivative instrument transactions for the purpose of hedging. The selection of transaction products takes into account hedging the risk arising from the Company's business.
  - (2) Main reason for profit or loss: None.
  - (3) Measures taken in response:

As gains and losses arising from changes in exchange rates of derivative instruments are offset against the gains and losses of the hedged items, market price risks do not have material impact on the Company's financial operations.
  - (4) Objective and methods of adopting hedge accounting: Not applicable as the Company does not use hedge accounting.

(III) R&D work to be carried out in the future, and further expenditures expected for R&D work

1. Future Research and Development Roadmap

- A. Ultra-Miniaturized Quartz Crystal Resonators (0.8x0.6mm<sup>2</sup>): Development for wireless communication and wearable device systems.
- B. Ultra-Thin Quartz Crystal Resonators (1.0x0.8mm<sup>2</sup>): Development with a maximum thickness of 0.19 mm for wireless communication and wearable device systems.
- C. 1.6T/3.2T Optical Communication Modules: Development of (2.0x1.6mm<sup>2</sup>) differential output solutions for AI Data Centers.
- D. 800G/1.6T Optical Communication Modules: Development of (2.0x1.6mm<sup>2</sup>) differential output solutions for AI Data Centers.
- E. Automotive Quartz Crystal Oscillators (2.5x2.0mm<sup>2</sup>): Development of miniaturized high-fundamental frequency differential dual-output units for automotive panel transmission and eCPRI applications.
- F. TF-1610S1 Tuning Fork Crystal Units: New product development for next-generation tuning fork crystal chips.
- G. AT-MESA 1612 High-Frequency Crystal Chips: Mass production implementation and process optimization.
- H. AT-MESA 1008 High-Frequency Crystal Chips: Mass production implementation and process optimization.
- I. AT-MESA Ultra-High-Frequency (UHF) Crystal Units: Research and development of high-performance UHF crystal chips.

2. Further expenditures expected for R&D work

The Company is expected to invest NT\$140,000 thousands in R&D in 2026.

3. Main factors affecting the success of future R&D

- (1) The ability to develop miniature products at the same pace as peers in Japan.
- (2) The ability to jointly develop customers' applied products and front-end IC design.
- (3) The ability for product differentiation.

(IV) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response.

Effect on the company's financial operations of important policies adopted:

In terms of important domestic and international policies, standards of environmental laws and regulations have the greatest impact on our operations. As environmental laws and regulations are covering more aspects and becoming stricter, we have set up a unit to follow up and propose countermeasures

accordingly at all times.

Measures taken in response:

Moreover, our facilities and discharge outlets for waste and sewage treatment generated by processes are in line with the criteria set by the Environmental Protection Agency (EPA). For all products we make, we follow the WEEE and RoHS Directives based on the SONY SS-00269 system. We also coach our upstream material suppliers and ask them to follow the same standards. We will properly control and manage chemical composition in the manufacturing process, while introducing ISO 14001 and ISO 45001 systems to provide customers with products that are more competitive, striving for more business opportunities for the Company.

- (V) Effect 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

Effect on the company's financial operations:

Under an environment where economic growth is slow, the innovation and development of technology has become common under the rapid application of knowledge. Due to this, the technological gap between peers has narrowed while the difficulty of product differential has increased, resulting in a shortened life cycle of the applied products. The key issues for the Company are to correctly determine the trend of product development, rapidly and effectively develop with customers, strengthen quality, reduce costs, and quickly respond to the trend.

Measures taken in response:

1. Integrate the Group's R&D teams in both Japan and Taiwan to provide timely services to customers' new product development, while working closely with customers on design and strengthen the partnership with EMS factories to keep abreast of the development trends of products.
2. Hire Japanese consultants for product development direction and products that are different from other peers to ensure technological leadership
3. Form a strategic alliance with peers in New Zealand to improve the Company's technical capability; create a win-win situation through division of work and cooperation in products and market strategies.
4. In terms of cyber security risk control, the Company has set up dedicated cyber security manager and personnel in 2023. At present, the measures taken by the Company in response to cyber security risk management is to establish an off-site backup and data back management mechanisms. By doing this, we are able to ensure uninterrupted service, and the backup media is sent to an off-site facility for storage. As well as this, we also strengthen various simulation tests in the server room and conduct recovery drills each year to ensure normal operations and information security of the information system. By doing so,

we are able to reduce the risk of system interruption caused by unwarned disasters and human negligence, ensuring expected system recovery time is met.

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

Effect on the Company:

There were no corporate crisis management changes in the Company's corporate image in the most recent year.

Measures taken in response:

It is our responsibility to comply with laws and regulations, emphasize the importance of the rights and interests of employees and shareholders, while also fulfilling social responsibilities. In the event of an unforeseen situation, we quickly form a crisis handling team with a senior executive serving as the convener. As of now, no significant incidents occurred that affected the Company's corporate image.

