

2024 Annual Report

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One. Letter to Shareholders

To Shareholders and Stakeholders :

In 2024, the world faced geopolitical tensions, persistent trade protectionism, and sluggish manufacturing in the Eurozone. The global Manufacturing Purchasing Managers' Index (PMI) averaged only 49.3%, signaling insufficient momentum for economic recovery. In the face of these challenges, HIWIN has remained resilient by leveraging years of R&D, innovation, and a global presence. Our mechatronics integration and precise marketing strategies have allowed us to continue thriving in a fiercely competitive market. Despite the challenging environment, we achieved a consolidated revenue of NT\$24.392 billion in 2024, a slight decrease of 0.98% compared to 2023.

As the global economic landscape fluctuates, HIWIN remains firmly committed to deepening its focus on high-end applications and elevating the value of our core products and mechatronics integration. We seek to position our solutions at the forefront of industries such as smart manufacturing, automation, semiconductors, healthcare, aerospace, and new energy to support our customers in improving precision, production efficiency, and competitiveness. This also strengthens our leading position in the motion control sector. In the semiconductor industry, HIWIN's wafer automation subsystems and equipment have already been adopted by multiple key customers and integrated into both semiconductor and advanced packaging processes. In AI and robotics, we are at the cutting edge, offering custom solutions such as ball screws, linear guideways, crossed roller bearings, strain wave gears, single-axis modules, and subsystems. Moreover, we are leading the way in collaboration with customers to develop logistics robots, welding robots, and specialized robots, providing integrated solutions to drive HIWIN's future growth.

To accelerate the expansion of new products and markets, and to deliver immediate, localized services to our customers, HIWIN continues to expand both domestically and internationally. Our Yunke Plant III, Taichung Industrial Park Plant I and Singapore subsidiary's new plant are already operational. Additionally, the new plant for our Italian subsidiary and Taichung Industrial Park Plant II are scheduled for completion in 2025. Our acquisition of the Czech subsidiary and the establishment of a French subsidiary will ensure our capacity for mid- and long-term growth.

In 2024, we also continued to receive recognition for our operational performance and product innovations: 1. We ranked in the top 5% of listed companies in the corporate governance evaluation; 2. The Underwater Direct Drive Rotary Table RCH-100E received the prestigious Taiwan Excellence Silver Award; 3. The HIWIN Intelligent Linear Guideway i4.0 GW earned the Excellence Award in the Robot and Key Components R&D category; and 4. Our Intelligent Ballscrew i4.0 BS received the TMBA Circular Economy Gold Mark.

ESG and sustainability achievements in 2024 include: 1. Passing the Science-Based Target Initiative (SBTi) review and committing to achieving net-zero emissions by 2050; 2. Being the only company from Taiwan's machinery and electrical equipment industry to be listed in the Dow Jones Sustainability Index (DJSI) Emerging Markets Index; 3. Being recognized for two consecutive years in Business Weekly's Carbon Competitiveness Top 100; 4. Receiving the TCSA Taiwan Corporate Sustainability Awards, including Top 100 Corporate Sustainability Awards, Platinum for Corporate Sustainability Reporting, People Development Awards, and Workplace Wellness Leadership Award; and 5. Receiving the Green Procurement Excellence Unit award from the Ministry of the Environment.

Looking ahead to 2025, despite uncertainties arising from new U.S. policies, geopolitical risks, ongoing weak demand in the Eurozone, trade protectionism, and global inflationary pressures, we are ready to embrace another year filled with changes and opportunities. We are confident that demand will continue to grow across key industries such as semiconductors, AI, robotics, electric vehicles, green transformation, and smart manufacturing. HIWIN will stay focused on these emerging trends, strengthen our mechatronics integration solutions, and provide better local, customized services. By collaborating with our partners throughout the value chain, we aim to create greater added value.

We extend our deepest gratitude to all of our long-term partners for your unwavering support. We remain steadfast in our commitment to innovation and will continue to deliver on our ESG promises and corporate sustainability goals.

Lastly, we wish you and your families health and prosperity!

The results of the 2024 business plan are as follows:

I. 2024 Business Report

(I) Results of business plan implementation

The revenue in the consolidated financial statements for 2024 was NT\$24,391,684 thousand, a decrease of 1% from NT\$24,632,772 thousand in 2023; the operating profit was NT\$2,058,785 thousand, a decrease of 22% from NT\$2,650,950 thousand in 2023; the net profit before tax was NT\$2,249,631 thousand, a decrease of 11% from NT\$2,540,050 thousand in 2023; the net profit after tax attributable to the parent company was NT\$1,971,948 thousand, a decrease of 3% from NT\$2,034,748 thousand in 2023; the earnings per share was NT\$5.57, a decrease of 3% from NT\$5.75 in 2023.

(II) Analysis of financial income, expenditure and profitability

1. Financial incomes and expenditures

Unit: NT\$ thousand

Item	Year	The 2024 Certified Finance	
		Amount	Percentage (%)
Operating income – net		24,391,684	100
Operating cost		17,173,869	70
Gross profit		7,217,815	30
Operating expense		5,159,030	21
Operating income		2,058,785	9
Non-operating income and expense – net		190,846	1
Net income after tax		1,862,814	8
Net income attributable to the shareholders of the parent company		1,971,948	8

Note: This statement is a consolidated financial statement. The company did not have the financial forecast disclosed for 2024; therefore, there is no disclosure of budget achievement.

2. Profitability analysis

Item	2024
Return on assets (%)	3.79
Return on shareholders' equity (%)	5.16
Ratio of net income before tax to paid-in capital (%)	63.59
Net profit margin (%)	7.64
EPS (NT\$)	5.57

(III) R&D Status

- In 2024, R&D expenses accounted for 4% of revenues. A total of 42 patent applications were submitted, and 77 patents were granted. As of the end of 2024, there were 2,181 patents that have been obtained and are still effective. The R&D results have been a leading edge in the metal and steel and precision machinery fields in Taiwan, and the Company will continue to maintain its leadership.
- The "High-Speed EDM Milling Head RCH-100E" won the Silver Award of the 2025 Taiwan Excellence Award by MOEA; the "HIWIN Intelligent Linear Guideway i4.0 GW" won the Outstanding Award in the Robot and Key Components R&D Group, and the "Intelligent Ballscrew i4.0 BS" won the Gold Label of TMBA Machine Tool Industry Energy Saving Label Evaluation.
- R&D results:
 - Development of UR Ultra-Loading Rolling Linear Guideway
 - Mass production of new generation server rotary actuators
 - The prototype of the RAB-800E EDM rotary table has been developed.
 - The wafer load port has been developed and put into trial mass production and customized design is available.

II.2025 business plan overview

(I)Business guidelines

1. Promote smart production and mechatronics integrated products, advance transformation, and generate revenue growth.
2. Deepen customer relationship and provide high value-added services with the overall solution of HIWIN.
3. Expand the global market deployment, integrate group resources, and provide local fast services.
4. Incorporate the concepts of circular economy and ESG into the process to make it smart and improve competitiveness.
5. Continue to invest in R&D, to innovate low-carbon products, to improve the quality of products, and to provide professional services to enhance the value of the HIWIN brand.

(II)Expected sales quantities and reference

1. Expected sales of the Company's major products in 2025

Unit: thousand pieces

By product	Sales volume
Ball screw	2,400-2,600
Linear guideways	33,000-36,000

2. Reference

The aforementioned 2025 sales volume is an estimation based on global economic trends, various industry operating environments, market supply and demand and competition; as well as, analysis of the business development of existing customers and the solicitation of potential customers, and taking into account many factors crucial to the balance of production and sales.

(III)Important production and sales policies

1. Raise market share and strengthen brand competitiveness through technological innovation and product optimization.
2. Promote new high-end products and electromechanical integration solutions to enhance market differentiation and competitiveness through integrated marketing and total solution.
3. Working with the global partners to provide industrial intelligent automation services.
4. Implement green manufacturing, strengthen low-carbon production and energy-saving and emission-reduction technologies, and achieve the goal of sustainable development.
5. Dynamically adjust production capacity and sales strategies to respond to market trends and customer needs and maintain competitive advantages.
6. Strengthen supply chain management and optimize the adjustment mechanism between materials, production and sales to ensure the competitiveness in delivery and healthy inventory.

(IV)Furtuer development strategy of the Company

1. Focus on the high-end market, cultivate trend industries, integrate group resources, provide more modular and electromechanical integration products or solutions, and create greater added value for customers with innovative products and services.
2. Deepen the R&D of smart machinery technology and expand the application of smart products in diversified industries.
3. Strengthen industrial layout, consolidate and expand cooperative relations with upstream and downstream core partners and end customers, and create a more stable and in-depth industrial ecosystem with HIWIN's full products and solutions.
4. Expand cooperation in AI and robotics, provide core products and technologies, increase cooperation with industry partners, and expand the market.
5. Continue to strengthen the global network of distribution and system service providers, improve the electromechanical integration of all products and services, and deepen local operations and services.
6. Expand global production capacity and localize products/services to meet geopolitical challenges and the market's increasingly rapid and customized needs.
7. Accelerate the deployment in new markets, grasp the business opportunities brought by supply chain migration, and improve competitive advantages.
8. Develop new applications, expand innovative business models, drive the Company's continuous growth, and achieve long-term sustainable development.

(V) The effect of external competition, the legal environment, and the overall business environment

A number of international organizations expect the global economy in 2025 is cautiously optimistic, and the global economic growth rate is generally forecast to be between 2.7% and 3.3%. However, there may be significant changes in Trump's new tariff policy may push up commodity prices periodically, and the tightening of the immigration policy may lead to an increase in the inflation of the service industry. Meanwhile, the sluggish economy in Germany dragged down the overall development of Europe, and the weaker-than-expected economic performance further deepened the pressure of industrial development. Meanwhile, as major central banks around the world slow down from tightening their monetary policies, consumption and investment in advanced economies should gradually recover. Emerging markets are also expected to benefit from a rebound in global trade and growing demand for commodities.

The main drivers of global economic growth include the upsurge in the application of generative AI, continuous innovation in the energy sector, and smart manufacturing. These technological breakthroughs have provided new opportunities for industrial development, especially in terms of improving productivity, promoting industrial transformation, and promoting innovation. However, the prospect of the global economy is still threatened by geopolitical tensions and climate change. Extreme weather may not only disrupt agriculture and commodity markets, but may also further push up food prices and affect people's livelihoods around the world. On the other hand, geopolitical conflicts in Eastern Europe, the South China Sea and the Middle East have an impact on the stability of trade routes and may hinder the progress of international climate cooperation.

In the face of these challenges and risks in the external environment, HIWIN Technologies Corp. keeps abreast of trends and changes in the macro environment, and actively deploys electromechanical integration technologies and high-end smart products to maintain its leading position in the fiercely competitive market. At the same time, we will actively explore business opportunities brought by green energy and circular economy, continue to invest resources to promote innovation, and develop a global service network to achieve a more localized service model, steadily increase market share, create new business opportunities, and build a more stable sustainable operations basis. Looking forward to 2025, the team is full of confidence in the Company's growth, will remain competitive in the changing market environment, and pursue the goal of corporate excellence and sustainable development.

HIWIN TECHNOLOGIES CORP.

Chairman & CEO

Eddie W. H. Chuo

April 2025

Two. Corporate Governance Report

I. Information on the company's directors, supervisors, general manager, assistant general managers, deputy assistant general managers, and the chiefs of all the company's divisions and branch units

(I) Information on directors

March 31, 2025

Unit: Shares; %

Title	Nationality or place of registration	Full name	Gender / Age	Date elected or appointed	Term of office	Date first elected or appointed	Shareholding when elected or appointed		Current Shareholding		Current shareholding of spouse and minor children		Shareholding in the name of others		Main experience (education) Main experience/ education	Concurrent positions in the Company and other companies now	Spouse or relatives within the second degree of kinship who are officers, directors, or supervisors of the Company			Remark
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Full name	Relationship	
Chairman	Republic of China	Eddie W. H. Chuo	Male 51-60 years old	20220627	3 years	19930816	6,828,702	2.00%	6,845,702	1.93%	420,676	0.11%	-	-	Masters of Business Administration at Dominican University Honorary Doctor of Engineering, National Formosa University Executive VP of HIWIN TECHNOLOGIES CORP.	Chairman and Co-Executive Officer of HIWIN Technologies Corp. Chairman and CEO of Matrix Precision Co., Ltd. Chairman of HIWIN Investment and Holding Corp. Chairman of HIWIN Corporate Management Co., Ltd. Chairman of HIWIN USA Chairman of HIWIN Germany Chairman of Yong-Yin Investment and Holding Corp. Board Director of HIWIN Japan Board Director of HIWIN Singapore Board Director of HIWIN Korea Board Director of HIWIN Italy Board Director of Matrix Machine Tool (Coventry) Ltd. Board Director of Ever Fortune. AI Co. Ltd. (Corporate Representative) Board Director of HIWIN Education Foundation	Director	Eric Y.T. Chuo Olivia S.Y. Chuo	Father and son Brothers and sisters	-

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							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Full name	Relationship	
Vice Chairman	Republic of China	Chin-Tsai Chen	Male 71-80 years old	20220627	3 years	19891203	3,933,376	1.15%	4,053,411	1.14%	3,303,830	0.93%	-	-	Master of Public Administration, University of San Francisco Master of Accounting, Institute of Accounting, Tamkang University Honorary doctor of Medicine Honorary Doctor of Medicine Taipei Medical University Director, NAMCHOW Group President, NAMCHOW Group	Vice-Chairman of HIWIN Technologies Corp. Chairman and President of WIN Semiconductors Corporation Chairman of ITEQ Corporation Chairman of Winying Venture Capital (Co., Ltd.) (Legal representative) Chairman of Winan Investment (Co., Ltd.) (Legal representative) Chairman of Winjen Investment (Co., Ltd.) (Legal representative) Chairman of Bonmow Investment (Legal representative) Chairman of WinLux Biomedical Technology (Legal representative) Board Director of Chang Woen Recycling Technology Co., Ltd. (Legal Representative) Board Director of Phalanx Biotech Group (Legal representative) Board Director of Taiwan New Economy Foundation (TNEF) Independent director of Tong Hsing Electronics Independent director of Inventec Besta Co., Ltd. Supervisor of Excellence Sporting Goods Co., Ltd. Supervisor of Comax Sporting Goods Co., Ltd.	-	-	-	-

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							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Full name	Relationship	
Director	Republic of China	Eric Y.T. Chuo	Male Over 81 years old	20220627	3 years	19890926	10,972,759	3.21%	10,990,759	3.10%	1,300,320	0.36%	-	-	Master of Public Administration, University of San Francisco Honorary Doctor of Engineering, National Kaohsiung University of Science and Technology Honorary Doctor of Management, National Chung Cheng University Honorary Doctor of Engineering, Taiwan University of Technology Honorary Doctor of Philosophy, National Tsing Hua University Honorary Doctor of Science, China Medical University Honorary Doctor of Engineering, National Taiwan University Chairman, HIWIN Technologies Corp. Chairman, Matrix Precision Co., Ltd. Corporate Representative Chairman, HIWIN Mikrosystem Ltd.	Board Director and CEO of HIWIN Technologies Corp. Legal Representative of Director and Co-Executive Officer of HIWIN Mikrosystem Corp. Legal Representative of Director and Co-Executive Officer of Matrix Precision Co., Ltd Board Director of HIWIN Investment and Holding Corp. Board Director of HIWIN Education Foundation Board Director of Asia University, Taiwan	Chairman Director	Eddie W. H. Chuo Olivia S.Y. Chuo	Father and son Father and daughter	-

Title	Nationality or place of registration	Full name	Gender / Age	Date elected or appointed	Term of office	Date first elected or appointed	Shareholding when elected or appointed		Current Shareholding		Current shareholding of spouse and minor children		Shareholding in the name of others		Main experience (education) Main experience/ education	Concurrent positions in the Company and other companies now	Spouse or relatives within the second degree of kinship who are officers, directors, or supervisors of the Company			Remark
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Full name	Relationship	
Director	Republic of China	Enid H.C. Tsai	Female 61-70 years old	20220627	3 years	19890926	4,120,010	1.20%	4,132,740	1.16%	-	-	-	-	PhD in Organizational Psychology, Philips Academy Executive VP of HIWIN TECHNOLOGIE S CORP.	Board Director, President and Co-Executive Officer of HIWIN Technologies Corp. Chairman and Chief Executive Officer of HIWIN Education Foundation Chairman of HIWIN Samoa Representative Director (Chairman) of HIWIN Japan Board Director of HIWIN USA Board Director of HIWIN China Board Director of HIWIN Korea Board Director of HIWIN Investment and Holding Corp. Board Director of Taiwan Design Research Institute (TDRI) Executive Director of Precision Machinery Research Development Center (PMC) Director of Higher Education Evaluation and Accreditation Council of Taiwan Chairman of Taiwan Excellence Brand Association (TEBA)	-	-	-	-
Director	Republic of China	Shen-Chin Lee	Male 61-70 years old	20220627	3 years	19891203	8,509,232	2.49%	8,618,011	2.43%	107,957	0.03%	-	-	Certificate of completion in high-level management, UC Berkeley Summit Program Completion, EMBA, Feng Chia University	Serving as chairman of: - Zhengjie Enterprise Limited - Naqiang Limited - Zhengyung Limited - Yungqiang (legal representative) HIWIN Mikrosystem Ltd. (Corporate Representative) Director	-	-	-	-

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							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Full name	Relationship	
Director	Republic of China	Olivia S.Y. Chuo	Female 41-50 years old	20220627	3 years	20220627	5,200,217	1.52%	5,358,912	1.51%	7,061	0.00%	-	-	MBA in Finance Management, Bernard M. Baruch College, CUNY Secretary, CFO Office, Bank SinoPac Vice Chairman, HIWIN Mikrosystem Ltd.	Board Director of HIWIN Technologies Corp. Chairman and Executive Officer of HIWIN Mikrosystem Corp. Vice Chairman and Co-Executive Officer of Matrix Precision Co., Ltd Board Director of HIWIN Japan Board Director of HIWIN USA Board Director of HIWIN Germany Board Director of HIWIN Singapore Board Director of HIWIN Investment and Holding Corp. Board Director of HIWIN Corporate Management Co., Ltd. Supervisor of Yong-Yin Investment and Holding Corp.	Chairman Director	Eddie W. H. Chuo Eric Y.T. Chuo	Brothers and sisters, Father and daughter	-
Director	Republic of China	Sanko Investm ents Ltd.	-	20220627	3 years	20040630	4,120,000	1.20%	4,285,730	1.21%	-	-	-	-	Supervisor, HIWIN Technologies Corp.	Director of TUNG KANG INDUSTRIAL CO., LTD.	-	-	-	-
		Represe ntative: Ching-Yi Huang	Female 51-60 years old	20220627		20190928	-	0.00%	322	0.00%	-	-	-	-	Department of International Trade, Fu Jen Catholic University MBA, Old Dominion University, Virginia, USA	Serving as chairman of: - Sanko Investments Ltd. - Taipei Sanxing Charity Foundation Supervisor of: -SUN RICH STEEL INDUSTRIAL CO., LTD -Mingcang Investment Co., Ltd.	-	-	-	-

Title	Nationality or place of registration	Full name	Gender / Age	Date elected or appointed	Term of office	Date first elected or appointed	Shareholding when elected or appointed		Current Shareholding		Current shareholding of spouse and minor children		Shareholding in the name of others		Main experience (education) Main experience/ education	Concurrent positions in the Company and other companies now	Spouse or relatives within the second degree of kinship who are officers, directors, or supervisors of the Company			Remark
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Full name	Relationship	
Independent director	Republic of China	Cheng-Ho Chiang	Male 61-70 years old	20220627	3 years	20080624	-	-	-	-	242,489	0.06%	-	-	Master of Administrative Management, National Chengchi University Chief Auditor, Audit Division, Board of Directors, Taiwan Financial Holding Co., Ltd. Chief, Financial Examination Bureau and Banking Bureau, Financial Supervisory Commission	Independent Director of HIWIN Technologies Corp. The convener of HIWIN Technologies Corp.'s Remuneration Committee The convener of HIWIN Technologies Corp.'s Nomination Committee	-	-	-	-

Title	Nationality or place of registration	Full name	Gender / Age	Date elected or appointed	Term of office	Date first elected or appointed	Shareholding when elected or appointed		Current Shareholding		Current shareholding of spouse and minor children		Shareholding in the name of others		Main experience (education) Main experience/ education	Concurrent positions in the Company and other companies now	Spouse or relatives within the second degree of kinship who are officers, directors, or supervisors of the Company			Remark
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Full name	Relationship	
Independent director	Republic of China	Zhen-Yuan Chen	Male 61-70 years old	20220627	3 years	20220627	-	-	-	-	-	-	-	-	Master of Finance, Ph.D. of the University of Texas at Dallas MBA, Institute of Business Administration, National Chengchi University Principal, I-Shou University Principal, National Kaohsiung University of Science and Technology CEO, Higher Education Evaluation and Accreditation Council of Taiwan Taiwan Tobacco and Liquor Corporation Independent director Director, Taiwan Insurance Guaranty Fund Corporate Synergy Development Center Director - HIWIN Education Foundation Director	Independent Director of HIWIN Technologies Corp. Member of HIWIN Technologies Corp.'s Remuneration Committee Member of HIWIN Technologies Corp.'s Nomination Committee Principal of China University of Technology Chairman of Chinese Management Association Vice Chairman of Taipei Independent Director Association Board Director of Taiwan Assessment and Evaluation Association Board Director of Management Committee Managing Retirement, Compensation, Resignation and Severance Matters for Private School Teachers and Staff Director of CTCI Education Foundation Supervisor of Financial Ombudsman Institution Managing Supervisor of Taiwan Small and Medium Enterprise Counseling Foundation	-	-	-	-
Independent director	Republic of China	Hui-Xiu Lee	Female 61-70 years old	20220627	3 years	20220627	-	-	-	-	-	-	-	-	EMBA, College of Management, National Taiwan Normal University Taipei Branch, Mega International Commercial Bank Vice Manager	Independent Director of HIWIN Technologies Corp. Member of HIWIN Technologies Corp.'s Remuneration Committee Member of HIWIN Technologies Corp.'s Nomination Committee	-	-	-	-

Note : Where the Chairman and General Manager or the person of an equivalent position (the managerial officer at the highest level) are the same person, spouses, or relatives within the first degree of kinship: None

1. Major shareholders of corporate shareholders

March 31, 2025

Names of corporate shareholders	Major shareholders of corporate shareholders	
Sanko Investments Ltd.	Jing-Yi Huang	33.33%
	Yi-Cang Huang	33.33%
	Shao-Yu Huang	33.33%

2. Information disclosure of directors' professional qualification and independent directors' independence

Conditions Full name	Professional qualification and experience	Independence	Other public companies in which serving as an independent director
Chairman: Eddie W. H. Chuo	For the professional qualifications and experience of the directors, please refer to "II.(I)Information of the Directors" of this annual report (P.10-11). ●There is none of the circumstances as stated in Article 30 of the Company Act to the directors of the Company.	Not Applicable	0
Vice Chairman: Chin-Tsai Chen			2
Director: Eric Y.T. Chuo			0
Director: Enid H.C. Tsai			0
Director: Olivia S.Y. Chuo			0
Director Shen-Chin Lee			0
Director: Corporate representative of Sanko Investment Co., Ltd.: Jing-Yi Huang			0
Independent director: Cheng-Ho Chiang		Being an independent director and complying with the independence circumstances stipulated in Article 14-2 of the Securities and Exchange Act and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note), including but are not limited to: 1. Information on the shareholding, 242,489 shares, and shareholding ratio (0.06%) of the natural-person shareholder, spouse, and relatives within the second degree of kinship (in the name of others), which is less than 1% and in compliance with the requirement of independence of independent directors; 2. There has been no remuneration received for providing business, legal, financial, accounting, and other related services to the company or its affiliated enterprises in the last 2 years.	0
Independent Director: Zhen-Yuan Chen		Being an independent director and complying with the independence circumstances stipulated in Article 14-2 of the Securities and Exchange Act and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note), including but are not limited to: 1. The independent director himself, spouse, and relatives within the second degree of kinship (in the name of others) do not hold shares of the company 2. There has been no remuneration received for providing business, legal, financial, accounting, and other related services to the company or its affiliated enterprises in the last 2 years.	0
Independent director: Hui-Xiu Lee			0

- Note: 1. Not a government, corporate, or its representative as defined in Article 27 of the Company Act.
 2. Not serving as an independent director of more than three other public companies
 3. There is not any of the following circumstances occurred during the two years before being elected or during the term of office:
- (1) An employee of the company or any of its affiliates;
 - (2) A director or supervisor of the company or any of its affiliates (However, it does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.);
 - (3) A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of 1% or more of the total number of issued shares of the company or ranking the top-10 in shareholdings;
 - (4) A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer in subparagraph 1 or any of the persons in subparagraphs (2) and (3);
 - (5) A director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director of the company under Article 27, of the Company Act;
 - (6) A director, supervisor, or employee of a company that has a majority of its director seats or voting shares controlled by the same person as those of the company;
 - (7) A director (executive), supervisor (supervisor) or employee of another company or institution who is the same person or spouse of the company's Chairman, President, or person with equivalent positions;
 - (8) A director (executive), supervisor (supervisor), managerial officer, or shareholder holding 5% or more of the shares of a specified company or institution that has a financial or business relationship with the company;
 - (9) A professional individual who, or an owner, partner, director (executive), supervisor (supervisor), or managerial officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the company's remuneration committee;

3. Diversity and Independence of the Board of Directors:

(1) Diversity of the Board of Directors:

① Policies

According to Article 20 of the company's "Corporate Governance Best Practice Principles," the diversity of board directors shall be considered at the time of its composition. Board directors with diverse backgrounds and perspectives shall be selected based on the company's operations, nature of business, development needs, etc., which include but not limited to gender, age, nationality, culture, professional background (such as law, accounting, industry, finance, marketing, and technology), professional skills, industrial experience, etc. The election of the company's directors is stipulated in Article 2 of the "Procedures for Election of Directors" with the overall composition of the Board of Directors taken into consideration. In addition, the company appreciates the importance of gender equality in the composition of the Board of Directors. There are currently 10 directors on the Board of Directors to serve, including 4 female directors, which accounted for 40% of the board members. The company also evaluates the management capabilities, crisis management ability, financial accounting professional, and many other aspects at the time of electing board directors. There should be at least 3 people qualified for each competency item in order to substantiate the company's policy of board director diversity. The specific implementation is as follows, all of which are in line with the company's management objectives:

In addition, candidates to be considered for the nomination of board directors shall also have a reputation of ethics and integrity, have outstanding achievements, experience, and reputation in various professional fields, be able to devote sufficient time to participate in supervising the company's business, have the ability to assist in operation and management, can make contributions to the success of the company, etc. The qualifications of independent directors should comply with the governing law and regulations.

② Specific management objectives:

The company's Board of Directors should guide the company's strategy, supervise the management, and be responsible to the company and shareholders. It is necessary to ensure that the Board of Directors has the operations and arrangements of the corporate governance system implemented in accordance with law and regulations, the company's Articles of Incorporation, or the resolutions of the shareholders' meeting. In addition, the diversity of board directors should be considered at the time its composition with the company's operation, business model, and future development trends taken into consideration. Regarding the diversified professional knowledge and skills, there should be at least 3 people qualified for each competency item. In addition, gender equality in the composition of the Board of Directors is also essential to the company. The goal is to have at least 3 female directors elected.

③ Achievements

HIWIN's board directors have extensive experience and expertise in finance, business, and management. In addition, the company appreciates the importance of gender equality in the composition of the Board of Directors. There are currently 10 directors on the Board of Directors to serve, including 4 female directors, which accounted for 40% of the board members. The company also evaluates the management capabilities, crisis management ability, financial accounting professional, and many other aspects at the time of electing board directors. There should be at least 3 people qualified for each competency item in order to substantiate the company's policy of board director diversity. The specific implementation is as follows, all of which are in line with the company's management objectives:

Management objectives	Achievements
Sufficient and diverse professional knowledge and skills	Achieved
Three female board directors	Achieved

The company's implementation of the board director diversity policy is as follows:

Name of Director	Nationality	Gender	Age	Concurrent employee of the Company	Professional background	Have working experience in GICS industrial category (note)
Eddie W.H. Chuo	Republic of China	Male	51-60 years old	V	Business management	Yes
Chin-Tsai Chen	Republic of China	Male	71-80 years old		Accounting and business management	Yes
Eric Y.T. Chuo	Republic of China	Male	Over 81 years old	V	Accounting, Finance, and Business Manageme	Yes
Enid H.C. Tsai	Republic of China	Female	61-70 years old	V	Brand Management	Yes
Shun-Chin Lee	Republic of China	Male	61-70 years old		Business management	No
Olivia S.Y. Chuo	Republic of China	Female	41-50 years old		Finance, and Business Manageme	Yes
Corporate representative of Sanko Investment Co., Ltd. Jing-Yi Huang	Republic of China	Female	51-60 years old		Business management	Yes
Cheng-Ho Chiang	Republic of China	Male	61-70 years old		Finance	No
Zhen-Yuan Chen	Republic of China	Male	61-70 years old		Accounting and business management	No
Hui-Xiu Lee	Republic of China	Female	61-70 years old		Finance	No

Note: The industry category is classified in accordance with Level-1 industry sector of the GICS Global Industry Classification Standard.

Name of Director	Operational judgments	Accounting and finance	Business management	Crisis management	Knowledge of the industry	An international market perspective	Ability to lead	Ability to make policy decisions
Eddie W.H. Chuo	V	V	V	V	V	V	V	V
Chin-Tsai Chen	V	V	V	V	V	V	V	V
Eric Y.T. Chuo	V	V	V	V	V	V	V	V
Enid H.C. Tsai	V		V	V	V	V	V	V
Shun-Chin Lee	V		V	V		V	V	V
Olivia S.Y. Chuo	V	V	V	V	V	V	V	V

Name of Director	Operational judgments	Accounting and finance	Business management	Crisis management	Knowledge of the industry	An international market perspective	Ability to lead	Ability to make policy decisions
Sanko Investments Ltd. Corporate Representative Jing-Yi Huang	V	V		V		V		V
Cheng-Ho Chiang	V	V		V	V	V	V	V
Zhen-Yuan Chen	V	V	V	V		V	V	V
Hui-Xiu Lee	V	V		V		V	V	V
Goal of seats	3	3	3	3	3	3	3	3
Seats achieved	10	8	7	10	6	10	9	10
Achievement rate	100%	100%	100%	100%	100%	100%	100%	100%

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

According to the provision of Article 5 of the company's "Procedures for Election of Directors," the company's directors shall be elected in accordance with the candidate nomination system procedures stipulated in Article 192-1 of the Company Act, and shall be selected by shareholders from a list of candidates; also, no more than half of the board directors can be spouses or relatives within the second degree of kinship to one another. According to the provision of Article 15 of the company's "Rules of Procedure for Board of Directors Meetings," with regard to meeting matters, for those who have an interest in themselves or the legal persons they represent, spouses of directors, blood relatives within the second degree of kinship, or companies with controlling and subordinate relationships with directors, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of the company, that director may state opinions and answer questions but may not participate in discussion or voting on that proposal and shall recuse himself or herself from the discussion or the voting on the proposal, and may not exercise voting rights as proxy for another director.

The company has established an Audit Committee, a Remuneration Committee, and a Nomination Committee under the Board of Directors to enhance the operational effectiveness of the Board of Directors and to substantiate a good board governance system. The said three committees are composed of all independent directors to assist the Board of Directors in decision-making through professional division of labor and a detached and independent stance in order to improve supervision functions and enhance management mechanisms; also, to implement corporate governance actively.

The company adopted a candidate nomination system for the director election in 2022. Ten board directors are elected from the candidate list to serve as the 12th Board of Directors. The elected 10 board directors include 7 non-employee directors, accounted for 70%, and 3 independent directors, accounted for 30%; also, there are 3 directors who are relatives within the second degree of kinship to one another, accounted for 30%. The independent directors are not spouses or relatives within the second degree of kinship to one another; also, the independent directors and directors are not spouses or relatives within the second degree of kinship to one another, which complies with the provision of Article 26-3, Paragraph 3 and Paragraph 4 of the Securities and Exchange Act. There is no occurrence of any of the circumstances as stated in Article 30 of the Company Act to the directors of the company. All independent directors comply with the relevant standards set by the Financial Supervisory Commission.

(II). Information on the company's general manager, assistant general managers, deputy assistant general managers, and the chiefs of all the company's divisions and branch units

March 31, 2025

Title	Nationality	Name	Gender	Date of appointment to position (Note 1)	Shareholding when elected or appointed		Shares held by spouse and minor children		Shareholding in the name of others		Main experience (education)Main experience/education	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks (Note 2)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Full name	Relationship	
Global CEO	Republic of China	Eric Y.T. Chuo	Male	20190628	10,990,759	3.10%	1,300,320	0.36%	-	-	Master of Public Administration, University of San Francisco Honorary Doctor of Engineering, National Kaohsiung University of Science and Technology Honorary Doctor of Management, National Chung Cheng University Honorary Doctor of Engineering, Taiwan University of Technology Honorary Doctor of Philosophy, National Tsing Hua University Honorary Doctor of Science, China Medical University Honorary Doctor of Engineering, National Taiwan University Chairman, HIWIN Technologies Corp. Chairman, Matrix Precision Co., Ltd. Corporate Representative of HIWIN Mikrosystem Ltd. Chairman	CEO of HIWIN Technologies Corp. Director of: - Corporate Representative Director concurrent Co-CEO of HIWIN Mikrosystem Ltd. - Corporate Representative and Co-CEO, Matrix Precision Co., Ltd. - HIWIN Investment Corporation - HIWIN Education Foundation - Asia University	Chairman and Co-CEO	Eddie W.H. Chuo	Father and son	-

Title	Nationality	Name	Gender	Date of appointment to position (Note 1)	Shareholding when elected or appointed		Shares held by spouse and minor children		Shareholding in the name of others		Main experience (education) Main experience/education	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks (Note 2)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Full name	Relationship	
Co-CEO	Republic of China	Eddie W.H. Chuo	Male	20190628	6,845,702	1.93%	420,676	0.11%	-	-	Masters of Business Administration at Dominican University Honorary Doctor of Engineering, National Formosa University Executive VP of HIWIN TECHNOLOGIES CORP.	Co-CEO of HIWIN Technologies Corp. Serving as chairman of: - Global CEO, Matrix Precision Co., Ltd. - HIWIN Investment Corporation - HIWIN Corporate Management Company - HIWIN Corporation, U.S.A. HIWIN GmbH (Germany) - Yong-Yin Investment and Holding Corp. Director of HIWIN Japan Director of: - HIWIN Singapore Pte. Ltd. - HIWIN Corporation, Korea - HIWIN S.R.L Italy - Matrix Corp. UK - HIWIN Education Foundation - Everfortune A.I.	President	Eric Y.T. Chuo	Father and son	-
General manager and Co-CEO	Republic of China	Enid H.C. Tsai	Female	20190628	4,132,740	1.16%	-	-	-	-	PhD in Organizational Psychology, Philips Academy Executive VP of HIWIN TECHNOLOGIES CORP.	General manager and Co-CEO, HIWIN Technologies Corp. Serving as chairman of: - HIWIN (Samoa) - HIWIN Education Foundation CEO Representative Director (Chairman) of HIWIN Japan Director of: - HIWIN Corporation, U.S.A. - HIWIN China - HIWIN Corporation, Korea - HIWIN Investment Corporation Director, Taiwan Design	-	-	-	-

Title	Nationality	Name	Gender	Date of appointment to position (Note 1)	Shareholding when elected or appointed		Shares held by spouse and minor children		Shareholding in the name of others		Main experience (education)/Main experience/education	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks (Note 2)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Full name	Relationship	
												Research Institute Managing Director, Precision Machinery Research and Development Center (PMC) - Director, Higher Education Evaluation Center Foundation Taiwan Excellent Brand Association (TEBA)				
Executive Assistant General Manager, Chairman's Office	Republic of China	Ming-Yao Lin	Male	20240401	12,373	0.00%	143,047	0.04%			Master of Mechanical Engineering, National Taiwan University of Science and Technology MBA, Tulane University, USA Executive VP of HIWIN General manager, Eterbright Solar Corp.	Liquidator, Eterbright Solar Corp.	-	-	-	-
Senior Vice President, Finance Division	Republic of China	Yue-Chin Wu	Female	20200401	214,918	0.06%	-	-	-	-	Master of Business Administration at Feng Chia University Vice President of HIWIN Technologies Corp.	Supervisor of: - HIWIN China - Matrix Precision Co., Ltd.	-	-	-	-
Senior Vice President, Marketing Business Group	Republic of China	Yan-Qi Peng	Female	20211105	34,077	0.00%	-	-	-	-	Master of Computer Science and Information Engineering at University of South California Vice President of HIWIN Technologies Corp.	Corporate Director Representative, HIWIN Mikrosystem Ltd. Chairman, HIWIN China Director, HIWIN Corporation, U.S.A.	-	-	-	-

Title	Nationality	Name	Gender	Date of appointment to position (Note 1)	Shareholding when elected or appointed		Shares held by spouse and minor children		Shareholding in the name of others		Main experience (education)/Main experience/education	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks (Note 2)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Full name	Relationship	
Assistant General Manager, Chairman's Office	Republic of China	Jun-Liang Wu	Male	20180201	20,826	0.00%	-	-	-	-	Master of Industrial Engineering, National Tsing Hua University Assistant Vice President of HIWIN Technologies Corp.	-	-	-	-	-
Assistant General Manager, Chairman's Office	Republic of China	Chuang-Bao Yang	Male	20200401	6,419	0.00%	13,761	0.00%	-	-	Master of Mechanical Engineering, National Chung Hsing University Senior Assistant Vice President of HIWIN Technologies Corp.	Director and General Manager of HIWIN Italy	-	-	-	-
Assistant General Manager, System Development Business Division	Republic of China	Fu-Qing Wang	Male	20190301	53,452	0.01%	-	-	-	-	PhD of Mechanical Engineering, National Chung Cheng University Assistant Vice President of HIWIN Technologies Corp.	Vice President, Matrix Precision Co., Ltd. Director, HIWIN Education Foundation	-	-	-	-
Assistant General Manager, Finance Division	Republic of China	Ke-Huang Liao	Male	20170801	48,445	0.01%	-	-	-	-	Master of Accounting, National Chung Hsing University Executive Assistant Vice President of HIWIN Technologies Corp.	Director of: HIWIN GmbH (Germany) - HIWIN S.R.L Italy - HIWIN Education Foundation Supervisor of: - HIWIN Corporation, Japan - Eterbright Solar Corp. - Matrix Suzhou Co., Ltd.	-	-	-	-
Assistant General Manager, Chairman's Office	Republic of China	Wen-Bin Lee	Male	20210701	16,174	0.00%	-	-	-	-	Master of Mechanical	-	-	-	-	-

Title	Nationality	Name	Gender	Date of appointment to position (Note 1)	Shareholding when elected or appointed		Shares held by spouse and minor children		Shareholding in the name of others		Main experience (education)/Main experience/education	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks (Note 2)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Full name	Relationship	
											Engineering at Feng Chia University Executive Assistant Vice President of HIWIN Technologies Corp.					
Assistant General Manager, Chairman's Office	Republic of China	Shi-Rong Chiu	Male	20211105	0	0.00%	5,618,527	1.58%	-	-	Master of Business Administration at University of Massachusetts, USA Assistant Vice President of HIWIN Technologies Corp.	Director concurrent President, HIWIN Corporation, U.S.A.	-	-	-	-
Assistant General Manager, Finance Division	Republic of China	Hong-Ming Chen	Male	20240401	16,690	0.00%	-	-	-	-	Graduated from Department of Accounting, National Taiwan University Assistant Vice President of HIWIN Technologies Corp. President, HIWIN China		-	-	-	-

Note 1: It indicates the inauguration date of the current positions.

Note 2: Where the General Manager or the person of an equivalent position (the managerial officer at the highest level) are the same person, spouses, or relatives within the first degree of kinship: None

Note 3: It indicates persons currently holding the positions as of March 31, 2025.

II. Remuneration paid during the most recent fiscal year to directors, the general manager, and assistant general managers

(I) Remuneration of Directors and Independent Directors

Unit : NT\$ thousand

Job title		Full name		Director 's Remuneration								(A+B+C+D) as a % of Net Income		Relevant Remunerations Received by Directors as concurrent employee								(A+B+C+D+E+F+G) as a % of Net Income		Remuneration received from investee enterprises other than subsidiaries or from the parent company
				Base compensation (A)		Retirement pay and pension (B)		Director profit-sharing compensation (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E) (Note 1)		Retirement pay and pension (F)		Employee profit-sharing compensation (G) (Note 2)						
				The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
																		Amount in cash	Amount in shares	Amount in cash	Amount in shares			
Director	Eddie W.H. Chuo	0	718	0	0	21,349	21,349	360	10,636	21,709 1.10%	32,703 1.66%	51,466	60,566	529	529	7,700	0	7,700	0	132,058 6.70%	162,473 8.24%	21,531		
	Eric Y.T. Chuo	0	0	0	0	7,116	7,116	120	8,949	7,236 0.37%	16,065 0.81%													
	Enid H.C. Tsai	0	990	0	0	42,698	42,698	720	1,222	43,418 2.20%	44,910 2.28%													
	Chin-Tsai Chen																							
	Shun-Chin Lee																							
	Olivia S.Y. Chuo																							
	Sanko Investments Ltd. Representative: Ching-Yi Huang																							
Independent Director	Cheng-Ho Chiang	7,200	7,200	0	0	7,116	7,116	360	360	14,676 0.74%	14,676 0.74%	0	0	0	0	0	0	0	14,676 0.74%	14,676 0.74%	0			
	Zhen-Yuan Chen																							
	Hui-Xiu Lee																							
1.Please state the policy, standards and structure of independent directors' remuneration payment, and describe relevance to the amount of remuneration according to the responsibilities, risks, time invested and other factors: The remuneration of independent directors of the company refers to the Company's overall operating performance, future risks and development trends of the industry, also refers to the results of the performance evaluation standards and the contribution to the company to give reasonable remuneration. The Remuneration Committee makes recommendations to the board of directors for resolution. 2.In addition to the disclosures in the above table, the directors of the Company have received remuneration for providing services for all companies in the financial report (such a serving as consultants for non-employees) in the most recent fiscal year: None.																								

Note 1: It includes the company car cost NT\$4,104 thousand and excludes annua salaries of drivers NT\$2,993 thousand.

Note 2: Employee remunerations were NT\$156,559 thousand in 2024, however, the employee remuneration distribution list has not been decided as of the publication date of this Annual Report. Hence the remuneration planned to be distributed this year shall be based on practices in previous years.