- (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: None.
- (X) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands: None.
- (XI) Effect upon and risk to company associated with any change in top management: None.
- (XII) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: None.

(XIII) Other important risks, and mitigation measures being or to be taken: None.

VII. Other important matters: None.

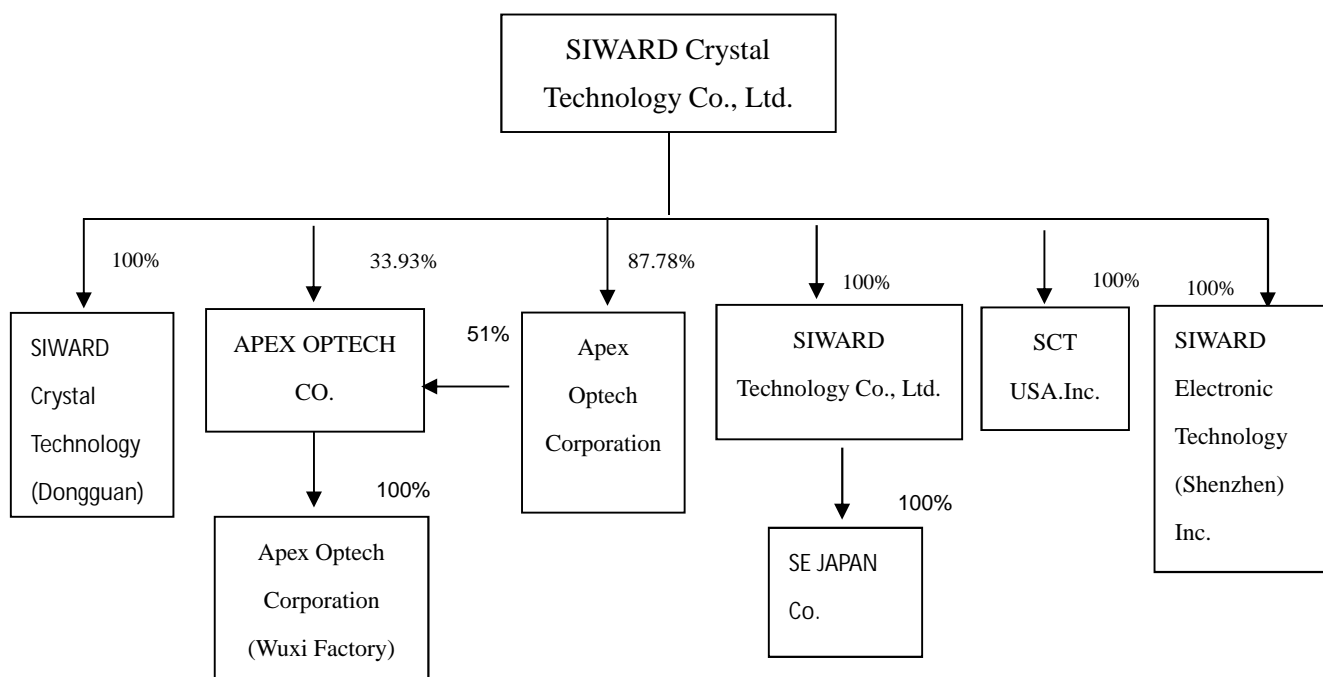
## Six. Special Disclosure

### I. Information Related to the Company's Affiliates

#### (I) The Consolidated Business Report of Affiliates

##### 1. Overview of Affiliates

##### (1) Organizational Chart of Affiliates



(2) Name, date of establishment, address, paid-in capital and major business items of each affiliate

Name of company	Date of establishment	Address	Paid-in capital	Main business or production item
SIWARD Technology Co., Ltd.	2000.3.29	1-1-37 Tohrimachi Yonezawa City, Yamagata-Pref. JAPAN 992-0025	JPY 90 million	Engage in and sale of quartz crystals, miniature temperature-compensated oscillators, and surface acoustic wave filters
SE JAPAN Co.	2005.9.2	1-3-8 Asahigaoka, Nerima-ku, Tokyo	JPY 20 million	Trading of electronic parts and components.
Apex Optech Corporation	1997.5.27	2F, No. 1-1, Lane 111, Sec. 3, Zhongshan Road, Tanzi District, Taichung City	NT\$25 million	Wafer coating
Apex Optech Corporation	2000.10.5	British Virgin Islands	USD 8.5 million	Financial investment
Apex Optech (Wuxi ) Corporation	2001.1.8	Room 207, Block A, Building A, No. 8 Xintai Road, Xinwu District, Wuxi City, Jiangsu Province, China	RMB 65.78 million	Liquidation in progress
SIWARD Electronic Technology (Shenzhen) Inc.	2015.7	Room 2315, Block A, Tianan Digital Times Building, Futian District, Shenzhen	RMB 3 million	Providing consultation and after-sales services
SCT USA.Inc.	2007.7.1	100 Canal Points Blvd.Suite 10B, Princeton, New Jersey	USD 100,000	Providing consultation and after-sales services
SIWARD Crystal Technology (Dongguan) Co., Ltd.	1998.4.12	Closed	RMB 18.2 million	Closed

(3) Shareholders presumed to have control and subordinate relationship and personnel-related information: None.