Remuneration Range Table

Ranges of remuneration paid to each of the Company's directors	Name of Director			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company	All consolidated entities	The Company	Parent company and all investees
Less than NT\$1,000,000				
NT\$1,000,000 (incl.)~NT\$2,000,000 (excl.)				
NT\$2,000,000 (incl.)~NT\$3,500,000 (excl.)				
NT\$3,500,000 (incl.)~NT\$5,000,000 (excl.)	Independent Directors: Zhen-Yuan Chen, Hui-Xiu Lee	Independent Directors: Zhen-Yuan Chen, Hui-Xiu Lee	Independent Directors: Zhen-Yuan Chen, Hui-Xiu Lee	Independent Directors: Zhen-Yuan Chen, Hui-Xiu Lee
NT\$5,000,000 (incl.)~NT\$10,000,000 (excl.)	Directors: Eric Y.T. Chuo, Enid H.C. Tsai, Shun-Chin Lee, Olivia S.Y. Chuo, Corporate representative of Sanko Investment Co., Ltd.: Jing-Yi Huang Independent director: Cheng-Ho Chiang	Directors: Enid H.C. Tsai, Shun-Chin Lee, Olivia S.Y. Chuo, Corporate representative of Sanko Investment Co., Ltd.: Jing-Yi Huang Independent director: Cheng-Ho Chiang	Directors: Shun-Chin Lee, Olivia S.Y. Chuo, Corporate representative of Sanko Investment Co., Ltd.: Jing-Yi Huang Independent director: Cheng-Ho Chiang	Directors: Shun-Chin Lee, Corporate representative of Sanko Investment Co., Ltd.: Jing-Yi Huang Independent director: Cheng-Ho Chiang
NT\$10,000,000 (incl.)~NT\$15,000,000 (excl.)	Director: Chin-Tsai Chen	Director: Chin-Tsai Chen	Director: Chin-Tsai Chen	Director: Chin-Tsai Chen
NT\$15,000,000 (incl.)~NT\$30,000,000 (excl.)	Director: Eddie W.H. Chuo	Director: Eric Y.T. Chuo	Director: Eric Y.T. Chuo, Enid H.C. Tsai	Director: Enid H.C. Tsai, Olivia S.Y. Chuo
NT\$30,000,000 (incl.)~NT\$50,000,000 (excl.)		Director: Eddie W.H. Chuo	Director: Eddie W.H. Chuo	Director: Eric Y.T. Chuo
NT\$50,000,000 (incl.)~NT\$100,000,000 (excl.)				Director: Eddie W.H. Chuo
NT\$100,000,000 or above				
Total	10 persons	10 persons	10 persons	10 persons

(II) Remuneration to General Manager(s) and Assistant General Manager(s)

Job title	Full name	Salary (A)		Retirement pay and pension (B)		Rewards, and special disbursements (C) (Note 2)		Employees' remuneration (D) (Note 3)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Amount in cash	Amount in shares	Amount in cash	Amount in shares			
Global CEO	Eric Y.T. Chuo	38,459	45,839	827	827	33,395	38,375	11,200	0	11,200	0	83,881 4.25%	96,241 4.88%	10,645
Co-CEO	Eddie W.H. Chuo													
General manager and Co-CEO	Enid H.C. Tsai													
Executive Assistant General Manager, Chairman's Office (Note 1)	Ming-Yao Lin													
Senior Vice President, Finance Division	Yue-Chin Wu													
Senior Vice President, Marketing Business Group	Yan-Qi Peng													

Note 1: Ming-Yao Lin, Executive Vice President of the Chairman's Office, took office on April 1, 2024.

Note 2: It includes the company car cost NT\$4,541 thousand and excludes annua salaries of drivers NT\$2,993 thousand.

Note 3: Employee remunerations were NT\$156,559 thousand in 2024, however, the employee remuneration distribution list has not been decided as of the publication date of this Annual Report. Hence the remuneration planned to be distributed this year shall be based on practices in previous years.

Remuneration to Global CEO, General Manager(s) and Assistant General Manager(s)

Ranges of remuneration paid to each of the Company's each General Manager and Assistant General Manager	Names of General Manager(s) and Assistant General Manager	
	The Company	The Company and all investees
Less than NT\$1,000,000		
NT\$1,000,000 (incl.)~NT\$2,000,000 (excl.)		
NT\$2,000,000 (incl.)~NT\$3,500,000 (excl.)		
NT\$3,500,000 (incl.)~NT\$5,000,000 (excl.)		
NT\$5,000,000 (incl.)~NT\$10,000,000 (excl.)	Ming-Yao Lin, Yue-Chin Wu, Yan-Qi Peng	Ming-Yao Lin, Yue-Chin Wu
NT\$10,000,000 (incl.)~NT\$15,000,000 (excl.)		Yan-Qi Peng
NT\$15,000,000 (incl.)~NT\$30,000,000 (excl.)	Eddie W.H. Chuou, Eric Y.T. Chuo, Enid H.C. Tsai	Enid H.C. Tsai
NT\$30,000,000 (incl.)~NT\$50,000,000 (excl.)		Eddie W.H. Chuou, Eric Y.T. Chuo
NT\$50,000,000 (incl.)~NT\$100,000,000 (excl.)		
NT\$100,000,000 or above		
Total	6 persons	6 persons

(III) Name of Managerial Officers Receiving Employee Remuneration Distribution and the Status Thereof

March 31, 2025

Unit : NT\$ thousand

	Job title	Full name	Amount in shares	Amount in cash	Total	The ratio of total amount to net income (%)
Managerial Officer	Global CEO	Eric Y.T. Chuo	0	14,000	14,000	0.71%
	Co-CEO	Eddie W.H. Chuo				
	General manager and Co-CEO	Enid H.C. Tsai				
	Executive Assistant General Manager, Chairman's Office	Ming-Yao Lin				
	Senior Vice President, Finance Division	Yue-Chin Wu				
	Senior Vice President, Marketing Business Group	Yan-Qi Peng				
	Assistant General Manager, Chairman's Office	Jun- Liang Wu				
	Assistant General Manager, Chairman's Office	Chuang-Bao Yang				
	Assistant General Manager, Chairman's Office	Wen-Bin Lee				
	Assistant General Manager, Chairman's Office	Shi-Rong Chiu				
	Assistant General Manager, Finance Division	Ke- Huang Liao				
	Assistant General Manager, Finance Division	Hong-Ming Chen				
	Assistant General Manager, System Development Business Division	Fu-Qing Wang				

Note 1: Employee remunerations were NT\$156,559 thousand in 2024, however, the employee remuneration distribution list has not been decided as of the publication date of this Annual Report. Hence the remuneration planned to be distributed this year shall be based on practices in previous years.

Note 2: It indicates these who holding the positions as of the publication date of the annual report.

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

1. Analysis of the ratio of the total remuneration given to directors, general managers and vice general managers by the Company and all companies in the consolidated financial statements over the past two years to the net profit after tax in the individual financial report.

Item	The ratio of total remuneration amount to net income (%)			
	2024		2023	
	The Company	All consolidated entities	The Company	All consolidated entities
Job title				
Director	7.44%	8.98%	8.38%	9.68%
Global CEO, General Manager(s) and Assistant General Manager(s)	4.25%	4.88%	4.92%	5.42%

Note: The employee remuneration distribution list has not been decided as of the publication date of this Annual Report.

Hence the remuneration planned to be distributed this year shall be based on practices in previous years.

Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

(1) Remuneration policies, standards, and packages

- ① For the remuneration of Company directors, pursuant to the provision prescribed in Article 25 of the Company's Articles of Incorporation, the remuneration of chairman, vice chairman and directors is based on the level of involvement in corporate operations and the value of contribution, in addition to taking consideration of the industry standards in Taiwan and abroad, with authorization for the Board of Directors to resolve. Additionally, in the event of any profits for that year, the Company shall appropriate no higher than 4% of the profits as remuneration of director pursuant to provision prescribed under Article 31 of Articles of Incorporation. The amount of appropriation shall be reviewed by the Salary and Remuneration Committee before submitting to the Board of Directors for discussion and distribution, in addition to reporting to the Shareholders' Meeting.
- ② The managerial officers of the Company receive salary like regular employees and shall be paid with various awards, bonuses and welfare, with reasonable remuneration, depending on their operations and profits, as well as their involvement in the Company, the manager's scope of authorization in the Company, employment status and performance evaluation as the overall consideration, the consideration including the Company's core value with practice operational management capacity, financial and business operation performance indicators and the comprehensive management indicators and the evaluation of other special contributions or material negative incidents. The policy of remuneration paid to the managerial officers is based on the Company's "Employee Salary and Treatment Guidelines" and the scope of responsibility for the position in the Company, and the contribution to the Company's operation performance by paying bonus and annual rewards as well as other compensation. Additionally, according to Article 31 of the Company's Articles of Incorporation, if the Company makes a profit in the year, at least 1% of the profits should be set aside as employees remuneration; also the additional provision added per the Securities and Exchange Act requires no less than 0.3% shall be provided as the remuneration to the non-executive employees, and which was approved by the Board on February 26, 2025, and to take effect upon the approval of the shareholders' meeting on May 28, 2025. The amount of appropriation shall be reviewed by the Salary and Remuneration Committee before submitting to the Board of Directors for discussion and distribution, in addition to reporting to the Shareholders' Meeting. The bonus will be distributed by taking consideration the remuneration calculation from the financial operation performance data and non-financial contribution of the department the managerial officers in charge of, while the remuneration system may be reviewed appropriately depending on the actual operation and relevant laws.
- ③ The remuneration package paid by the Company is defined in the Charter of Remuneration Committee, which includes cash remuneration, employee option for share subscription, bonus shares, retirement welfare or unemployment benefits, allowances, and other measures with substantial rewards; the scope and publicly listed companies shall record matters on this Annual Report with consistency in remuneration for directors and managerial officers.
- ④ The performance indicators of the Company's CEO, General Manager and senior managers include ESG sustainable development performance, which is linked to variable rewards and is linked to short-term and long-term compensation. The performance indicators and their weights are as follows:

Performance indicators	%	Illustrate
OKR	55%	
Sustainable Development Performance	15%	CEO 、General Manager : SBTi Goal achievement rate (8%)and DJSI Evaluation (7%) Senior managers : Sustainable Impact Indicators (15%)
Functional performance	10%	
Organizational energy participation	20%	

(2) The Company's procedures for determining the remunerations of the directors, general manager, and vice general managers:

- ① The Company adopts "director performance evaluation and remuneration system," "board performance evaluation method" and "manager performance evaluation and bonus system" as the compliance of evaluation. The board remuneration not only takes consideration of the Company's overall operating performance, future risks and development trends of the industry but also conducts self-evaluation questionnaire for internal evaluation. The indicators of evaluation include: Company goals and task control, director responsibility recognition,

involvement in corporate operation, internal relation management and communication, professional and continuous education for directors (such as corporate governance related courses), and internal control results, as well as the level of contribution to the company by giving reasonable remuneration. The salary remuneration for the general managers and vice general managers is based on the Company's rules on "Employee Salary and Treatment Guidelines" with consideration of the performance of the managerial officers and responsible units, the overall corporate management performance, and the association with future risks for distribution. The Remuneration Committee proposes suggestions for the BOD to resolve and review the remuneration system, depending on the actual operation conditions and relevant laws and regulations, in order to seek for the balance between corporate sustainable management and risk control.

- ② The 2024 annual self-evaluation results of the board of directors, directors and functional committee members are all better than the standard.
 - ③ The evaluation of performance related to the directors and the managers of the Company and salary reasonableness are periodically evaluated and reviewed by the Remuneration Committee and the BOD. Apart from considering the achievement rate by departments in charge and their contribution to the Company, the overall operation performance of the company, and future risks and development trends of the industry are also taken into account. Additionally, the comprehensive consideration of the trends in current corporate governance yields a reasonable remuneration to seek for balance between the Company's sustainable management and risk control. The actual amount distributed for the remuneration to the directors and managers in 2024 was deliberated by the Remuneration Committee and submitted to the BOD for approval. The ratio of remuneration to employees and directors is 6.2% and 3.1% respectively, in compliance with Company's articles of incorporation.
- (3) Linkage to operating performance and future risk exposure:
- ① 1. The Company's remuneration policy mainly takes consideration of the overall operation of the Company and approve the payment standards depending on the completion rate of performance by department and the level of contribution, which reflects the operation effectiveness of the BOD and management team. Additionally, the Company takes consideration of the industry salary standards to ensure the competitiveness of the salary for the Company's management compared with the industry, in order to retain distinguished management personnel.
 - ② The performance goals of the managers are integrated with "risk control" to ensure the possible risks within the scope of responsibility through management and prevention, in addition to approving the evaluation results by actual performance, linking all human resources and related salary remuneration policies. The Company management evaluates the various existing and future risk factors when making material decisions and will act after conducting proper evaluation. The performance of related decisions is reflected on the Company profits and further related to the control performance of management salary and risks.
 - ③ Linkage to the future risks: The payment of Company's remuneration takes consideration of the changes in future environment and operation performance before evaluation and adjustment. Moreover, directors and employees involving unlawful conducts and bring losses to the Company may be penalized by law and regulations.

III. The state of the Company's implementation of corporate governance

(I) Operation of BOD

1. The Company reelected directors at the Shareholder's Meeting held on June 27, 2022. The new directors took office from the reelection day on (term commencing from June 27, 2022 and expires on June 26, 2025).
2. The board of directors held 4 meetings (A) in 2024. The actual attendance rate of the board of directors for all directors was 39/40=97.5%. The attendance of directors is as follows:

Job title	Full name	Meetings Attended in Person (B)	Meetings Attended by Proxy	Actual Attendance rate (%) [B/A]	Remark
Chairman	Eddie W.H. Chuo	4	0	100%	
Vice Chairman	Chin-Tsai Chen	4	0	100%	
Director	Eric Y.T. Chuo	4	0	100%	
Director	Enid H.C. Tsai	4	0	100%	

Director	Shun-Chin Lee	4	0	100%	
Director	Olivia S.Y. Chuo	3	1	75%	
Director	Sanko Investments Ltd. Representative: Huang Ching-Yi	4	0	100%	
Independent director	Cheng-Ho Chiang	4	0	100%	
Independent director	Zhen-Yuan Chen	4	0	100%	
Independent director	Hui-Xiu Lee	4	0	100%	

Other information required to be disclosed:

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

- (I) Matters listed in Article 14-3 of the Securities and Exchange Act: The Company has established an audit committee, the provisions of Article 14-3 shall not apply. Please see The operation of the Audit Committee of this Annual Report for the relevant information.
- (II) In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that is on record or stated in writing with respect to any board resolution: None.

II. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest, the director's name, the content of the motion, the cause for recusal, and whether and how the director voted shall be specified:

2024.02.27, the 10th meeting of the 12th Term:

Proposal to provide endorsement/guarantee to the subsidiary, Matrix Precision

Cause for recusal and voting status: Director Eddie W.H. Chuo, Yungcai Zhou, and Show-Yu Zhou entered recusal during discussion and voting on the agenda item due to self-interest with respect to this matter. The other directors had unanimously adopted the resolution upon inquiry by the chair as the said situation would not prejudice the interest of the Company.

2024.05.10, the 11th meeting of the 12th Term:

Proposal to provide endorsement/guarantee to the subsidiary, Matrix Precision

Cause for recusal and voting status: Director Eddie W.H. Chuo, Yungcai Zhou, and Show-Yu Zhou entered recusal during discussion and voting on the agenda item due to self-interest with respect to this matter. The other directors had unanimously adopted the resolution upon inquiry by the chair as the said situation would not prejudice the interest of the Company.

2024.08.13, the 12th meeting of the 12th Term:

Proposal to provide endorsement/guarantee to the subsidiary, Matrix Precision

Cause for recusal and voting status: Director Eddie W.H. Chuo, Yungcai Zhou, and Show-Yu Zhou entered recusal during discussion and voting on the agenda item due to self-interest with respect to this matter. The other directors had unanimously adopted the resolution upon inquiry by the chair as the said situation would not prejudice the interest of the Company.

2024.11.12, the 13th meeting of the 12th term:

Proposal to provide endorsement/guarantee to the subsidiary, Matrix Precision, and its capital increase in cash

Cause for recusal and voting status: Director Eddie W.H. Chuo and Yungcai Zhou entered recusal during discussion and voting on the agenda item due to self-interest with respect to this matter. The other directors had unanimously adopted the resolution upon inquiry by the chair as the said situation would not prejudice the interest of the Company.

2024.11.12, the 13th meeting of the 12th term:

Proposal to lease plants from HIWIN Mikrosystem Ltd.

Cause for recusal and voting status: Director Eddie W.H. Chuo, Yungcai Zhou, and Shun-Chin Lee entered recusal during discussion and voting on the agenda item due to self-interest with respect to this matter. The other directors had unanimously adopted the resolution upon inquiry by the chair as the said situation would not prejudice the interest of the Company.

III. Implementation of Evaluations of the Board of Directors

Implementation of the Board of Directors self-evaluation:

Evaluation cycle	Once annually
Evaluation Period	2024.1.1~2024.12.31
Evaluation Scope	Internal performance evaluation, including performance evaluation covers BOD, individual directors, Audit Committee, Remuneration Committee, Nominating Committee
Evaluation Method	BOD internal evaluation, self-evaluation of individual directors and peer evaluation
Evaluation description	<p>(I)The evaluation of performance of the BOD including 5 aspects as follows</p> <ol style="list-style-type: none"> (1)Degree of participation in the operation of the Company (2)Improving the quality of the Board's decision making (3)Composition and structure of the Board (4)Election and continuing education of the Director (5)Internal control <p>(II)The evaluation of performance of individual directors (self or peer) including 6 aspects as follows</p> <ol style="list-style-type: none"> (1)Familiarity with the goals and missions of the Company (2)Awareness of the duties of a director (3)Degree of participation in the operation of the Company (4)Management of internal relationship and communication (5)Professionalism and continuing education of the Director (6)Internal control <p>(III)The evaluation of performance of Audit Committee including 5 aspects as follows</p> <ol style="list-style-type: none"> (1)Degree of participation in the operation of the Company (2)Awareness of the duties of an Audit Committee (3)Improving the quality of the Audit Committee's decision making (4)Composition and structure of the Audit Committee (5)Internal control <p>(IV)The evaluation of performance of Remuneration Committee including 5 aspects as follows</p> <ol style="list-style-type: none"> (1)Degree of participation in the operation of the Company (2)Awareness of the duties of a Remuneration Committee (3)Improving the quality of the Remuneration Committee's decision making (4)Composition and structure of the Remuneration Committee

	<p>(5)Internal control</p> <p>(V)The evaluation of performance of Nominating Committee including 5 aspects as follows</p> <p>(1)Degree of participation in the operation of the Company</p> <p>(2)Awareness of the duties of a Nominating Committee</p> <p>(3)Improving the quality of the Nominating Committee's decision making</p> <p>(4)Composition and structure of the Nominating Committee</p> <p>(5)Internal control</p>	
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IV. The objectives of strengthening the functions of the board of directors in current year and the most recent fiscal year (for example, the establishment of an audit committee, improvement on information transparency...etc.) and status of implementation:

(I) To promote corporate governance, and to make the board of directors effectively exercise its duties and functions, the Company has established a corporate governance officer in accordance with the "Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers."

(II) To implement corporate governance and enhance the functions of the board of directors with establishment of performance goals that will strengthen the efficiency of the operation of the Board, the Company has stipulated the "Performance Evaluation Directions for Directors", the evaluation will be executed before the end of the first quarter of each year. The results of evaluation in 2024 are better than standard and have been reported to the Board on February 26, 2025.

(III) Adhering to the transparency of operations, and maintain the shareholders' rights and interests, disclosing critical resolutions of the Board on the Company's website voluntarily.

(IV) The goal of Board diversification: The Company values the diversification of Board members and chooses directors by their operation and management capabilities, crisis handling capabilities, financial and accounting expertise as well as multiple dimensions in the consideration of director nomination that conform to the company's policy on board diversification. Additionally, the Company specifically values the diversification of gender equality, whereas 4 out of 10 board members are female.

(V) The company upholds to the attitude of information transparency and publishes important resolutions of the Board on the Company's Market Observation Post System (MOPS) or company website for investors to review.

(II)The operation of the Audit Committee:

The Audit Committee is formed by 3 independent directors currently, who are responsible of executing and auditing the fair presentation of the Company's financial statements, the selection (dismissal) of CPAs and their independence and performance, the effectiveness of implementation of the Company's internal control, compliance with the related laws and rules, as well as the control over existing or potential risks in the Company. Committee Chairperson and Independent Director Cheng-He Chiang, Independent Director Zhen-Yuan Chen, and Independent Director Li, Hui-Hsiu are expertise in financial, accounting and industry knowledge, which conform to the professional competence required for the Committee. The main responsibilities of the Committee are below:

- (1) Amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
- (2) Assess the effectiveness of internal control system.
- (3) Establish or amend the procedure of material financial business conducts such as acquiring or disposing of assets, trade on derivative goods, capital loans to others, and endorsement or guarantee for others, in accordance with the provisions set forth in Article 36-1 of the Securities and Exchange Act.
- (4) Matters involving self-interests of the directors.
- (5) Material asset or derivate goods trading.
- (6) Material capital loan, endorsement or provision of guarantee.
- (7) Fund raising, issuing, or private offering of equity-based negotiable securities.
- (8) Engagement, dismissal, or compensations of CPAs.
- (9) Appointment and dismissal of financial, accounting or internal audit officer.
- (10) Annual and semi-annual financial reports.
- (11) Other major issues under the regulations of the other companies or competent authorities.

2023 Audit Committee's Discussion items including the following:

- (1) Audit of financial statements and accounting policies and procedures.
- (2) Assess the effectiveness of internal control system.
- (3) Amend the internal control system and management procedures
- (4) Material acquisition of assets, loaning of funds, and endorsement/guarantee.
- (5) Qualification, independence, and competence for CPAs.
- (6) Appointment and remuneration of CPAs.
- (7) Legal compliance.
- (8) Fraud prevention plan and fraud investigation.
- (9) Water risk management policy

Operation:

1. The Company reelected the independent directors at the Shareholder's Meeting held on June 27, 2022. The new independent directors took office from the reelection day on (term commencing from June 27, 2022 and expires on June 26, 2025).
2. The Audit Committee held 4 meetings (A) in 2024. The status of independent director attendance is shown below:

Job title	Full name	Meetings Attended in Person ((B))	Meetings Attended by Proxy	Actual Attendance rate (%) [B/A]	Remark
Convener	Cheng-Ho Chiang	4	0	100%	
Member	Zhen-Yuan Chen	4	0	100%	
Member	Hui-Xiu Lee	4	0	100%	

Other information required to be disclosed:

- I. If any of the following circumstances exists, specify the Audit Committee meeting date, meeting session number, content of the motion, resolution of the Audit Committee, and the measures taken by the Company based on the Audit Committee's opinions:

(I) Matters listed in Article 14-5 of the Securities and Exchange Act

Date of Audit Committee Meeting (Session)	Proposal description	Resolution adopted by the Audit Committee	Opinions of all independent directors and the Company's treatment to these opinions
2024.02.27 The 9th meeting of the 3rd Term	Approval of the 2023 "Internal Control System Statement"	The proposal was resolved to pass as it was unanimously by all members present at the meeting upon inquiry by the chair, and to be submitted to the Board for discussion.	The Audit Committee approved all the proposal unanimously; the Board approved all proposal based on the advices of the Audit Committee.
	Proposal of the 2023 Business Report and Financial Statements		
	Proposal of 2023 earning distribution		
	Proposal to provide endorsement/guarantee to the subsidiary, Matrix Precision		
	Proposal to transfer overdue account of the Japanese subsidiary as loaning of funds		
2024.05.10 The 9th meeting of the 3rd Term	Proposal to provide endorsement/guarantee to the subsidiary, Matrix Precision		
	Proposal to transfer overdue account of the Japanese subsidiary as loaning of funds		
2024.08.13 The 11th meeting of the 3rd Term	Proposal to increase the capital of the subsidiary, Matrix in cash		
	Proposal to provide endorsement/guarantee to the subsidiary, Matrix Precision		
	Proposal to provide endorsement/guarantee to the Singaporean subsidiary		
	Proposal to provide endorsement/guarantee to the Korean subsidiary		
2024.11.11 The 12th meeting of the 3rd Term	Proposal to provide endorsement/guarantee to the subsidiary, Matrix Precision, and its capital increase in cash		
	Proposal of plant construction by the Italian subsidiary		
	Proposal to provide endorsement/guarantee to the Italian subsidiary		
	Proposal to provide endorsement/guarantee to the Korean subsidiary		
	Proposal to provide endorsement/guarantee to the subsidiary, Matrix		
	Proposal to transfer overdue account of the Japanese subsidiary as loaning of funds		
	Proposal to lease plants from HIWIN Mikrosystem Ltd.		
	Proposal to assess the qualification, independence, and competence, as well as the engagement for CPAs.		
	Proposal to establishment of the internal control system for the management of sustainability information		

(II) Except for the said matters, other resolutions that have not been approved by the Audit Committee, yet have been approved by two-thirds or more of all directors: None.

- II. The implementation of the independent directors' recusal of conflict proposal, specify the name of the independent director, the content of the proposal, cause of the recusal of interests, and participation in voting: None.
- III. Communication between the independent directors, internal audit officer and accountants (Significant matters, manners, and results of communication on the Company's financial and business status shall be included:
- (I) An individual meeting between the CPA and the audit officer shall be held at least once a year to discuss the completed internal audit and the external audit opinion by the CPA, and to communicate based on the examination findings.
- (II) The internal audit officer shall report to the Audit Committee on a regular basis
1. The annual internal audit plan
 2. Regularly report to the Audit Committee of the implementation of internal audit
- (III) The CPAs shall attend a meeting of the Audit Committee at least once a year and report the annual examination findings
- (IV) Others: In the event of major abnormal circumstances, or matters that independent directors, audit officers and accountants deem necessary to communicate independently, meetings may be held at any time to facilitate communication.

As of the print date of this Annual Report, the communication points and results between the independent directors and internal audit officers are as follows:

Date	Attendees	Communication Points	Communication Results
2024.02.27 (Pre-meeting of Audit Committee)	Independent director, Cheng-Ho Chiang Independent Director, Zhen-Yuan Chen Independent director, Hui-Xiu Lee Audit Officer, Chen, Shih-Tsung	1. Report the auditing business points and results to the independent director 2. Present the 2023 "Internal Control System Statement"	1. After discussion and communication, the independent director has no objection to the auditing business execution result report 2. Report to the Board upon the approval through deliberations.
2024.05.10 (Report by the internal audit officer to the independent directors individually)	Independent director, Cheng-Ho Chiang Independent Director, Zhen-Yuan Chen Independent director, Hui-Xiu Lee Audit Officer, Chen, Shih-Tsung	Internal audit reports.	After discussion and communication, the independent director has no objection to the auditing business execution result report
2024.08.13 (Report by the internal audit officer to the independent directors individually)	Independent director, Cheng-Ho Chiang Independent Director, Zhen-Yuan Chen Independent director, Hui-Xiu Lee Audit Officer, Chen, Shih-Tsung	Internal audit reports.	After discussion and communication, the independent director has no objection to the auditing business execution result report
2024.11.11 (Pre-meeting of Audit Committee)	Independent director, Cheng-Ho Chiang Independent Director, Zhen-Yuan Chen Independent director, Hui-Xiu Lee Audit Officer, Chen, Shih-Tsung	1 Internal audit reports. 2. Formulation of the 2025 annual internal audit plan	1. After discussion and communication, the independent director has no objection to the auditing business execution result report and the audit plan. 2. Report to the Board upon the approval through deliberations.
2025.02.26 (Pre-meeting of Audit Committee)	Independent director, Cheng-Ho Chiang Independent Director, Zhen-Yuan Chen Independent director, Hui-Xiu Lee Audit Officer, Chen, Shih-Tsung	1. Report the auditing business points and results to the independent director 2. Present the 2024 "Internal Control System Statement"	1. After discussion and communication, the independent director has no objection to the auditing business execution result report 2. Report to the Board upon the approval through deliberations.

As of the print date of this Annual Report, the communication points and results between the independent directors and the attesting CPAs are as follows:

Date	Attendees	Communication Points	Communication Results
2024.02.27 (Report by the CPA to the independent directors individually)	Independent director, Cheng-Ho Chiang Independent Director, Zhen-Yuan Chen Independent director, Hui-Xiu Lee Wu, Li-Dong, CPA	1. The CPA explained the audit results of 2023 consolidated financial statements, and discuss the findings 2. Report by the CPA to the independent directors regarding the audit results of internal control. 3. The CPA discussed the issues raised by the independent directors with communication.	The annual financial statements are adopted by the Audit Committee and submitted to the BOD for approval, followed by regular announcement and report to the competent authority in time.
2024.11.11 (Report by the CPA to the independent directors individually)	Independent director, Cheng-Ho Chiang Independent Director, Zhen-Yuan Chen Independent director, Hui-Xiu Lee Wu, Li-Dong, CPA	1. Evaluation of fraudulent matters, significant risks and critical matter audit report. 2. The CPA discussed and communicated the issues raised by the independent directors	After discussion and communication, the independent director had no objection
2025.02.26 (Report by the CPA to the independent directors individually)	Independent director, Cheng-Ho Chiang Independent Director, Zhen-Yuan Chen Independent director, Hui-Xiu Lee Wu, Li-Dong, CPA	1. The CPA explained the audit results of 2024 consolidated financial statements, and discuss the findings 2. Report by the CPA to the independent directors regarding the audit results of internal control. 3. The CPA discussed and communicated the issues raised by the independent directors	The annual financial statements are adopted by the Audit Committee and submitted to the BOD for approval, followed by regular announcement and report to the competent authority in time.

(III) Corporate Governance – Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons:

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
I. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has established “Corporate Governance Best Practice Principles” in accordance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies,” the operation of which does not deviate from the best-practice principles established by the Company. The Company continues to promote the operation of corporate governance in accordance with the relevant laws and regulations.	None.
II. Shareholding Structure and Shareholders’ Rights (I) Does the Company have Internal Operation Procedures for handling shareholders’ suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly? (II) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders? (III) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates? (IV) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	V V V V		(I) The Company has established the relevant internal operation procedure and designated related departments to handle shareholders’ suggestions or disputes. The Company also established a spokesperson system with a specialist handling to replay shareholder questions, doubts, disputes, and litigations. Moreover, a mailbox is set up on the company website to handle employees, suppliers, clients, and shareholders, while the Company’s dedicated department will handle the suggestions and equity related issues. (II) The Company has personnel in charge of the shareholder service and entrusts shareholder service agency – Yuanta Securities for handling the major shareholding by directors, managers and shareholders with 10% or more., acknowledging the list of major shareholders and ultimate control list of major shareholders. (III) The Company has established related internal control systems and firewall mechanisms, such as rules governing the management of the subsidiaries and procedures for loan, endorsement and guarantee, according to law and regulations. (IV) The Company has established “Procedure for Precaution Against Insider Trading and Internal Material Information Processing” to expressly prohibit insiders from trading marketable securities using undisclosed information. In addition, Article 37 of “Corporate Governance Best Practice Principles” also stipulates that board members shall do their duties loyally and note obligations of goodwill manager to exercise duties with high disciplines and prudent attitudes. The Company’s audit department will evaluate if the aforementioned procedure were executed in conformance with the regulations from time to time, the promotion on prevention of insider trading has been stressed in directors and managerial officers. The Company reminds directors not to trade their shares in 30 days before the announcement of the annual financial report and during the closing period 15 days before the announcement of quarterly financial report, after validating each board meeting date.	None.
III. Composition and responsibilities of the board of directors (I) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented? (II) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee? (III) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms? (IV) Does the Company regularly evaluate its external auditors’ independence?	V V V V		(I) The Company has established the “Corporate Governance Best Practice Principles” which stipulated that board member shall be aware of gender equality and be equipped with knowledge, skills and qualities required for performing their duties; it has indeed executed such principles. The company greatly values the integration of diversity among the board of directors. The board of directors shall have proper professional knowledge and skills while members shall possess professional background including operational judgment, accounting and finance, operation management, crisis handling, industry knowledge, international market perspective, leadership, and decision-making capacity, targeting at least 3 seats per field. Moreover, the Company also values the gender equality of member composition of Board of Directors, targeting at female directors with at least 3 people. In terms of the 2024 implementation, there are currently 10 directors on the Board of Directors to serve, including 4 female directors, which accounted for 40% of the board members. In terms of the management capabilities, crisis management ability, financial accounting professional, and many other aspects of the board members, at least 3 people qualified for each competency item in order to substantiate the company’s policy of board	None.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			<p>director diversity. The specific implementation is as follows, all of which are in line with the company's management objectives: The Company chairman leads the Board to implement excellent Board governance system, sound supervision function and strengthening of management functions.</p> <p>(II) The Company has set not only a Remuneration Committee and Audit Committee, but also a Nomination Committee in accordance with the laws, which consists of 3 independent directors, aiming to improve the Board function and strengthen the management mechanism.</p> <p>(III) To realize corporate governance and enhance the Board of Directors' function, performance targets are set to improve the Board of Directors' efficiency. The Company has stipulated the Board of Directors performance evaluation regulations per letter no. 1070025395 of the Taiwan Governance Code on December 27, 2018, to establish that the performance evaluation shall be conduct once a year, against the BOD, board members, the Remuneration Committee and the Audit Committee. At the end of each year, the parliamentary body of the Company shall request board members to complete self-evaluation questionnaires on the Board, Board members, and functional committees, and conduct self-evaluation and mutual evaluation of the Board of Directors' performance of the year. The performance evaluation results are submitted to the Board of Directors in the first quarter of the next year. Evaluate its performance. The 2024 annual assessment results The performance assessment score is 95.3 or higher, and the assessment result is better than the standard, and there are no major deficiencies and improvement items , which have been listed in the board meeting on February 26, 2025, and the assessment results have been properly recorded, and will be used as Future remuneration of directors and reference for election.</p> <p>(IV) In accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, the Company's Audit Committee periodically evaluates the independence and suitability of evaluating CPA once a year. The CPAs are required to provide not only "Statement of Independence" and "Audit Quality Indicators (AQIs)," but also conduct the evaluation according to the standards in Note 8 (10) and Item 13 AQI indicators. It is confirmed that except for the attestation and tax case reimbursement between the CPA and the Company, there are no other financial interests and business relations, the family members of the CPAs do not violate the requirement of independence as well. The auditing experience and training hours of the CPA and accounting firm outperform the average standards of the same industry referring to the AQI indicators. The independence and suitability evaluation results of CPAs in 2024 were adopted by a Board meeting held on November 12, 2024. The evaluation procedures and results are described below:</p> <ol style="list-style-type: none"> 1. Acquisition and reference on AQI provided by CPA: The accounting firm was evaluated in five aspects and 13 AQI indicators. The Audit Committee analyzes and adopts the AQI indicators to evaluate the overall professionalism, quality control, supervision, and innovative ability of the quality auditors of the audit team and the firm. The evaluation result was good 2. Evaluation of Independence: CPA Li-Dong Wu and CPA Karen Yen from Deloitte Taiwan (hereinafter referred to as CPAs) and members of Audit Team have presented the letter of Statement of Independence 3. Evaluation of Suitability: The CPA has not served as director or independent director of the Company, and has no direct or materially indirect financial interests, not a shareholder of the Company. The CPA does not receive salary from the Company. The CPA is equipped with professional competence, participates in the Company's shareholder meeting, and attends the Audit Committee and Board of Director when necessary, and periodically provides educational training to the Company. 4. Conclusion: Deloitte & Touche CPA Li-Dong Wu and CPA Hsiao-Fan Yen have passed the auditing and meet the 	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			Company's independence and suitability evaluation standards of the Company, who qualify as the CPAs of the Company.	
IV. Does the TWSE/TPEX listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	V		<p>To promote corporate governance and effectively play the functions of the Board of Directors, the Company has set up a full-time corporate governance unit under the jurisdiction of the Company's finance department in accordance with the provisions of Article 20 and Article 22 of the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers." There are 3 employees are in charge of the corporate governance, the chief officer from the Finance Office serves as the part-time corporate governance supervisor, who has work experience in the material work for finance, stock affairs or auditing. The qualification conforms to the requirement by consolidate the corporate governance related affairs, under the following primary responsibilities:</p> <p>(I) Responsible for providing information required for directors to execute the business, prepare meeting related matters for BOD and shareholders' meeting, apply for company registration and change registration, prepare BOD and shareholders' meeting minutes, as well as other corporate governance related matters, assist directors with taking the office and continuing education, provide directors with information required for executing the business, and assist the directors with legal compliance.</p> <p>(II) Consult with each director before the meeting of the Board to plan and formulate the agenda, notify all directors at least 7 days before the meeting for attendance and provide relevant meeting materials, so that the directors can understand the content of the relevant issues in advance.</p> <p>(III) Register the date of shareholder's meeting before the time limit prescribed by the law every year. Prepare and report the meeting notice, meeting manuals and meeting minutes in accordance with the law, and handle the registration amendment after revising the articles of incorporation or reelecting the directors.</p> <p>(IV) To ensure that members of the Board are informed of the Company's material information in time, the Company informs Board members after issuing material information with no delay, arranges financial, business and other professional courses for directors to participate, and provide them the information required for business operations.</p> <p>(V) Irregularly convene communication meetings with CPA, independent directors and auditing/financial/accounting officers in order to implement the internal audit/internal control system. Please refer to the company website for meeting minutes of the communication.</p> <p>(VI) The Board of Directors is regularly notified of the revision and development of the latest laws and regulations related to the Company's business field and corporate governance. Moreover, directors are assisted to take office and comply with regulatory requirement.</p> <p>(VII) Secondary review, design and plan the Company's overall internal control system to ensure corporate governance management measures to maintain effeminacy and flexibility, and coordinate related matters across department.</p> <p>(VIII) Relevant matters related to the Board of Directors and shareholders' meeting of 2024 fiscal year were successfully completed, and the business development status has been proposed in the Board Meeting on February 26, 2025. The main implementation is as follows:</p> <ol style="list-style-type: none"> 1. Assisting directors and independent directors to perform their duties, providing required information and arranging for their further studies. 2. Assisting the board of directors and shareholders in meeting procedures and resolutions, such as reporting on corporate governance and responsible for the release of material information on important board resolutions. 3. Drafting the agenda of the board of directors to notify the directors seven days prior to the meeting, convene the meeting and provide meeting materials and remind in advance if the issues cause recusal. Completing the Board meeting minutes in 20 days after the meeting. 	None.

Evaluation item	Implementation status			Deviations from the Corporate Governance BestPractice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary description	
			4. Handling the registration of the shareholder's meeting date in accordance with the law, preparing the meeting notice, meeting manual and meeting minutes within the legal period. The items above have been completed in 2024 fiscal year. (IX) The head of corporate governance participated in the corporate governance courses organized by Taiwan Stock Exchange and other bodies in 2024 for a total of 18 hours.	
V. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		(I) The Company instructs related departments to communicate with stakeholders depends on different situations. There is a "Stakeholder Section" on the Company website for clients, suppliers, media and employees to contact the Company. In addition, the Company establishes a spokesperson system dealing with related issues of legal persons and investors. The Company reports to the Board of the communication status of each stakeholder at least once a year (II) The "Stakeholders Section" on the Company website provides a questionnaire for stakeholders to advise or query. A dedicated personnel of the Company can respond of critical issues concerning about the social responsibilities properly. In addition, the Company also implements a spokesperson system, website...etc., and establish mailbox for shareholders and stakeholders, setting up corresponding liaisons for business management and operation items. Moreover, on the "Stakeholder Section," the Company stakeholders may use the mailbox of this section to contact the company chairman, general manager, independent director, or audit office, or contact with stakeholders for any related suggestions, doubts or complaints, establishing an effective and smooth communication channel.	None.
VI. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	V		The Company entrusts affairs related to shareholders' meetings to professional shareholder services agency. For this fiscal year, Yuanta Securities is engaged for the handling.	None.
VII. Information Disclosure (I) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status? (II) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)? (III) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?	V V V		(I) The Company has set up an "Investor Section" in Chinese and English on the company website, disclosing the financial operations and corporate governance information, and declared the relevant information on the path designated by the Financial Supervisory Commission according to the related laws and regulations (II) The Company website is in both Chinese and English, related information is published by relevant responsible department. The Company sets up a spokesperson system with spokesperson and acting spokesperson. Dedicated personnel handle corporate investors and investors for related questions. The corporate website also offers contact via phone and email. The Company in principal convenes 2 corporate investor conferences a year and announce the corporate investor conference information and film on the corporate website and MOPS. The corporate conferences were convened in May and November in 2024. (III) The Company voluntarily announces and files its annual and financial statements within 2 months after the end of the fiscal year in advance. The 2023 financial report has been presented on February 27, 2024 while Q1, Q2 and Q3 financial reports (within 45 days) and the monthly operation status (before 10th of each month) were announced and files earlier before the deadline.	None.

VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices? Yes, it is described as below:

(I) Operational Performance:

To implement corporate governance, apart from the established effective internal control system, implementing self-check processing, the Company also has independent directors, using their professional experience to enhance the practical experience of the team, in order to strengthen the function of the Board of Directors. To protect shareholder equity and enhance information transparency, the Company has established public information filing process by requirement, so that shareholders and stakeholders can fully understand the Company's financial operations and implementation of corporate governance.

In addition, to strengthen the corporate governance, the Company not only improves Chinese and English version of company website for investors to control receive information in time but also establishes a stakeholder platform, providing stakeholders with instant response and opinion to the Company so that the Company may process as soon as possible and make improvement.

(II) Explanation of environmental protection expenditure information and labor-management relations (employee rights and employee care):

Please refer to the explanation in IV.And V.in Part Five of this Annual Report.

(III) Investor relations:

The Company treats all shareholders with the principles of fairness and openness, convening shareholders' meeting in accordance with the Company Act and related laws, and notifying all shareholders for attendance to the Shareholders' Meeting by rules. The Company also offers the shareholders with full opportunities to ask or propose in order to maintain balance and formulate Shareholders' Meeting Rules by law, keeps custody of shareholders' meeting minutes on MOPS with full disclosure of relevant information. Furthermore, to ensure that shareholders have the rights to fully acknowledge the significant matters, to participate and decide, the Company has not only announce all material information in time, announce in Chinese and English, but also has spokesperson and vice spokesperson for handling shareholder suggestions and concerns, to instantly respond to juristic and investors' questions, so that they will better understand the operation outcome and management of the Company.

(IV) Respect the rights and interests of Stakeholders:

The Company truthfully discloses corporate information in accordance with the law, in order to protect the basic rights and interests of investors, and to maintain an unobstructed communication channel with transacting banks, employees, consumers, and suppliers. The Company also establishes "Stakeholders Section" on the corporate website for stakeholders reaching out the Company in time. The Company respects and maintains the due legitimate rights and interests. Three employee opinion mailboxes are set up in the Company to encourage peers or stakeholders to express opinions or report of violations which will facilitate the Company growth and development.

Processed incidents in 2024:

Year	Corruptions or bribery	Management system	Unlawful Infringement	Employee welfare	Gender equality	Number of grievances resolved	Completion rate
2024	0	5	14	1	3	23	100%

No corruption or bribery cases were reported in 2024, and no related fines or convictions occurred.