(4) Business dealings and division of work between each affiliate

Name of affiliate	Business dealings and division of work
SIWARD Technology Co., Ltd.	This is a subsidiary with independent production and sales capabilities, mainly operated in Japan.
SE JAPAN Co.	This is a subsidiary with independent sales capabilities, mainly operated in Japan.
SIWARD Crystal Technology (Shenzhen) Co., Ltd.	This subsidiary provides consultation and after-sales services to customers in China.
Apex Optech (Wuxi ) Corporation	Liquidation in progress

Name of affiliate	Business dealings and division of work
Apex Optech Corporation	A holding company established in a third place to invest in Apex Optech (Wuxi) Corporation.
Apex Optech Corporation	This is a subsidiary with independent sales capabilities.
SCT USA.Inc.	This subsidiary provides consultation and after-sales services to customers in the U.S.
SIWARD Crystal Technology (Dongguan) Co., Ltd.	Closed.

(5) The names of the directors, supervisors, and general manager of each affiliate and the details of their shareholding or capital contribution in such affiliate:

Name of affiliate	Title	Name of representative	of Others	
			No. of Shares	Shareholding ratio
SIWARD Technology Co., Ltd.	Representative	Tseng Jung-Meng	0	0%
	Director	Liu Ping-Feng	0	0%
	Director	Tseng Ying-Tang	0	0%
	Supervisor	Ku Chih-Yun	0	0%
SE JAPAN Co.	Representative	Tseng Jung-Meng	0	0%
	Director			
	Director	Shoji Kaji	0	0%
SCT (USA) INC.	Chairman	Tseng Ying-Tang	0	0%
SIWARD Electronic Technology (Shenzhen) Inc.	Legal Representative	Tseng Jung-Meng	0	0%
	Director	Tseng Ying-Tang	0	0%
	Director	Liu Ping-Feng	0	0%
Apex Optech Corporation	Chairman	Tseng Jung-Meng (the Company's representative)	2,194,476	87.78%
	Director	Tseng Ying-Tang (the Company's representative)	2,194,476	87.78%
	Director	Liu Ping-Feng	0	0%
	Supervisor	Ku Chih-Yun	0	0%
Apex Optech Corporation	Chairman	Tseng Jung-Meng	0	0%
	Director	Tseng Ying-Tang	0	0%
	Director	Liu Ping-Feng	0	0%
Apex Optech (Wuxi) Corporation	Legal Representative	Tseng Jung-Meng	0	0%
	Director	Tseng Ying-Tang	0	0%

Name of affiliate	Title	Name of representative	of Others	
			No. of Shares	Shareholding ratio
	Director	Liu Ping-Feng	0	0%
SIWARD Crystal Technology (Dongguan) Co., Ltd.	Chairman	Tseng Ying-Tang	0	0%
	Vice Chairman	Tseng Jung-Meng	0	0%

## 2. Overview of Operations.

### Financial position and results of operations of affiliates

Unit: NT\$ thousands

Name of company	Amount of Capital	Total Assets	Total Liabilities	Total Equity	Operating Income	Operating Profit	Net Profit for the year	EPS (NT\$)
SIWARD Technology Co., Ltd.	23,868	533,342	187,977	345,365	682,622	21,073	19,102	-
SE Japan Co.	5,304	35,086	15,879	19,207	49,312	2,701	2,920	-
SCT USA Inc.	3,285	18,678	2,743	15,935	7,486	864	864	-
Apex Optech Corporation	25,000	41,861	1,179	40,682	7,132	-432	-2	-
Apex Optech Corporation	288,141	538	7,112	-6,574	0	0	5	-
Apex Optech Corporation (Wuxi Factory)	237,516	2,068	1535	533	38	5	5	-
SIWARD Crystal Technology (Shenzhen) Co., Ltd.	14,528	7,714	1,598	6,116	5,404	-2,285	-2058	-
SIWARD Crystal Technology (Dongguan) Co., Ltd.	93,058	0	0	0	0	0	0	-

### (II) Consolidated Financial Statements of Affiliates:

Considering that the companies to be included into the consolidated financial statements of affiliates were the same as those included in the consolidated financial statements of the parent and subsidiaries under International Accounting Standards 10, and the related information to be disclosed in the consolidated financial statements of affiliates has already disclosed in said consolidated financial statements of the parent and subsidiaries, no consolidated financial statements of affiliates were prepared separately.

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

III. Other matters that require additional description: None.

Seven. 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 most recent fiscal year or up to the date of publication of the annual report: None.