(V) Enhance corporate governance and protect investors' rights and interests

To reduce risks and diversify the risks of major damage on the Company and shareholders caused by directors and managers due to wrongful or negligent acts, it has been stipulated in Article 25 of the Company's Articles of Incorporation that the directors shall be held liable for compensation by law within the scope of business operation and during the director's term. Moreover, the directors are purchased with liability insurance and proposition has been reported to the Board of Directors, as described in the following insurance conditions:

Insured	Insurer	Amount insured	Insurance period
All directors and managerial officers	SHINKONG INSURANCE CO., LTD.	USD5 million (Approximately NT\$163,000 thousand)	2024/3/27~ 2025/3/27
All directors and managerial officers	Union Insurance Co., Ltd.	USD5 million (Approximately NT\$165,000 thousand)	2025/3/27~ 2026/3/27

(VI) Directors' participation in related course regarding corporate governance and laws of the Company in 2024 are listed below:

Job title	Full name	Course date	Course name	Course hours
Chairman	Eddie W.H Chuo	2024/05/30	Digital investigator: moving forward to the future path of the preventive audit.	3
		2024/08/13	TCFD&SBTi development trends and authorities of directors	3
Vice Chairman	Chin-Tsai Chen	2024/04/29	New era of AI: the Chatbot, ChatGPT overturns the new industrial trends	3
		2024/06/19	Explore the International Competitiveness of Taiwanese Enterprises under the Global Situation of Co-opetition	3
		2024/08/09	Ethical Corporate Management Best Practice Principles and How to Avoid from Mistakenly Stepping on the Directors' and Supervisors' Responsibility Red Line	3
Director	Eric Y.T. Chuo	2024/05/30	Digital investigator: moving forward to the future path of the preventive audit.	3
		2024/08/13	TCFD&SBTi development trends and authorities of directors	3
Director	Shun-Chin Lee	2024/05/30	Digital investigator: moving forward to the future path of the preventive audit.	3
		2024/08/13	TCFD&SBTi development trends and authorities of directors	3
Director	Enid H.C. Tsai	2024/05/30	Digital investigator: moving forward to the future path of the preventive audit.	3
		2024/08/13	TCFD&SBTi development trends and authorities of directors	3
Director	Olivia S.Y. Chuo	2024/05/30	Digital investigator: moving forward to the future path of the preventive audit.	3
		2024/08/13	TCFD&SBTi development trends and authorities of directors	3
Director	Corporate representative of Sanko Investment Co., Ltd.: Jing-Yi Huang	2024/05/30	Digital investigator: moving forward to the future path of the preventive audit.	3
		2024/08/13	TCFD&SBTi development trends and authorities of directors	3
		2024/10/18	2024 Insider Trading Prevention Promotional Conference	3

Independent director	Cheng-Ho Chiang	2024/05/30	Ditgital investigator: moving forward to the future path of the preventive audit.	3
		2024/08/13	TCFD&SBTi development trends and authorities of directors	3
Independent director	Zhen-Yuan Chen	2024/05/30	Ditgital investigator: moving forward to the future path of the preventive audit.	3
		2024/09/06	Strategic considerations for group enterprise restructuring	3
Independent director	Hui-Xiu Lee	2024/05/30	Ditgital investigator: moving forward to the future path of the preventive audit.	3
		2024/08/13	TCFD&SBTi development trends and authorities of directors	3

(VII)Accounting Officer, Audit Officer, Corporate Governance Officer’s participation in related course regarding corporate governance and laws of the Company in 2024 are listed below:

Job title	Full name	Course date	Course name	Course hours
Assistant General Manager, Finance Division	Ke- Huang Liao	2024/09/23-09/24	Continuing Education Course for Issuers, Securities Firms, and Stock Exchanges	12
Manager, Chairman’s Office Audit Officer	Chen, Shih-Tsung	2024/08/01	Interpretation of sustainability information disclosure and management policy and relevant audit points	6
		2024/11/27	How to use big data to strengthen audit operations	6
Vice President, Finance Division Corporate Governance	Yue-Chin Wu	2024/05/30	Ditgital investigator: moving forward to the future path of the preventive audit.	3
		2024/07/26	Opportunities and Challenges of Industrial Transformation in Taiwan under Geopolitics - PMI/NMI Exclusive Analysis	3
		2024/08/02	Discussion on the "Action Plan for Sustainable Development of TWSE/TPEX-listed Companies" from the Perspective of Financial Supervision	3
		2024/08/13	TCFD&SBTi development trends and authorities of directors	3
		2024/09/27	Serial Courses for Directors, Supervisors and Corporate Governance Officers - Sustainable Development Strategy and Planning for TWSE/TPEX Listed Companies	3
		2024/12/06	Serial Courses for Directors, Supervisors and Corporate Governance Officers - Global AI Development and Governance: Observation in the U.S., Europe, and China	3

(VIII)The status of the relevant personnel of the Group Company’s accounting audit obtaining relevant domestic and international certificates:

There are 8 CPAs of the Republic of China, 1 AICPA, and 3 licensed accountants of other countries, 2 CIA with international internal auditor’s license; accounting supervisor and internal auditing supervisor both have CPA license.

(VIII)The company places special emphasis on information transparency and disclosure. It regularly or irregularly discloses relevant information on the Market Observation Post System (MOPS) or the company's website. In 2024, it released a total of 28 significant messages in both Chinese and English, enabling investors to stay informed about the company's operational status and important updates in a timely manner.

(X) Intellectual property management plan and implementation:

1. Formulation of Intellectual Property Management Policy, Objectives, and Systems Related to Operations and Strategies
In order to strengthen its industry leadership and safeguard hard-earned R&D technological achievements, HIWIN has developed an intellectual property strategy that integrates with the company's operational goals and R&D resources. This strategy is led by the Legal Affairs Department under the Chairman's Office, in coordination with relevant units. In line with the spirit of intellectual property rights management policies, specific objectives and systems are set for various intellectual property rights, ensuring compliance by relevant units. This is aimed at avoiding infringement of others' intellectual property rights during the production or marketing processes, creating a comprehensive layout of intellectual property rights for products, establishing effective communication channels for relevant units to work closely with the intellectual property unit in making informed intellectual property decisions, and continuously improving management systems.
2. Acquisition, Protection, Maintenance, and Utilization Management System for Intellectual Property
Since its inception, HIWIN has developed a long-term development blueprint with innovation in R&D and brand marketing as its core values. It has established research and development centers and laboratories in locations such as Taiwan, Tokyo, Germany (Offenburg), Moscow, Israel, with over 500 R&D personnel. To maintain its competitive advantage in the precision linear motion components field and system technology products, and aspiring to become the leading brand in this sector, HIWIN remains dedicated to product R&D and technological innovation. The intellectual property unit closely collaborates with the R&D unit to construct a comprehensive and robust patent barrier.
3. Provision of Adequate Resources for Effective Implementation and Maintenance of Intellectual Property Management Systems
Based on the core values of innovative R&D and brand marketing, HIWIN allocates 3% - 7% of annual revenue to R&D expenditures, and the expenditure for the hardware and software construction of the intellectual property system is also relentless. , and there is an intellectual property unit dedicated to managing and maintaining the Company's intellectual property system, and regularly reports the status of intellectual property rights management to the Company's senior management. For innovative outputs, the expenses spent on applying for intellectual property rights protection, in 2024 and 2023, respectively, have invested NT\$40,329 thousand and NT\$40,523 thousand.
4. Implementation
HIWIN strengthens its intellectual property management system through the third-party fair certification unit in order to completely protect the intellectual property outcome. The main executions in recent fiscal years are described below:

- (1) Introduced Taiwan Intellectual Property Management Standards (TIPS) between 2014~2017.
- (2) The intellectual property department continues to deepen the intellectual property management system since 2018, establishing the control points of effective intellectual property right system and expanding and introducing TIPS to all factories (Taichung, Yunlin, and Chiayi).
- (3) Starting 2017, the Company has rigorously defeated the counterfeits in global market. The logo of the company is accumulated to investigating 126 factories and 575 distributors, with 555,013 slides and 12,086 packages for counterfeit slides confiscated.
- (4) In 2019, General Manager Enid H.C. Tsai was invited by the TIPS to lecture on theme about "Intellectual Property Management Obligations for TWSE/TPEX Company Board of Directors," sharing the management experience of the Company in intellectual property.
- (5) Starting 2021, the Company implements the business secret registration system, in order to make the management of business secrets with more precision through the registration of business secrets, in addition to rigorously control the retrieval and audit of the business secret. This will avoid leak of business secret and there are currently 207 business secrets registered.
- (6) Starting from 2021, the Company implements logo usage evidence collection system to periodically check the use of logo for the Company products and ensure the validity of logo registered by the Company.
- (7) Continue to upgrade the legal concepts in supervisors, suing the legal controversies occurring the company each year as teaching case, so that supervisors of all levels can examine if the responsible department encounters similar legal problems, and thereby improving the management system of the department.
- (8) Provide the five-stage patent course educational training to new R&D employee, including: introduction to patent manual framework, patent index metho, patent proposal techniques, patent approval rebuttal, patent infringement identification, in order to develop the patent basic knowledge in R&D employees.
- (9) Regularly review the patent applied by others and propose reporting, objection or invalid declaration procedures for patents that could impede the Company's product development, in order to lower the risk of infringement.
- (10) Regularly review the trademarks registered by others and propose opposition, invalidation or revocation for trademarks that could impede the Company's brand development, in order to lower the risk of infringement.
- (11) Intellectual property related execution has been reported to the directors at the Board of Directors meeting held on November 12, 2024.

5. Outcomes:

(1) Patents

A total of 42 patent applications were submitted, and 77 patents were granted. As of the end of 2024, there were 2,181 patents that have been obtained and are still effective.

The R&D results have been a leading edge in the metal and steel and precision machinery fields in Taiwan, and the Company will continue to maintain its leadership.

(2) Combating Counterfeit

1. The mainland registration number 18961112 and 18961115 color combination trademarks owned by HIWIN were selected by the mainland authorities as the top 10 typical trademark infringement cases in Wenzhou in 2017, top 10 typical cases of administrative protection by State Intellectual Property Office in 2019, typical case of protection knowledge and property right comprehensive law enforcement in 2020, the top 10 typical cases of knowledge and intellectual property protection by People's Court in Linqing City in 2021, and the color combination trademark infringement case determined by trade infringement standards in 2022.
2. By monitoring mainland e-commerce platforms, filing complaints and deleting sales links that infringe on the Company's color combination trademark rights, and suing online sellers with more serious infringements, maintain the Company's online brand and reputation.
3. From 2018 till now, the Company has won the lawsuits filed against 5 Chinese companies for infringement of the Company's invention patent rights under Announcement No. 100425901 in Mainland China. This demonstrates the Company's innovative energy and determination to protect intellectual property rights.

(XI) Evaluation of CPA Independence:

Items	Evaluation item	Evaluation Results	In compliance with independence
1	Do CPAs have direct or indirect material financial interests with the Company?	No	Yes
2	Do CPAs engage in financing or guarantee acts with the Company or other directors?	No	Yes
3	Do CPAs have close commercial relation with the Company?	No	Yes
4	Are CPAs potentially employed by the Company?	No	Yes
5	Related to the audit case or fees?	No	Yes
6	Have the CPAs served as the director, manager, shareholder, or positions with material influence on the audit case, recently or in most recent two years?	No	Yes
7	Do CPAs hold shares of the Company?	No	Yes
8	Do CPAs provide material projects of non-auditing services to the Company that will directly affect the audit case.	No	Yes
9	Do CPAs defend for the Company or act on behalf of the Company to reconcile the conflicts with other third party?	No	Yes
10	Are CPAs the relatives of Company's director, managers or positions with material influence on the audit cases?	No	Yes
11	Do CPAs of joint practice serve as the director, manager or positions with material influence on the audit cases within one year of resignation.	No	Yes
12	Do CPAs receive the high-value presents or gifts from the Company, its directors and managers (which value exceeds the general social etiquettes standards) ?	No	Yes

13	Do CPAs provide services to directors, managers or equivalent positions of the Company?	No	Yes
14	Do CPAs provide the following non-audit services (except for the exceptions in The Norm of Professional Ethics for Certified Public Accountant of the Republic of China Bulletin No. 10): (I) Bookkeeping services (II) Valuation service (III) Taxation services (IV) Internal audit services (V) Short-term personnel dispatch services (VI) Recruitment of senior managers (VII) Company's financing services	No	Yes
15	Do CPAs conform to the regulations governing independence in CPA Code of Professional Ethics Gazettes No. 10 and acquired the "Statement of Independence" presented by CPAs.	Yes	

(XII) Regulations governing the material trading of the stakeholders' financial business:

The Company has stipulated the written regulations governing the group enterprises and stakeholder trading, including purchase/sales transaction, acquiring or disposing of asset management procedures, with amendment in 2023 and adoption by the Board of Directors on May 10, 2023. The Company purchases/sells goods from affiliates, conduct labor affairs or technical service trading, acquiring or disposing assets. It is projected that the annual transaction amount will reach the consolidated total assets or the latest period of 5% of annual consolidated sales revenue net worth. Apart from applying the Regulation Governing the Acquisition and Disposal of Assets by Public Companies, or the mutual transactions between the Company and parent company and between the subsidiaries, the various material transaction data should be submitted to the Board of Directors for adoption before proceeding. Moreover, the latest shareholders' meeting report should be submitted. The Company has not purchase/sold from affiliates (or transactions between subsidiaries) or acquired or disposed assets in conformity with material transaction in 2024, and therefore does not need to report to the BOD or Shareholder's meeting.

(XIII) Communication channel and responses to stakeholders

The communications with stakeholders were reported in the board meeting on August 13, 2024, and the highlights are as below: 28 Labor- Management Meetings and Welfare Meetings; 70 Department Communication and Work Meetings; 329 Customer satisfactory Surveys; 182 Contractor Education Trainings; 157 Supplier Evaluations; 2 Investor Conferences; 28 Material Information Published; 48 Government- Industry- University Communications; and 124 Government- Industry- University Communications. Please refer to the sustainability report for further details.

IX. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement.

The Corporate Governance Center of Taiwan Stock Exchange Co., Ltd. announced the 11th corporate governance evaluation. The Company ranked 6%~20% of the listed companies, which shows that the efforts in implementing corporate governance has achieved some results. The following items without receiving any scores are described below:

- Whether the annual report discloses the individual remuneration of the president and vice presidents: The Company has no plan to disclose the individual remuneration of the president and vice presidents.
- Director performance evaluation method: To realize corporate governance and enhance the Board of Directors' function, performance targets are set to improve the Board of Directors' efficiency. The Company has stipulated the Board of Directors performance evaluation regulations per letter no. 1070025395 of the Taiwan Governance Code on December 27, 2018, which was approved by the board on November 12, 2019. The Company's agenda unit will invite board directors and functional committee members to complete self-assessment questionnaires to conduct the annual board performance assessment. The assessment outcome was presented to the board meeting in Q1 for review and improvement. The board performance in 2024 was evaluated as excellent, and there were no major shortcomings. The results were included in the board meeting on February 26, 2025. The Company is evaluating of an external agency should be employees for assessing the director performance.
- Whether the company discloses its policy on linking senior managers' remuneration with ESG-related performance evaluation: Already disclosed in the 2025 annual report.

(IV) Composition, Responsibilities and Operation of the Remuneration Committee and Nomination Committee:

1. Remuneration Committee:

(1) Information of Remuneration Committee Members

Capacity	Conditions	Full name	Professional qualification and experience	Independence	Other public companies in which serving as an independent director
Chairman and Convenor (Independent director)		Cheng-Ho Chiang	The Company's remuneration committee consists of 3 independent directors. Please refer to the "Director Information" (P10-11) of this annual	Being an independent director and complying with the independence circumstances stipulated in Article 14-2 of the Securities and Exchange Act and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note), including but are not limited to: 1. A natural-person shareholder, spouse, relative within the	None

		report for the professional qualifications and experience of the committee members.	second degree of kinship (under other's name) holds the total number of issued shares of the Company and percentage are 242,489 shares (0.06%) which below 1%, and comply with the requirement of independence of directors. 2. There were no such circumstances that providing commercial, legal, financial or accounting or related services to the Company or its affiliates in the past two years.	
Member (Independent director)	Zhen-Yuan Chen		Being an independent director and complying with the independence circumstances stipulated in Article 14-2 of the Securities and Exchange Act and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note), including but are not limited to: 1. The independent director himself, spouse, and relatives within the second degree of kinship (in the name of others) do not hold shares of the company 2. There were no such circumstances that providing commercial, legal, financial or accounting or related services to the Company or its affiliates in the past two years.	None
Member (Independent director)	Hui-Xiu Lee			None

Note: There is not any of the following circumstances occurred during the two years before being elected or during the term of office:

- ① An employee of the company or any of its affiliates;
- ② A director or supervisor of the company or any of its affiliates (However, it does not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.);
- ③ A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of 1% or more of the total number of issued shares of the company or ranking the top-10 in shareholdings;
- ④ A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer in subparagraph 1 or any of the persons in subparagraphs (2) and (3);
- ⑤ 5% or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director of the company under Article 27, of the Company Act;
- ⑥ A director, supervisor, or employee of a company that has a majority of its director seats or voting shares controlled by the same person as those of the company;
- ⑦ A director (executive), supervisor (supervisor) or employee of another company or institution who is the same person or spouse of the company's Chairman, President, or person with equivalent positions;
- ⑧ A director (executive), supervisor (supervisor), managerial officer, or shareholder holding 5% or more of the shares of a specified company or institution that has a financial or business relationship with the company;
- ⑨ A professional individual who, or an owner, partner, director (executive), supervisor (supervisor), or managerial officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the company's remuneration committee;

(2) The duties of a Remuneration Committee

To assist the board of directors in implementing and regularly assess and review the policies, systems, standards and structure of remuneration to directors and managerial officers.

In addition, the Remuneration Committee shall exercise the due care of a good administrator, faithfully perform the following duties, and shall submit its recommendations to the Board of Directors for discussion.

- ① The committee shall make and periodically review the performance evaluation, remuneration policy, system, standards, and structures of directors and managerial officers.
 - ② The committee shall periodically evaluate and set the remuneration of directors and managerial officers.
 - ③ Regularly review the organizational rules of the Remuneration Committee and assess whether to propose amendments.
- (3) The Remuneration Committee shall perform its functions and powers in accordance with the following standards:
- ① Salary management should conform to the Company's salary concept.
 - ② The performance evaluation and remuneration of directors and managers should be related to the Company's operating performance and future risks.
 - ③ The ratio of dividends to the short-term performance of directors and managers and the payment time of part of the variable remuneration should be determined in consideration of the characteristics of the industry and the nature of the Company's business.
 - ④ The members of this committee shall not participate in discussion and voting on their personal salary and remuneration decisions.

(4) Operation of the Remuneration Committee

- ① The Remuneration Committee of the Company has 3 members.
 ② Tenure of this Committee Term: June 27, 2022 to June 26, 2025. The Nomination Committee held 2 (A) meetings in 2024 and the qualifications and attendance records of the members are shown below, and all attendance records are 100%:

Job title	Full name	Meetings Attended in Person (B)	Meetings Attended by Proxy	Actual Attendance rate (%) [B/A]	Remark
Chairman and convener	Cheng-Ho Chiang	2	0	100%	
Member	Zhen-Yuan Chen	2	0	100%	
Member	Hui-Xiu Lee	2	0	100%	
Review salary and compensation regularly: The function of the Company's salary and compensation committee is to evaluate the salary and compensation policies and systems of the directors and managers of the Company in a professional and objective position. The meeting is called at least twice a year and may be held at any time as necessary to make recommendations to the BOD for reference in decision-making. Other information required to be disclosed: I. If the Board does not adopt or revise proposals of the Committee, the Board meeting date, session, content of the motion, the Board direction, and the Company's response to the Remuneration Committee's opinions shall be properly recorded (for example, if the remuneration package approved by the Board is superior to that suggested by the Remuneration Committee, the difference and the reasons must be noted): None. II. Should a committee member oppose or revise their opinion regarding any decision made by the Remuneration Committee and their opinion has been recorded or submitted in a written statement, the committee meeting date, session, content of the motion, opinions of all members, and the response to the opinions shall be recorded: None.					

- ③ The Nominating Committee's date of meetings, motion content, proposal outcome, and the Company's treatment to the opinions of the Nominee Committee in the most recent fiscal year:

Date of Remuneration Committee meeting (Session)	Proposal description	Resolution adopted by the Remuneration Committee	The Company's treatment to the opinions of the Remuneration Committee
2024.02.27 5th meeting, 5th Term	Proposal to distribute the 2023 employee remuneration and director remuneration.	The proposal was resolved to pass as it was unanimously by all members present at the meeting upon inquiry by the chair, and to be submitted to the Board for discussion.	Approved unanimously by all members and to be submitted to the Board
2024.08.13 6th meeting, 5th Term	Audit report of remunerations of directors and managerial officers (No discussion in this Remuneration Committee meeting)	by all attended members	-

2.Nominating Committee:

(1)Information of the Nominating Committee members:

Capacity	Conditions Full name	Professional qualification and experience	Independence	Other public companies in which serving as an independent director
Chairman and convener (Independent director)	Cheng-Ho Chiang	The Company's Nomination Committee consists of 3 independent directors. Please refer to the "Director Information" (P.10 -11) of this annual report for the professional qualifications and	Being an independent director and complying with the independence circumstances stipulated in Article 14-2 of the Securities and Exchange Act and the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note), including but are not limited to: 1. A natural-person shareholder, spouse, relative within the second degree of kinship (under other's name) holds the total number of issued shares of the Company and percentage are 242,489 shares (0.06%) which below 1%, and comply with the requirement of independence of directors.	None

		experience of the committee members.	2. There were no such circumstances that providing commercial, legal, financial or accounting or related services to the Company or its affiliates in the past two years.	
Member (Independent director)	Zhen-Yuan Chen		Being an independent director and complying with the independence circumstances stipulated in Article 14-2 of the Securities and Exchange Act and the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” (Note), including but are not limited to:	None
Member (Independent director)	Hui-Xiu Lee		1. The independent director himself, spouse, and relatives within the second degree of kindship (in the name of others) do not hold shares of the company 2. There were no such circumstances that providing commercial, legal, financial or accounting or related services to the Company or its affiliates in the past two years.	None

(2) The Nomination Committee shall abide by the authorization of the Board of Directors with good care to faithfully perform the following duties and be responsible to the Board of Directors. The Committee shall also report or submit the resolution results to the Board for discussion:

- ① Formulate the composition, qualification and criteria, as well as other election standards needed for BOD members and executives, electing and auditing the candidates for directors and executives.
- ② Plan and execute the performance evaluation on the BOD, functional committee members, directors, and executives.
- ③ Plan and execute continuous education program for directors.
- ④ Audit the articles of incorporation and corporate governance best practice principles.

(3) Professional qualification and experience of Nomination Committee members and the operations:

- ① The nomination committee of the Company comprises of 3 members, with the following expertise. These managements have the expertise in finance, accounting, business management and qualified for the expertise required by the Nomination Committee.

Name of the Nominating Committee Member	Independent Director or not	Expertise
Cheng-Ho Chiang	V	Finance
Zhen-Yuan Chen	V	Accounting and business management
Hui-Xiu Lee	V	Finance

- ② Tenue of this Committee Term: June 27, 2022 to June 26, 2025. The Nomination Committee held 3 (A) meetings in 2024 and the qualifications and attendance records of the members are shown below, and all attendance records are 100%:

Job title	Full name	Meetings Attended in Person (B)	Meetings Attended by Proxy	Actual Attendance rate (%) [B/A]	Remark
Chairman and convener	Cheng-Ho Chiang	3	0	100%	
Member	Zhen-Yuan Chen	3	0	100%	
Member	Hui-Xiu Lee	3	0	100%	

Other information required to be disclosed:

Should a committee member oppose or revise their opinion regarding any decision made by the Nomination Committee and their opinion has been recorded or submitted in a written statement, the committee meeting date, session, content of the motion, opinions of all members, and the response to the opinions shall be recorded: None.

- ③ The Nominating Committee’s date of meetings, motion content, proposal outcome, and the Company’s treatment to the opinions of the Nominee Committee in the most recent fiscal year:

Date of Nominating Committee meeting (Session)	Proposal description	Resolution adopted by the Nomination Committee	The Company’s treatment to the opinions of the Nomination Committee
2024.02.27 5th meeting, 2nd Term	2023 Performance Evaluation Report on the Board and functional Committees 2023 Performance Evaluation Report on Senior Managers (No matters were discussed by the Nominating Committee)	Known by all attended members	-
2024.05.10 6th meeting, 2nd Term	2024 Planning of continuous educating of Directors Report	The proposal was resolved to pass as it	Approved unanimously by all

	Proposal to amend the “Corporate Governance Best Practice Principles.”	was unanimously by all members present at the meeting upon inquiry by the chair, and to be submitted to the Board for discussion.	members and to be submitted to the Board
2024.11.11 7th meeting, 2nd Term	Report on progress of 2024 planning of continuous educating of directors (No matters were discussed by the Nominating Committee)	Known by all attended members	-

(V) Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Item	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		<p>To promote sustainable development, the Company established the CSR Committee in 2014 and changed its name to the ESG Committee in 2021. It is the highest-level decision-making center for sustainable development within the Company. The Chairman authorizes the President to be responsible for formulating the Company's vision for sustainable development, and chairs the ESG Committee. Starting in 2021, monthly meetings will be convened to discuss material issues such as environmental, social, and legal aspects of sustainable development such as energy conservation and carbon reduction with senior executives of relevant units. After identifying risks, propose countermeasures risk management policies and mid- and long-term sustainable development plans.</p> <p>The committee members include the top executives of relevant units such as the Chairman's Office, Product Development Department, Manufacturing Department, Management Department, Industrial Safety and Environmental Protection Department, Human Resources Department, Finance Department, and the planning team.</p> <p>The Company considers sustainable development issues from the product development stage, and regularly (reports at least once a year), after the current year's implementation plan and results are discussed and approved by the committee, and reported to the board of directors. The effectiveness and future goals have been reported to the board of directors in February, May, August, and November 2024. The directors listened to the reports of the ESG team. The contents of the proposals also include:</p> <ol style="list-style-type: none"> (1) Sustainability issues of concern and countermeasures. (2) Goals and policies for sustainability-related issues. (3) Supervising the implementation of sustainable management plans and evaluating the implementation. <p>After listening to the report, the directors put forward their opinions or suggestions, and the ESG Committee is invited to join the discussion and serve as a reference for the management team to adjust strategies.</p>	None.
II. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of materiality, and establish relevant risk management policies or strategies?	V		<p>Risk management structure and policies:</p> <p>This disclosure covers the sustainable development performance of the Company's Taiwan base from January to December 2024. The risk assessment boundary is mainly based on the Company, while the subsidiaries are not yet included in the risk assessment boundary. According to the structure in ISO 31000, the Company established the "Risk Management Policy" on August 5, 2020, which the Board of Directors approved as the Company's highest guiding principle for risk management. The disclosure covers the sustainable development performance at the Company's main production bases in Taiwan during January to December 2024. The Audit Committee oversees the Company's risk management. The Company established the "ESG Committee" and "Risk Management Committee" for annual risk identifications to determine risks that may affect the Company's sustainable development and formulate related risk management policies. These policies cover management objectives, organizational structure, accountability attribution, and risk management procedures. Implementing the policies can effectively identify, measure, and</p>	None.

Item	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>control different risks of the Company, limiting them within acceptable ranges.</p> <p>Risk management procedure:</p> <p>1.Risk identification:</p> <p>Every year, the Company conducts analysis on material issues with reference to internationally accepted guidelines for preparation of reports. Through research reports, documentation, and inspections of internal and external significant stakeholders, the content and priority order of each topic, operations-related risks, social and corporate governance issues and formulate relevant risk management strategies. The risk boundary assessment focuses on the Company's plants in Taiwan, including Taichung Plant, Yunlin Plant, and Dapumei Plant. It is expected that other domestic and foreign subsidiaries will be included in the future.</p> <p>2.Risk analysis:</p> <p>The Committee analyzes the identified risks based on the principle of materiality, and through the external expert's suggestion on the Company's examination, to assess the materiality issues most suitable for the Company, and the functional organizations continue to communicate and interact with stakeholders, for the good management of material issues related to environmental, social and corporate governance, by identifying material risks and opportunities based on the level of risk exposure, and conduct the risk analysis of climate change based on the aspect of policy and regulations, market, and production/manufacturing, to assess potential impacts. Based on the results from financial impact assessment of risks and opportunities propose the relevant measures and action plans in response. ESG Committee and the Risks Management Committee, with reference to the framework of recommendations on climate-related financial disclosures, conducts various assessments of risks and opportunities, and the performance is still good.</p> <p>3. Risk response and operation:</p> <p>In terms of operational risk, credit risk, and financial risk, climate change risk, industry change risk, manpower risk, intellectual property rights and Information security risk, litigation risk, supply chain risk, regulatory risk, and occupational safety and environment risks, each unit responsible in HIWIN Technologies propose the countermeasures against key risks to mitigate risks.</p> <p>For high-risk issues, in addition to regularly reporting risk status at the risk management team meetings, to enhance the control plans, such are as well as reported to the Risk Management Committee for supervision and review.</p> <p>The Risk Management Committee reports to the Board of Directors at least once a year, the Company's 2024 risk strategies and major contingency plans were included in the proposal to be reported to the Board of Directors on November 12, 2024.</p>	
<p>III. Environmental Issues</p> <p>(I) Does the Company establish an appropriate environmental management system based on the characteristics of its industry?</p> <p>(II) Is the Company committed to improving energy efficiency and using recycled materials with low impact on the environment?</p> <p>(III) Does the Company evaluate the potential risks and opportunities posed by climate change to the Company at present and in the future, and take relevant countermeasures?</p> <p>(IV) Does the Company keep statistics on the amount of greenhouse gas emission, water consumption and total weight of waste in the past two years, and establish policies for greenhouse gas reduction, reduction of water consumption or management of other wastes?</p>	<p>V</p> <p>V</p> <p>V</p> <p>V</p>		<p>(I) The Company has established environmental safety and health management measures in accordance with the environmental protection regulations stipulated by the Ministry of Recycling and Environment. The Taiwan factory continues to adopt the ISO 14001 environmental management system, ISO 46001 water efficiency management system, ISO 50001 energy management system verification, and ISO 14064-1 greenhouse gas emission inventory and ISO 14046:2014 water footprint verification. All management systems have been verified/certified by TUV Rheinland. The validity periods of the certificates are as follows:</p> <p>ISO14001:2025.02.21~2028.01.28 、</p> <p>ISO46001:2024.01.19~2026.12.07 、</p> <p>ISO50001:2024.01.15~2027.01.14 、</p> <p>ISO14046:2025.03.15~2027.03.14 。</p> <p>(II) The Company actively promotes various energy reduction measures, selects equipment with high energy efficiency and energy-saving design, reduces corporate and product energy consumption, and expands the use of renewable energy to optimize energy efficiency. The target for 2024 is to reduce</p>	None.

Item	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			<p>electricity usage by 14% compared to the base year 2021 (301,083 MWh). The total electricity consumption for 2024 is 237,655 MWh, a 21% reduction compared to the base year. We will strengthen the recycling and reuse of packaging materials and recycled materials such as waste paper, strive to develop and use green product materials and packaging materials with environmentally friendly concepts, and strengthen garbage sorting and resource recycling to reduce resource waste.; we have strengthened the recycling and reuse of recycled materials such as packaging materials and waste paper, and are committed to the development and use of environmentally-friendly concepts and packaging materials for green products, and strengthen garbage sorting and resource recycling to reduce waste of resources. In addition to the above strategies, the Company has also implemented paperless for various documents to reduce paper waste.</p> <p>Pursue green manufacturing, reduce unnecessary waste of resources, and seek the development of waste reduction and reuse technologies; work together to recycle and share packaging materials up and down the value chain; and, in terms of products, strive to use recycled materials with low impact on the environment Use tests to maximize the economic benefits of circularity. Create circular value through R&D of raw material recovery from process and waste reduction technologies</p> <p>The Company has installed solar panels on the roof of the Operation Headquarters and plans to establish more in other factories in response to the government's green energy policies and to reduce the environmental impact of company operations.</p> <p>(III) HIWIN Technologies Corp. assigns the ESG Committee as the highest organization for climate change, and chaired by the General Manager. The climate risk and opportunity evaluation is conducted voluntarily based on the structure laid out by the Task Force on Climate-related Financial Disclosures (TCFD), where exposure level and vulnerability matrix are applied to devise the adaptation action plan. This is used as the basis for screening major risks and opportunities, and the climate change risk analysis is conducted according to dimensions such as policies, regulations, markets, and production to assess the potential financial impact.</p> <p>Following the TCFD framework, the Company assesses the risks and opportunities of climate change. It regularly holds workshops with department managers and external consultants on "Climate Risk and Opportunities" to identify the likelihood and impact of various risks and opportunities and calculate the risk levels. The top five risks identified include changes in rainfall or weather patterns, increased frequency or severity of extreme weather events, shift in customer and market demands, increased raw material costs, and international industry regulations and voluntary standards. The top five opportunities identified include resource substitution and diversification, more efficient production processes, recycling and reuse, development of low-carbon products and services, and participation in renewable energy projects and energy upgrades. After the report of the Chairman of ESG Committee, the Company decided to focus on material risks in 2024 to focus on the risks associated with the increase in the frequency or severity of extreme weather events, changes in customer and market demand, and international industry regulations and voluntary regulations; The major opportunities are resource substitution and diversity, and more efficient production. These strategies have been incorporated into The Company's risk management procedures, and corresponding measures have been formulated.</p> <p>The Company's assessment of the risks and opportunities related to climate change and the response measures are listed in Table 2-2-3 of the annual report.</p> <p>(IV) The results of the consolidated company's greenhouse gas inventory, assurance status and reduction policy are shown in Table 2-2-3 of this annual report.</p>	

Item	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons																															
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			<p>The Company has designated the Occupational Safety and Environmental Protection Department as the responsible department and assigned dedicated personnel to handle air pollution, wastewater, and waste-related issues. The Company entrust professional agencies to deal with the waste generated during production. The Company also plans and arranges training courses on occupational safety and environmental management for employees to ensure the implementation of company policies and to reduce waste generation from the source.</p> <p>The total waste weight in 2024 and 2023 is 10,423 metric tons and 10,240 metric tons, of which hazardous and non-hazardous waste and their concentration are shown in the following table:</p> <table><tr><th>Item</th><th>2024</th><th>2023</th></tr><tr><td>Hazardous waste (ton)</td><td>259</td><td>475</td></tr><tr><td>Non hazardous waste(ton)</td><td>10,164</td><td>9,765</td></tr><tr><td>Total</td><td>10,423</td><td>10,240</td></tr><tr><td>Intensity of waste (ton/ NT\$ million operating revenue)</td><td>57%</td><td>58%</td></tr></table> <p>2024 implementation results and future goals.</p> <p>In response to climate change and to promote sustainable business operations, HIWIN Technology will continue to promote several energy management action plans and invest in the development of energy-saving products, as listed below:</p> <table><tr><th>Item</th><th>Outcomes in 2024</th><th>2025 targets</th><th>2030 targets</th></tr><tr><td>Climate strategies and energy management</td><td>OB-1 Scope 1+2 emissions reduction by 26.9% (goal 14.1%) OB-2 Production interruptions due to climate disasters: 0 day (goal: 0 day) OB-3 Accumulative total of renewable energy generation: 2,934KW OB-4 Energy-Saving Project saved accumulatively by 7,881kWH(The goal is 5,481kWH)</td><td>OB-1 Scope 1+2 emissions reduction by 18.8% OB-2 Production interruptions due to climate disasters: 0 days OB-3 Accumulative total of renewable energy generation: 5,448KW OB-4Energy-Saving Project saved accumulatively by 4,461kWH</td><td>OB-1 Scope 1+2 emissions reduction by 42% (base year: 2021) OB-2 Production interruptions due to climate disasters: 0 days OB-3 Accumulative total of renewable energy generation: 10,000KW OB-4Energy-Saving Project saved accumulatively by27,406kWH</td></tr><tr><td>Water management</td><td>OB-1 Water reclaim rate: 16.7%</td><td>OB-1 Water reclaim rate: 18%</td><td>OB-1 Water reclaim rate: 21%</td></tr><tr><td>Waste management</td><td>OB-1 Waste recycling rate reaches up to 85%</td><td>OB-1 Waste recycling rate reaches up to 87%</td><td>OB-1 Waste recycling rate reaches up to 90%</td></tr></table> <p>For more details, please refer to the Company's 2024 Sustainability Report. The 2024 Category 1+2 greenhouse gas inventory is currently being verified by TUV and is expected to be certified in June 2025.</p>	Item	2024	2023	Hazardous waste (ton)	259	475	Non hazardous waste(ton)	10,164	9,765	Total	10,423	10,240	Intensity of waste (ton/ NT\$ million operating revenue)	57%	58%	Item	Outcomes in 2024	2025 targets	2030 targets	Climate strategies and energy management	OB-1 Scope 1+2 emissions reduction by 26.9% (goal 14.1%) OB-2 Production interruptions due to climate disasters: 0 day (goal: 0 day) OB-3 Accumulative total of renewable energy generation: 2,934KW OB-4 Energy-Saving Project saved accumulatively by 7,881kWH(The goal is 5,481kWH)	OB-1 Scope 1+2 emissions reduction by 18.8% OB-2 Production interruptions due to climate disasters: 0 days OB-3 Accumulative total of renewable energy generation: 5,448KW OB-4Energy-Saving Project saved accumulatively by 4,461kWH	OB-1 Scope 1+2 emissions reduction by 42% (base year: 2021) OB-2 Production interruptions due to climate disasters: 0 days OB-3 Accumulative total of renewable energy generation: 10,000KW OB-4Energy-Saving Project saved accumulatively by27,406kWH	Water management	OB-1 Water reclaim rate: 16.7%	OB-1 Water reclaim rate: 18%	OB-1 Water reclaim rate: 21%	Waste management	OB-1 Waste recycling rate reaches up to 85%	OB-1 Waste recycling rate reaches up to 87%	OB-1 Waste recycling rate reaches up to 90%	
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Item	Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons														
	Yes	No	Summary description															
IV. Social Issues				None.														
(I) Has the Company established management policies and procedures in accordance with applicable laws and International Bill of Human Rights?	V		(I) The Company supports and complies with fundamental human principles such as “United Nations Universal Declaration of Human Rights”, “ILO Declaration on Fundamental Principles and Rights at Work”, “The United Nation Global Compact”, the “United Nations Guiding Principles on Business and Human Rights”, and complies with “Code of Conduct - Responsible Business Alliance, RBA” and local laws and regulations of the global operation sites. The Company stipulated human rights policy to secure the existing employees, suppliers, contractors, joint ventures, communities, clients of global operation sites, and requested the supply chain partners comply with the related principles to maintain human rights, and has announced the policy on company website. The Company's concerns of human rights and practices are as follows: 1. Diversity, Equity and Inclusion. 2. Same work, same pay 3. Working hours and wages 4. No forced labor 5. Prohibit child labor 6. Humanely treatment 7. Health and Safety of working environment 8. Good communication between labor and management 9. Responsibility of Value Chain 10.Complaint System and Remedial Measures 11.Due diligence and feedback mechanism															
(II) Does the Company formulate and implement reasonable employee welfare measures (including remuneration, leave and other benefits, etc.), and appropriately reflect the operating performance or results in the employee remuneration?	V																	
(III) Does the Company provide employees with a safe and healthy work environment and provide employees with safety and health education on a regular basis?	V																	
(IV) Has the Company established an effective career development training program for its employees?	V																	
(V) Has the Company complied with applicable laws and international standards on issues such as customer health and safety, customer privacy, marketing, and labeling of products and services, and established relevant policies and grievance procedures for the protection of consumers' or customers' rights and interests?	V																	
(VI) Has the Company established a supplier management policy that requires suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor human rights? Is there any implementation status thereof?	V																	
			Specific management programs in 2024 are as follows :															
			<table><tr><th>Human right Management policy</th><th>Specific Management program</th></tr><tr><td>Diversity, Equity and Inclusion</td><td>When recruiting, hiring, and developing employees, we are committed to creating an equal, fair, and inclusive work environment where no discrimination is based on gender, race, age, marital status, family status, religion, political affiliation, nationality, appearance, physical features, disabilities, etc. We uphold principles of openness and fairness and maintain a zero-tolerance policy towards any form of discrimination.</td></tr><tr><td>Same work, same pay</td><td>Regardless the gender, races, age, areas, the same compensation is paid if the same labor is provided.</td></tr><tr><td>Working hours and wages</td><td>Our labor conditions comply with legal regulations, including working hours, overtime hours, salary payment, and overtime pay, and we provide additional benefits better than legal requirements.</td></tr><tr><td>No forced labor</td><td>Any form of human trafficking is strictly prohibited and do not engage in forcing employees to work through violence, coercion, confinement, or any other illegal means.</td></tr><tr><td>Prohibit child labor</td><td>To protect the physical and mental development of teenagers, the Company does not employ child workers under the age of 15, as required by the Labor Standards Act; any employment of workers under the age of 18, the Labor Standards Act shall be complied with.</td></tr><tr><td>Humanely treatment</td><td>We pledge to treat employees humanely and do not tolerate any form of violence or harassment in the workplace,</td></tr></table>		Human right Management policy	Specific Management program	Diversity, Equity and Inclusion	When recruiting, hiring, and developing employees, we are committed to creating an equal, fair, and inclusive work environment where no discrimination is based on gender, race, age, marital status, family status, religion, political affiliation, nationality, appearance, physical features, disabilities, etc. We uphold principles of openness and fairness and maintain a zero-tolerance policy towards any form of discrimination.	Same work, same pay	Regardless the gender, races, age, areas, the same compensation is paid if the same labor is provided.	Working hours and wages	Our labor conditions comply with legal regulations, including working hours, overtime hours, salary payment, and overtime pay, and we provide additional benefits better than legal requirements.	No forced labor	Any form of human trafficking is strictly prohibited and do not engage in forcing employees to work through violence, coercion, confinement, or any other illegal means.	Prohibit child labor	To protect the physical and mental development of teenagers, the Company does not employ child workers under the age of 15, as required by the Labor Standards Act; any employment of workers under the age of 18, the Labor Standards Act shall be complied with.	Humanely treatment	We pledge to treat employees humanely and do not tolerate any form of violence or harassment in the workplace,
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Working hours and wages	Our labor conditions comply with legal regulations, including working hours, overtime hours, salary payment, and overtime pay, and we provide additional benefits better than legal requirements.																	
No forced labor	Any form of human trafficking is strictly prohibited and do not engage in forcing employees to work through violence, coercion, confinement, or any other illegal means.																	
Prohibit child labor	To protect the physical and mental development of teenagers, the Company does not employ child workers under the age of 15, as required by the Labor Standards Act; any employment of workers under the age of 18, the Labor Standards Act shall be complied with.																	
Humanely treatment	We pledge to treat employees humanely and do not tolerate any form of violence or harassment in the workplace,																	

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				including sexual harassment, sexual abuse, physical punishment, psychological coercion, verbal abuse, or any form of intimidation. We are committed to creating a safe, equitable, and free- from-unlawful-infringement work environment.
			Health and Safety of working environment	We are committed to enhancing employees' knowledge, attitudes, and competencies in safety and health. In addition to complying with legal requirements and continuously optimizing management systems, we also promote a safety culture and implement diverse health care measures to establish a safe and healthy work environment, preventing occupational accidents and diseases.
			Good communication between labor and management	We provide employees with various communication channels, including labor-management meetings, departmental meetings, monthly meetings, etc., to listen to their voices through multiple channels, safeguard their collective bargaining rights, and promote labor-management harmony.
			Responsibility of Value Chain	We expect our suppliers to uphold the same business mission as HIWIN and adhere to the Responsible Business Alliance (RBA) Code of Conduct. All suppliers must provide a safe and healthy work environment, prohibit child labor and forced labor, assist employees in maintaining a work-life balance, and comply with the above requirements in an effective manner.
			Complaint System and Remedial Measures	We have established a complaint channel for employees to report various issues to the company (including but not limited to sexual harassment, sexual abuse, physical punishment, psychological coercion, verbal abuse, or any form of intimidation). To maintain gender work equality and provide employees with a work and service environment free from sexual harassment, we have a dedicated complaint channel and a senior executive mailbox for sexual harassment prevention. If there is a violation of the above practices, an investigation will be conducted according to procedures. If human rights violations occur, the perpetrator will be punished, and the victim will receive physical and mental health counseling and follow-up. Necessary improvements will be made in policies and procedures.
			Due diligence and feedback mechanism	To implement the management of human rights issues, human rights risks, potential impacts and occurrence frequencies are assessed and identified through human rights due diligence, and mitigation and remedial measures are taken respectively. In addition, we regularly review the effectiveness of our human rights governance work, and

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			<div> <div></div> <div>review and revise human rights policies and human rights management procedures to improve human rights protection.</div> </div> <p>Mechanisms for managing human rights issues:</p> <ol style="list-style-type: none"> Human rights issues of all plants around the world and subsidiaries: Compliance with the principles of equal employment, diverse employment and anti-discrimination, prevention of sexual harassment and power bullying, and protection of personal privacy. Human rights issues related to suppliers: With the concept of sustainable operation for domestic suppliers and new suppliers, we will require all suppliers to sign the "HIWIN's Supplier Code of Conduct" to ensure the supply chain work environment Environmental responsibility and its employees' human rights are respected. This Code of Conduct is mainly based on the "Responsible Business Alliance (RBA) Code of Conduct" and with reference to international standards such as ISO45001 and ISO14001. The code defines five major topics and provides channels for grievances. They are (A) labor; (B) health and safety; (C) environmental protection; D (ethics); and (E) management system regulations. Human rights issues related to customers: HIWIN is aware of the importance of customer privacy and is committed to ensuring that customer privacy and confidentiality are respected and protected. With explicit authorization or legal requirements, HIWIN will not disclose or use customers' private information and secrets for any purpose. According to TIPS, all customer information, such as customer drawings, is confidential and can only be accessed by authorized personnel. Drawings labeled as confidential cannot be taken out of the plant, and when printed, they will have a watermark indicating the name of the person who printed them and the printing time. In case of any secrete leakage, it is convenient to trace, and also suppresses the probability of printing by the employees. Human rights secure training: Enterprise operation is closely aligned with government regulations. HIWIN Technologies educate and promote awareness among our employees regarding these regulations through internal and external training programs and internal announcements of environmental, health, and safety policies, labor laws, regulations for publicly traded companies, trade secret protection laws, and information security regulations, to strengthen our team's knowledge and application of legal requirements. We also cleverly integrate human rights issues into appropriate training content. In 2024, as the pandemic situation improved, we resumed physical training sessions complemented by digital materials, offering more flexibility in learning and attracting more employees to participate. According to statistics, we conducted 2,313 hours of human rights training with a total of 19,805 participants and 2,032 hours of anti-corruption training with a total of 16,016 participants. These initiatives enhance our team's compliance with regulations and promote a work environment of equality, friendliness, and mutual respect. <p>(II) <u>Employee remunerations</u> HIWIN offers our employees higher than industry-average remuneration. Our new employees all enjoy higher than local minimum wage remuneration. The salary includes basic salary, allowances, bonuses, and employee compensation, which is based on factors such as job duties, core functions, education and work experience, performance, market conditions, company profits, retained outstanding personnel, and shareholder interests. The salaries are paid without discrimination based on gender, age, race, religion, political stance, and marital status. They are regularly adjusted based on the overall business operation status and industrial standards.</p>	

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			<p>Employee remuneration is based on the consolidated company's Articles of Incorporation, specifying that the no less than 1% of consolidated company's profit for the year. In order to achieve the net zero emission commitment by the end of 2050, each factory in Taiwan reviews, sets and tracks carbon intensity targets every year. ESG results and performance are also included in bonuses to demonstrate the accountability and motivation of all employees for carbon reduction.</p> <p><u>Employee benefit measures:</u> The Company offers comprehensive welfare policies to care for employees, so that employees can focus on work-life balance without worries. The Company provides employee assistance programs (EAPs), covering psychological counseling, health care, legal and tax consulting and other services, and trains seed EAP personnel to support employees' needs in a timely manner. New employees are entitled to 10 days of special leave in their first year of employment, as well as parental education leave that is better than the law, and a fully subsidized group insurance is provided to further strengthen the protection of employees and their dependents. In addition, each child is entitled to a total of NT\$180,000 in childcare subsidies for three consecutive years. In 2024, 112 "HIWIN babies" will benefit from the baby care subsidy. By the end of 2024, a total of 1,569 employees have applied for baby care subsidies, fully demonstrating the company's support for employees' families and its practice of social responsibility. Diversified benefits and allowances include cash gifts for weddings, funerals, birthdays, gift certificates for the three festivals, travel, cultural and recreational subsidies, free overtime meals and subsidies for department meals to enhance employee cohesion. The Company provides non-local employees with safe and comfortable dormitories, and arranges regular health exams and professional physicians on-site services. In addition, the Bank encourages employees to participate in clubs and charity events such as volunteer work, hiking, and the annual Family Day to create a warm and vibrant working environment.</p> <p><u>Workplace diversity and equality:</u> The Company values gender equality, equal pay for equal work, and equal promotion opportunities. The Company pays special attention to the promotion of women. In 2024, there were 90 female executives, accounting for 14.6% of all executives, or a growth of 7.4% from last year; of which and female executives at the managerial level or above accounting for 16% of the entire management, the highest in the Company's history. We expect to lead the technology industry to give opportunities to women for development and encourage them to join the technology industry to exploit their potentials.</p> <p><u>Business performance reflected in employee salary:</u> The Company adheres to the principle of equal pay for equal work for their salary design. Except for employees on leave without pay, the Company evaluates employees with various evaluations, such as new recruit evaluations, quarterly evaluations, year-end evaluations, and project evaluations to encourage and reward the contributions of outstanding employees. Rewards and bonuses are given based on employee performance, which is the key feature of the Company's reward system design. The lifetime royalty payment system is a great example. Where an employee's research and development of new technologies or patents yield profits for the Company, the Company will regularly pay bonuses to employees as licensing fees, allowing employees and the Company to share their mutual achievements throughout their lives. According to the Company's Articles of Incorporation, when the Company records a profit in the final accounts at the end of the fiscal year, it shall allocate no less than 1% of the profits as remuneration to the employees. The Board has approved the amendment to the Articles of Incorporation, to specify that no less than 0.3% shall be distributed to the non-executive</p>	

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			<p>employees as remuneration. A salary scale based on the relative contributions of employees and the level of their positions to provide reasonable salaries is established. Any changes to salaries and promotions are handled transparently and openly through institutionalized procedures. The Company regularly holds briefings on salary adjustments and bonus distribution so that all policies understand the related remuneration policies of the Company.</p> <p>In addition, supervisors may give bonuses based on employees' involvement and cooperation in activities related to sustainable development and the results of performance evaluations. The Company has also formulated reward and punishment measures, proposal improvement mechanisms, workplace harassment/abuse prevention measures, and complaint/disciplinary procedures to reward achievements and deter illegal conducts, so that employees follow the code of conduct and reward and punishment regulations. In addition, HIWIN occasionally holds education and training programs related to sustainable development and uses the results as one of the criteria for performance evaluation and promotion assessment. To enhance the training efficacy, the Company has established a reward and punishment system to ensure the effectiveness of the education and promotion of the above programs.</p> <p>The Company participates in market salary surveys every year and adjusts salaries based on market salary levels, economic trends, and individual performance to maintain overall salary competitiveness.</p> <p>(III) To prevent and mitigate disasters, the Company utilizes appropriate management tools and available resources to integrate environmental, health and safety issues in the Company operations, propose effective countermeasures, and constantly promote the workplace safety culture with the goal of zero accidents. All HIWIN plants in Taiwan have passed the ISO 45001/CNS 45001 occupational safety and health management system verification, and the ISO 45001 certificates are valid from March 7, 2025, to March 6, 2028. In addition, the Company regularly conducts employee safety and hygiene training, fire drills, work environment hazard assessments, and provides adequate protection to ensure the health and safety of employees.</p> <p>The Company established a systematic management mechanism (ISO 45001 and CNS 45001) to thoroughly implement the environmental, safety, and health policies. Using the Plan-Do-Check-Act (PDCA) management strategy, the Company integrates environmental, safety, and health protection concepts into research and development, production, services, and raw material use. Through organizing meetings, education and training, and employee engagement, we actively promote each goal management programs for continual improvement, and fulfill the determination of protecting safety and health. The operation is explained as below:</p> <p>Each plant has a dedicated occupational safety and health management department and personnel responsible for formulating management plans, promoting work environment and operational hazard identification, assessing and implementing safety and health management measures, performing automatic pre-operation checks of machinery and equipment, monitoring the work environment, and continuously improve safety and health facilities to create a safe, healthy, comfortable, and friendly working environment. All plants hold regular occupational safety and health committee meetings quarterly to review and improve safety and health issues and take preventive measures for different operation risks, such as machinery and equipment management, contractor management, chemical safety management, personal protective equipment requirements, and safety inspection management. In addition, the plant also holds emergency response drills regularly to minimize employee and</p>	

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			<p>company asset losses and social and environmental impacts resulting from disasters.</p> <p>The Company employs contracted physicians and dedicated nursing staff in compliance with the law to provide health services in plants, schedule and implement occupational health education, provide health promotion and guidance, prevent work-related injuries and illnesses, and provide health consultations, first aid, and emergency treatment. They also hold regular health promotion activities, such as healthy diet, stress relief, health preservation with Chinese medicine, and walking exercises to satisfy the health demands of employees. Additionally, the Company provides regular health examinations and special examinations for specific operations for different age groups to effectively assess and monitor employees' health.</p> <p>The Company inspects the operation environment every six months to examine its physical and chemical factors defined by regulations, such as lighting, carbon dioxide concentration, noise, and concentrations of regulated special chemicals. For any abnormality detected in the inspection, the occupational safety personnel of the plant will assess and fix the problem to ensure that the exposure risk of risk factors is reduced to an acceptable level to protect the health of the operating personnel.</p> <p>In addition to the working environment and occupational health, ergonomic improvements are also made, including: simple stackers, vacuum suction tools, hydraulic trolleys, hand trolleys, etc.; personnel are allocated and trained on correct handling posture Training and advocacy.</p> <p>The implementation in 2024 is as follows:</p> <p>A. The general manager leads senior managers to promote safety culture activities. Each managerial officer leads his colleagues to explore 549 hazardous factors, amend 620 safety operation standard documents, and organize 1,329 echelons of safety and health related activities (e.g. time, hazard identification, emergency response drills, etc.) to help employees understand how to avoid unsafe behaviors during operations.</p> <p>B. According to the statistics, there are 31 occupational injuries in 2024. There is only one case of disabling occupational injury, and the rest are minor injury occupational injuries. There were 28 occupational disasters in 2023, an increase of 10.71%. All relevant cases have been reviewed for reasons of occurrence, and parallel improvements have been implemented for each factory. To continuously improve employee operational safety, HIWIN reviewed the lessons learned from past accidents and formulated improvement activities to prevent and improve.</p> <p>C. The frequency of disabling injuries in 2024 is 0.10, which is a downward trend from 0.21 in 2023. After a thorough review and improvement measures, the Company has implemented parallel improvements to all factory areas, and immediately revised the automatic inspection items, machine safety review, reiteration of The Company's safety guidelines call for supervisors to pay attention to the physical and mental status of their employees to ensure their safety at work.</p> <p>D. Formulate a safety and health education and training program every year to improve employees' safety and health knowledge. In 2024, a total of 27 types of internal safety training courses were offered, with a total of 9,550 people participating the training; a total of 17 types of certification courses, a total of 434 people passed the training courses And obtained the license.</p> <p>E. HIWIN employs dedicated nurses and contracted occupational physicians to regularly provide medical care, health consultation, case management, emergency injury and illness treatment, and abnormal examination</p>	

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			<p>care in the factories. In 2024, a total of 4,669 patients received these healthcare services.</p> <p>F. To detect health hazards and potential disease factors as early as possible, the Company provided employee health examinations and promoted activities related to chronic disease prevention and cancer screening. The results of employee health checkups are used for analysis, tracking and management. Pre- and post-test questionnaire surveys and data tracking and monitoring are used to understand individual health issues and provide individual guidance. In 2024, a total of 43.3% of employees with metabolic syndrome improved after receiving guidance. Work safety and health for young adults and senior generation workers to reduce work risks. For employees over 45 years old who have related health risk factors, we will arrange health guidance and occupational doctor consultation, and conduct work allocation, promotion The Company has participated in various health promotion activities, and managed a total of 774 employees in 2024, with a management rate of 100%; to encourage employees to exercise voluntarily and participate in health-related activities, the health passport gathering point activity was held, and the health promotion software of the WALKII APP was used to provide In addition, the Company adopts a variety of authentication methods and uses mini-games on the software screen to increase the participation rate. In 2024, a total of 2,314 people have participated.</p> <p>G. In order to improve the health of the people, we encourage companies to promote the prevention and treatment of chronic diseases such as obesity and the three highs (i.e. high blood sugar, high blood lipids, and high blood pressure) in the workplace, provide health education knowledge, and maintain a safe life. (1) Management and control are provided for those who are obese, have high blood pressure, have high fasting blood sugar, have high fasting triglycerides, and have low high-density lipoprotein cholesterol, or meet three or more of the five conditions; (2) Management and control are provided for those with hypertension, diabetes, or overwork. In 2024, a total of 231 people with metabolic syndrome were assisted in health management (a total of 100 people improved, with an improvement rate of 43.3%), and 633 people were promoted in the prevention and management of cerebrovascular diseases. We help our employees maintain a positive attitude and make them feel that the company cares about their well-being. In 2024, a total of 448 employees had health risks, and after health management, a management rate of 100% was achieved. In addition, 746 employees of appropriate age participated in the questionnaire survey. Analysis of the pre- and post-questionnaires showed that the employees have gradually paid attention to their own health and have begun to actively adjust their lifestyle habits to maintain a healthy state.</p> <p>H. There was a total of 1 fire incident in 2024, with no casualties or equipment damage. The main cause was abnormal temperature detection in the oil tank, which led to continuous heating and fire. Heating rod over-temperature monitoring and liquid level detection rods have been added. If the heating rod temperature exceeds the limit or the liquid level is too low, the power will be automatically cut off to avoid similar situations.</p> <p>(IV) HIWIN has established a comprehensive career development training system that covers topics such as the establishment of core competencies in the workplace, professional knowledge and skills in various fields and levels, leadership, and humanistic quality, in order to cultivate employees' complete responsibilities. Excellent human resources are the cornerstone of an enterprise's</p>	

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			<p>sustainable operations. In order to improve the ability and quality of employees and maintain long-term competitive advantages, the Company's Chairman, President, and first-level senior executives have all served as internal lecturers. In the past five years, the average annual expenditure of thousands of dollars Allocate at least NT\$2,000 per employee each year for employee education and training to ensure that every employee has the opportunity to receive training.</p> <p>Each year, the Company conducts comprehensive functional training for managers and employees at all levels based on business operations, business directions, and forward-looking future development, including training for new recruits, promotion training, and managerial officers. Introduce training courses related to the development of corporate ethics and beliefs to cultivate the key capabilities of employees. In 2024, a total of 3,182 people completed the career training, for a total of 19,805 hours.</p> <p>The Company's training programs include: newcomer training, core functional training, professional functional training, management functional training, and external training. Employees receive appropriate training via the classroom, digital training, on-the-job training, external training, study club, oratory training, exhibition visits, degree programs, job rotation, and project assignments. The training content and methods are diverse and extensive.</p> <p>The Company provides tuition reimbursement programs for employees interested in continuing education to get degrees. The Company has also collaborated with schools to offer two-year college programs for employees who wish to continue their education.</p> <p>(V) The Company is committed to green manufacturing and sustainable development. Raw material materials and contents meet the health and safety requirements, such as EU RoHS, REACH and other regulations; the procurement, manufacturing and assembly, sales, transportation, use, and final disposal of raw materials , to formulate relevant development strategies and practices, and strive to achieve the goal of net zero emissions by 2050.</p> <p>The Stakeholders Section has been set up on the Company's website to provide feedback from stakeholders. It also provides diversified communication channels such as the official website, service hotline, business mailbox, and sales colleagues. We value customer feedback and suggestions. "Procedures" and "Customer Satisfaction Survey" to immediately respond to customer feedback, service, and customer complaints, and listen to and understand customer needs.</p> <p>In order to protect the information security of customers, suppliers, and employees, and to ensure the realization of the goal of uninterrupted operations, the Company has formulated and announced the "Information Security Objectives and Policies" as the basis for the planning and implementation of information security governance. The Company has passed ISO/IEC 27001, the international standard for information security management, to implement information security management, and formulate its privacy policy in accordance with the Personal Protection Act and information security policy.</p> <p>The company has established a personal data protection management system and policy to manage and protect customer privacy. We safeguard customer data through internal audits, external verification, crisis prevention, and education and training.</p> <p>The privacy protection policy has been made public on the company's official website. In 2024, a total of 2,183 people completed the personal information protection-related courses, with a total course duration of 2,603.5 hours.</p> <p>(VI) The company currently requires suppliers to fill out a "New Supplier Assessment Survey Form" before engaging with them. This survey form explicitly outlines social responsibility and past environmental impact issues. In addition to requesting detailed</p>	

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			<p>responses from suppliers, it serves as the basis for evaluating whether the Company should engage with the supplier.</p> <ol style="list-style-type: none"> 1. Apart from providing high-tech, high-quality, and cost-effective products, the company upholds the philosophy that "manufacturing is not the end goal but rather a means to meet human needs" and is committed to offering diverse services. HIWIN not only regulates all its employees but also encourages its system-wide suppliers to fulfill their responsibilities in protecting the environment, occupational health and safety, and human rights. This includes compliance with national laws and policies on labor conditions, adherence to regulations regarding materials from conflict regions, prohibition of hazardous substances (such as EU RoHS), signing conflict-free mineral declarations, and including labor rights management in procurement contracts with suppliers. These measures aim to prevent or minimize potential harm and risks to HIWINs' overall operations, ensure stakeholders' rights, provide a favorable working environment, and enhance competitiveness for both parties. In 2024, the average rating for suppliers' assessments was 8.9 points, unchanged from 2023. Subsequently, the Company continues to maintain close communication with suppliers, procures in advance, delivers in batches to meet demands and reduce risks, and simultaneously encourages and guides suppliers to improve labor rights, safety and health, environmental protection, business ethics, and management system performance to enhance core management capabilities. 2. The Company stipulates that when ordering key equipment, they will reevaluate whether to continue the deal if the supplier significantly impacts the environment. When the Company deals with a supplier, both parties must sign a sales contract with sustainability clauses. Both parties should comply with sustainability policies and run their businesses following ethical, legal, and public standards. They should also consider their impact on society and the environment. If either party violates the sustainability policies, the other party has the right to terminate or dissolve the contract at any time. 3. The company has a specific supplier management policy, considering suppliers as long-term partners. Through a close collaboration model during operations, the company and its suppliers jointly pursue sustainable development and mutual growth. In selecting new suppliers, besides pricing, quality, and delivery time, environmental safety management, labor rights, and financial assessment are also key evaluation criteria. The investigation results show that 100% of new supplier partners passed this assessment, with a total of 187 new suppliers joining HIWIN's supply chain system in 2024. Every year, HIWIN conducts a labor management questionnaire survey for the top 100 suppliers to assess human rights and labor conditions, with 100% of suppliers passing the evaluation in 2024. 4. The Company has always prioritized employee safety, health, and a comfortable working environment, and it encourages upstream and downstream suppliers to work together to establish industry benchmarks in safety, health, and environmental protection. To ensure the safety, health, and facility maintenance of contractors and colleagues, the company has established contractor safety, health, and environmental protection agreements and organizational management methods. In May 2023, these agreements were revised in response to regulatory requirements to strengthen compliance with preventive measures and safeguard the safety, health, and facilities maintenance of contractors and colleagues. As of 2024, there are 319 participating contractors, with ongoing advocacy, and the company provides assistance as needed, aiming to collectively reduce potential risks. 5. Through the supplier evaluation and sustainable development questionnaire analysis, HIWIN evaluates aspects including 	

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			product quality, product price, after-sales service, prompt delivery, supplier location, flexibility and willingness to cooperate, abiding by the Company's confidentiality contract, supplier inventory policy, environmental safety management, labor rights, and financial assessment. Only those that have passed the evaluation will become qualified HIWIN suppliers. All suppliers comply with relevant occupational safety and health regulations regarding supply chain environmental safety and health management. (For specific supply chain management practices, please refer to our company's sustainability report.)	
V. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company <input type="checkbox"/> obtain third party assurance or certification for the reports above?	V		The Company compiled the 2024 sustainability report in accordance with the general guidelines, industry guidelines, and material topic guidelines issued by the Global Reporting Initiative (GRI) to disclose the economic, environmental, and demographic factors (including human rights) Material topics and impacts, disclosure items and their reporting requirements, and refer to the SAS Standards to disclose industry indicator information and SASB indicators corresponding to the report content. The 2024 Sustainability Report has been verified by TÜV Rheinland for 2024, and is in compliance with the latest GRI Standards and AA1000 TYPE I medium assurance level, and the certificate is expected to be obtained between May and June 2025. The sustainability reports of previous years are all disclosed on the Company's website.	None.

VI. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations:

The Company established its "Sustainable Development Practice Principles" based on the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies". The actual operation and the established practices have no significant differences. In addition, with the efforts of all employees, the Company has been publicly recognized in terms of corporate governance, energy saving, environmental protection, dedication to social welfare, and other stakeholder rights.

VII. Other important information to facilitate better understanding of the company's promotion of sustainable development:

- In response to risks such as industry changes and climate change, HIWIN has established a Risk Management Committee, chaired by Chairman Chuo Wen-Heng, to investigate the Company's internal and external environments and past disasters and conduct risk assessments to identify potential risks and risks For risk and opportunity items (assets, manufacturing process, personnel, supply chain, and finance), risk analysis and ranking are conducted assuming possible disaster types (including high temperature, heavy rain and flooding, drought, strong wind, and lightning strike) and the impact, and then develop an action plan and contingency plans. With this procedure, the team screens out significant risks and opportunities. Then, it conducts climate change risk analysis on aspects including policies, regulations, markets, and production to assess potential financial impacts. The identified risks and corresponding response plans are as follows:

Risk category	Risk assessment subjects	Main response plans
Industry transformation risk	Economic fluctuations	<ul style="list-style-type: none"> ➢ Strengthen the promotion of new product ➢ Diversify industrial applications
	Political relations between Taiwan and mainland China are unstable.	<ul style="list-style-type: none"> ➢ Market diversification and expansion in markets other than Mainland China ➢ Risk management and control of loan in Mainland China
Climate change risk	Changes in rainfall or weather patterns (water shortage)	<ul style="list-style-type: none"> ➢ Additional tap water storage and water recycling facilities ➢ Continue to install smart water meter monitoring equipment
	The carbon fee will increase the Company's operating costs	<ul style="list-style-type: none"> ➢ Promoting energy-saving solutions ➢ Applying for the preferential rate of the Ministry of Environment's voluntary reduction plan
Supply chain risk	Delivery date	<ul style="list-style-type: none"> ➢ Develop secondary sources of supply ➢ Increase safety stock
	Logistic and transportation	<ul style="list-style-type: none"> ➢ Risk diversification and order-placement pro rata ➢ Develop local supply sources and establish smooth communication channels
Information security risks	Disruption of external network services as a result of distributed blocking attacks	<ul style="list-style-type: none"> ➢ Set protection rules for network firewall and webpage firewall ➢ External service lines transferred to leased including traffic cleaning service

	The computer may accidentally execute malicious programs.	<ul style="list-style-type: none"> ➢ Introduce the WSS module function to achieve consistent internal and external security management ➢ Continue annual education and training
Credit and financial risk	Changes in foreign exchange rates	<ul style="list-style-type: none"> ➢ Management of pre-sale foreign exchange forwards ➢ Daily exchange rate management
	Risk of bad debt	<ul style="list-style-type: none"> ➢ The credit line is assessed by the responsible unit, and the establishment is approved with the appropriate authority. ➢ Review and follow up on overdue payment, and adopt legal proceedings if necessary
Manpower risk	Challenges to the recruitment of labor force	<ul style="list-style-type: none"> ➢ Adjustment of salary structure to make it more attractive to compete for talents ➢ Promoting various industry-academia projects
	Intense competition in the external labor market affects the retention of employees	<ul style="list-style-type: none"> ➢ Internal transfer mechanism and multi-skilled worker training ➢ Salary structure adjustment and annual salary adjustment
Occupational safety risks	Risks of cutting, pinching, and falling objects tend to happen during works	<ul style="list-style-type: none"> ➢ Safety culture is included in promotion evaluation ➢ Safety knowledge and skills learning certification
	Risk of fire and explosion	<ul style="list-style-type: none"> ➢ Chemical inventory control ➢ Establishment of an online chemical management system
Intellectual property and litigation risk	Intellectual property rights are infringed by others	<ul style="list-style-type: none"> ➢ Infringement investigation, patent infringement identification, administrative investigation and punishment of counterfeit goods ➢ Trade secret registration system
	Innovations not protected	<ul style="list-style-type: none"> ➢ Intellectual Property Rights Education and Training ➢ Public Review of Products and Works

2. In accordance with the principle of materiality, the ESG Committee reports major economic, social and environmental issues and issues discussed with stakeholders to the Board of Directors at least once a year. The issues of concern to interested parties, risks and communication channels in 2024 and 2023 have been reported to the Directors at the Board of Directors meetings on May 9, 2025 and August 13, 2024, respectively. For details, please refer to the Company's Sustainability Report.

Interested parties	The meanings to HIWIN	Focus issues	Actions
Employee	Employees are the key pillar of a company's sustainable operations	• Talent Development and Retention	• Comprehensive salary and benefits, retirement system, labor insurance, health insurance and additional group insurance, etc.
		• Workplace Safety and Health	• Diversified employee communication channels take care of employees' physical, mental and spiritual health.
		• Customer Relationship and Brand Management	• Carry out employee care interviews, accept employee opinions, and take relevant measures immediately.
Customer	Customer satisfaction is the source of a company's sustainable operating performance.	• Customer Relationship and Brand Management	• By building a global official website and product resource integrated website, and updating company information on social media such as LinkedIn, YouTube, WeChat and Line@, customers can quickly learn about products and obtain service information.
		• Sustainable Supply Chain Management	• Customer visit data and after-sales service information are managed and maintained through software; potential business opportunity information obtained from exhibitions and official website business opportunity messages can also be listed and tracked through software.
		• Social Participation	• We participate in nearly 200 exhibitions around the world (covering more than 30 countries) on average each year, promoting new products during the exhibitions and providing guided tours of the exhibits.
Suppliers/Contractors	Suppliers/Contractors are global partners that provide excellent products and services to HIWIN Technology.	• Workplace Safety and Health	• Encourage suppliers to save energy and reduce carbon emissions, and work together towards the goal of net zero carbon emissions.
		• Climate Strategy and Energy Management	• Encourage suppliers to participate in carbon reduction workshops or educational training courses.

		<ul style="list-style-type: none"> Sustainable Supply Chain Management 	<ul style="list-style-type: none"> We mainly purchase from local suppliers in Taiwan, and provide local jobs and employment opportunities.
Investment	Investors are the driving force behind the sustainable operation of HIWIN Technology and the benefit of mankind.	<ul style="list-style-type: none"> Talent Development and Retention 	<ul style="list-style-type: none"> Hold board meetings at least quarterly to review business performance and discuss important strategic issues.
		<ul style="list-style-type: none"> Workplace Safety and Health 	<ul style="list-style-type: none"> The senior management of the Board of Directors reviews all possible major risks and formulates operational plans, and continuously improves through strict control of internal operating processes.
		<ul style="list-style-type: none"> R&D Innovation Management 	<ul style="list-style-type: none"> Relevant important resolutions will be published immediately on the Taiwan Stock Exchange's public information observatory.
Social Groups	Through cross-sector integration, we will jointly promote Taiwan's industrial upgrading, strengthen exchanges and interactions between industry, government, academia, and research, and practice citizen responsibility together with HIWIN.	<ul style="list-style-type: none"> R&D Innovation Management 	<ul style="list-style-type: none"> Comply with government environmental and safety laws, regulations and other requirements.
		<ul style="list-style-type: none"> Customer Relationship and Brand Management 	<ul style="list-style-type: none"> The HIWIN Mechanical Engineering Master and Doctoral Dissertation Awards and the HIWIN Smart Robotics Competition are held regularly every year.
		<ul style="list-style-type: none"> Sustainable Products 	<ul style="list-style-type: none"> Assist in promoting certification examinations for automation engineers and robotics engineers.

Short term, mid-term goals for major ESG topics :

Material Issues	2025 goals (Short-term)	2030 goals (Mid-term)
Innovation Management	R&D expenditure as a percentage of operating revenue: 4.75%	R&D expenditure as a percentage of operating revenue: 6%
	Cumulative global patent portfolio: 3,600 patents	Cumulative global patent portfolio: 4,000 patents
	Per capita output value: NT\$7.7 million	Per capita output value: NT\$10 million
Green Product (Baseline year is 2021)	Reduction in overall energy intensity of all products: 25%	Reduction in overall energy intensity of all products: 54%
	Improvement in energy utilization rate of electromechanical products: 10%	Improvement in energy utilization rate of electromechanical products: 20%
	Increase in packaging material recycling rate: 7.5%	Increase in packaging material recycling rate: 20%
Sustainable Supply Chain	On-site audits of sustainability management for key suppliers: 90 companies	Accumulated key suppliers of health check and refinement program: 135 companies
	Diversification of production bases/development of new suppliers: 12 initiatives	Diversification of production bases/development of new suppliers: 26 initiatives
	Green procurement expenditure as a percentage of total annual procurement: 7.5%	Green procurement expenditure as a percentage of total annual procurement: 10%
Climate strategies and energy management	Reduction of greenhouse gas emissions (Scopes 1 and 2 combined): 18.8%	Reduction of greenhouse gas emissions (Scopes 1 and 2 combined): 42%
	Cumulative capacity of renewable energy generation: 5,448KW	Cumulative capacity of renewable energy generation: 12,100KW
	Cumulative energy savings from energy saving projects: 4,461 thousand kWh	Cumulative energy savings from energy saving projects: 27,406 thousand kWh

Material Issues	2025 goals (Short-term)	2030 goals (Mid-term)
Water management	Water reclaim rate: 16.7%	Water reclaim rate: 16%
Waste management	Resource utilization rate for waste: 88%	Resource utilization rate for waste: 83%

Financial impact of climate change

Financial implications and opportunities of climate change risks:	Item Evaluation	Scenario and financial impact	Current management cost	Future action plan
Transition risks	Market	Although HIWIN has already targeted its carbon footprint in advance, and plans to achieve the short-, medium-, and long-term goals of net zero by 2050, if it does not understand the customer's demand trend in carbon emissions, it may not be able to meet the customer's carbon footprint based on internal schedules alone. The need for neutralization (customer requirements may be advanced earlier), which will inevitably affect the ordering and revenue.	<ul style="list-style-type: none"> • ISO 14067 Product Carbon Footprint • Research and development of low-carbon products 	<ul style="list-style-type: none"> • Establishment of carbon footprint inventory and low-carbon supply chain • Definition of low-carbon products and introduce low-carbon materials
	Policy and regulations	International enterprises require carbon inventory and product carbon footprint information, and they need to start investing in SBT, green power, and low-carbon equipment/materials/products to achieve carbon reduction planning goals; if no timely response is made, they may suffer the risk of losing orders (short-term, 1-3 years).	<ul style="list-style-type: none"> • Complete two-spec inventory of product carbon footprint • Research and develop alternative materials to reduce product carbon footprint 	<ul style="list-style-type: none"> • Establish carbon footprint platform • Continuously R&D of low-carbon products • Continue to install solar power infrastructure • Cultivation of seed personnel for the carbon footprint of each product • Extend to other base products after completing the carbon footprints of the two main products • Introduce supply chain product carbon footprint training and guidance
Substantive risks	Long-term	Drought caused by extreme climates may result in operational losses. Based on the drought in central Taiwan in 2021, the Company estimates that: (1) During the peak of the drought, the water supply may be suspended three days per week. With an average water storage that can only last for two days, the Company must shut down for two days; (2) If the Yunlin plants experience a two-day water suspension, it also needs to shut down for two days (mid-term, 4-5 years).	<ul style="list-style-type: none"> • Purchase water containers and water trucks • Implementation of water recycling facilities (water-saving equipment) • Install smart water meters • ISO 46001 established in the headquarters 	<ul style="list-style-type: none"> • Capacity scheduling • ISO 46001 established in the Yunke plant • Subscription and signing of a long-term contract for water trucks
	Urgency	Extreme weather causes flooding and disrupts transportation 1. Employees can not commute, resulting in production disruptions, financial losses, and decreased revenue 2. Raw material suppliers can not produce or deliver goods normally, affecting business operations 3. R&D projects are delayed and unable to meet customer demands, damaging the Company's reputation (Short term, 1 - 3 years)	<ul style="list-style-type: none"> • Capacity scheduling • Purchase sandbags • Develop new suppliers 	<ul style="list-style-type: none"> • Implement work- from-home and remote operation systems • Establishment of emergency response measures for labor shortage • Evaluation for material reserve in advance • Assess the drought/flood risk at the manufacturing sites, and develop and implement risk mitigation measures • Install floodgates
Opportunity	Resilience	Prepare for future low-carbon material demands in advance to prevent potential supply chain disruption: (Scenario 1) Estimate the possibility of raw material price inflation to reduce operational costs. (Scenario 2) Enhance supply chain resilience to avoid supply chain disruptions and increase local procurement percentage (Short-term, 1-3 years)	<ul style="list-style-type: none"> • Supplier capacity platform development • Develop new low- carbon materials • Develop alternative sources of supply (including local procurement) • Safety stock (funds and warehousing costs) 	<ul style="list-style-type: none"> • Develop diverse suppliers • Continued development of new materials • Research on low-carbon materials and manufacturing processes
	Technology	In response to the trend of net- zero carbon emissions and to reduce product lifecycle carbon emissions, the Company introduces new technologies and automated carbon management platforms, such as the Internet of Things (IoT), big data analytics, and smart manufacturing, to improve productivity, reduce power consumption, minimize material usage and waste generation, and lower operational costs and improve productivity. (Short term, 1 - 3 years)	<ul style="list-style-type: none"> • Introduce smart manufacturing • Invest in energy- saving and waste reduction 	<ul style="list-style-type: none"> • Energy creation • Continue smart manufacturing and introduce automated equipment to optimize production • Establish a carbon footprint platform and low carbon supply chain • Establish a energy visualization platform

3. Workplace diversity and gender equality policies and implementation:

We are committed to providing employees with a safe working environment, implement employment diversity, fair remuneration and promotion opportunities, and ensure that employees do not or being subjected to discrimination, harassment, or unequal treatment. The policies are as follows:

- Hiring for people with disabilities and disadvantaged persons:

In 2024, a total of 31 people with mild or moderate disabilities and 10 people with severe disabilities have met the criteria of the disability pension system. There are 32 indigenous people working for HIWIN. Diversified employment is a sustainable policy. In addition to complying with the government's laws and regulations regarding the hiring of persons with disabilities, the Bank respects the unique culture of ethnic minorities and grants special holidays to its indigenous staff every year to ensure the participation of indigenous peoples in important celebrations. the rights of the indigenous peoples, and there has never been any discrimination or violation against the indigenous peoples.

- Respect and equality:

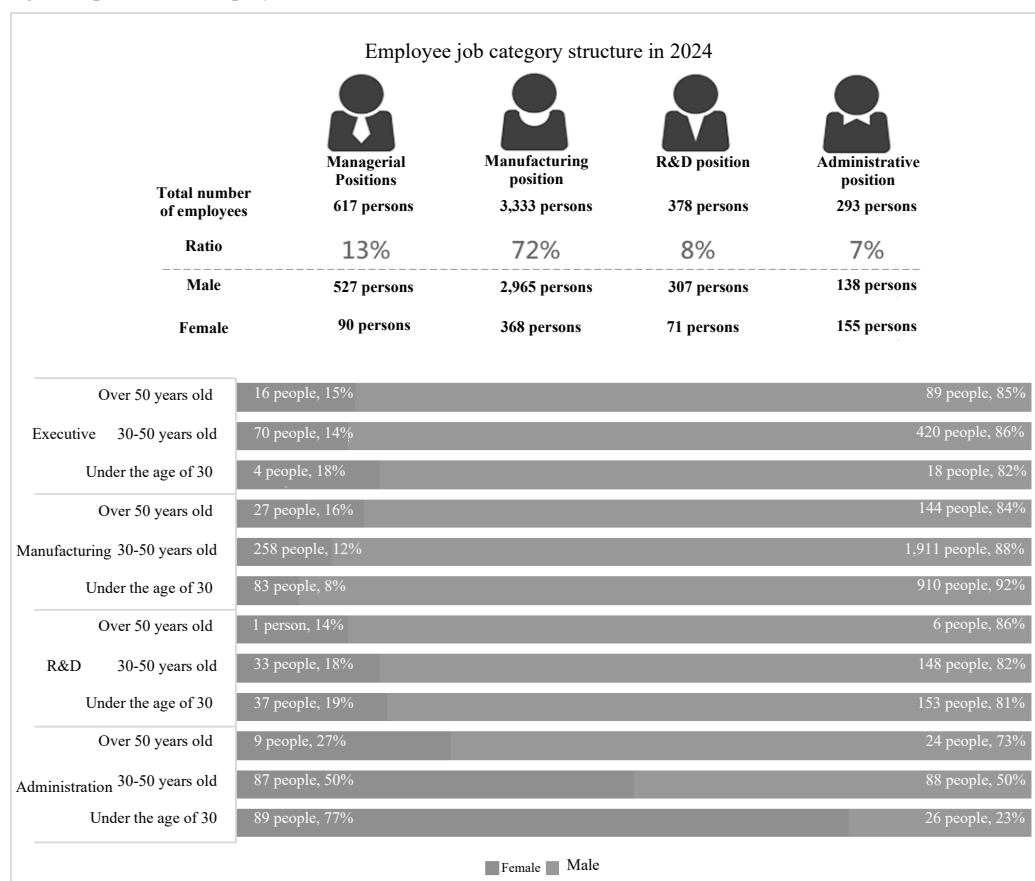
HIWIN fully implements the protection of the Constitution, and hires people on the basis of their ability, without discrimination, regardless of gender, age, disability, religion, race, nationality or political stance, and provides them with a fair and consistent salary structure and various benefits.

- Women power in technology:

Due to the characteristics of the industry, the majority of employees are male. In recent years, the boundary of gender has gradually blurred. HIWIN actively recruits female talents in R&D and technology, and also encourages colleagues to cross-disciplinary learning. The Company also provides machinery-related professional education and training courses to expand the For STEM majors, internal transfer mechanisms are used to allow female employees to take on STEM roles across different domains. Between 2022 and 2024, transfer of female employees to STEM positions will account for 8% of the number of internal transfers. In addition, HIWIN is committed to creating a respectful and harmonious workplace, and implements various friendly workplace measures, such as dedicated parking spaces for pregnant women, breastfeeding rooms , and arranges sexual harassment prevention courses. Professional lawyers are invited to in-depth analyze the key points of laws and regulations and share practical cases.

- Other Diversity Implementation Outcomes (Age/Ethnicity):

Age and position of employees:



Note: Ratio of various job positions = Number of persons for the job position ÷ company's total employee number. Gender ratio of various job positions by age group = Number of male/female employees in the job position in the same age group ÷ total number of employees in the job position in the same age group.

Nationalities of the employees

Nationality	Administration	R&D	Manufacturing	Total	Share
Taiwan	481	506	2,885	3,872	83.25%
The Philippines	-	-	690	690	14.84%
Vietnam	-	1	73	74	1.59%

Malaysia	-	3	2	5	0.11%
Indonesia	1	4	-	5	0.11%
India	2	-	-	2	0.04%
Belarus	1	-	-	1	0.02%
Belize	-	1	-	1	0.02%
Korea	1	-	-	1	0.02%
Total	486	515	3,650	4,651	100.00%

Note: 1. Definition of administrative personnel: coordinators or engineers indirectly related to production activities, such as sales personnel, information personnel, etc.

2. Definition of manufacturing personnel: personnel directly related to production activities, such as production technicians, quality inspectors, etc.

3. Definition of R&D personnel: Personnel engaged in substantive improvement of technology, products and services, such as R&D engineers.

4. Investment status and specific benefits of investment in energy-saving or green energy-related environmental protection and sustainable machinery and equipment, and Taiwan's green energy industry

(1) Investment in energy-saving machinery and equipment:

In 2024, the major energy-saving, environmentally-sustainable equipment that HIWIN Technologies invested in are air compressor system, air-conditioning system, and process equipment. The operation mode is for high-efficiency energy-saving equipment. Through the ISO 50001 energy management system and scientific methods, we will check the inefficient major energy-consuming equipment and replace or optimize the operation mode to high-efficiency energy-saving equipment;

The total investment was NT\$13.34 million, and the specific benefits were 7,881MWh of electricity saved each year and 3,893 metric tons of CO₂ e reduced each year.

The details of the investment plan are listed in the table below. For actual values, please refer to the 2024 Sustainability Report of HIWIN Technologies Corp.

Energy-saving equipment type	Investment in 2024		Concrete benefits	
	Investment plan	Investment expenses (NT\$ 10,000)	Power saving (kwh/year)	Carbon Reduction (kg CO ₂ e/year)
Air compressor system	Replacing low-efficiency air compressors	248	458,502	226,500
	Optimizing the operation mode of the air compressor system	139	588,840	290,887
Air conditioning system	Replacing low-efficiency box-type air conditioners	560	929,039	458,945
	Optimizing the operation mode of the air conditioning system	13	1,465,731	724,071
Process equipment	Optimizing process equipment operation mode	195	3,793,853	1,874,163
Prevention equipment	Optimizing prevention equipment operation mode	27	381,231	188,328
Equipment standby improvement	Optimizing prevention equipment operation mode	19	5,558	2,746
Lighting system	Lighting system improvement	32	258,201	127,551
Total		1,334	7,880,955	3,893,192

(2) Investment in the green energy industry:

The roof of each factory building of HIWIN Technologies Corp. has been fully planned to be installed with solar energy.

The solar energy installation has been completed in 2024 for self-consumption, and the plans and benefits of the capacity set in the coming years are as follows:

Item	Installation capacity (KW)	Input cost (NT\$ 10 thousand)	Emission reduction (tons of CO ₂ e)
In-house generation and consumption was completed in 2024	2,935	13,508	1,877,583
Completion in 2025 (expected)	2,200	10,535	1,358,500
Completion in 2026 (expected)	932	4,780	575,510

Completion in 2027 (expected)	1,548	7,477	955,890
Completion in 2028 (expected)	2,049	9,795	1,265,258
Completion in 2029 (expected)	1,265	6,097	781,138
Total	10,929	52,192	6,813,878

(3) Purchased green electricity:

In addition to building self-generated solar energy, HIWIN also seeks suitable and clean green power to achieve the net zero carbon reduction goal. The power conversion completed in 2024 and the green power purchase plan in the coming years are as follows:

Item	Purchased green electricity (kWh)	Cost of green power (NT\$ 10 thousand)	Emission reduction (tons of CO ₂ e)
Sales of power was completed in 2024	1,368,499	771	676,039
Completion in 2025 (expected)	1,750,000	991	864,500
Completion in 2026 (expected)	1,750,000	991	864,500
Completion in 2027 (expected)	1,750,000	991	864,500
Completion in 2028 (expected)	1,750,000	991	864,500
Total	8,368,499	4,736	4,134,039

5. HIWIN's social engagement:

HIWIN invested NT\$5,860 thousand in 2024 to support the domestic cultural development, encourage the public to contact cultural and artistic activities, and encourage the cultivation of reading habit, as follows:

(1) Kaohsiung Science and Technology Museum - Industrial Robots Permanent Exhibition

HIWIN worked with the National Science and Technology Museum to build the Industrial Robot Exhibition Hall. The exhibition will add topics such as ESG sustainability, semiconductor equipment, and transmission components. The optimized machine equipment and interactive experiences also make knowledge transfer more engaging. NT\$2,398 thousand were invested in 2024.

(2) "Diffusion Coupling - The Diffusion, Parallelism, and Integration of Technology and Art" Future Puppet Theater

It breaks through the traditional way of puppet performances, transforms the stage sets into a technology and art performance theater, retains the aesthetic elements of puppet show skills, and creates a new puppet-operating and puppet-viewing experience. With the help of technology, interactive technologies such as virtual reality, human-machine interaction, motion capture, and eye tracking are used to re-interpret the artistic aesthetics of puppet show. NT\$1,000 thousand was invested in 2024.

(3) "Diffusion Coupling - The Diffusion, Parallelism, and Integration of Technology and Art" Island Performance "Trace"

Cooperated with the School of Planning and Design and the Department of Architecture of National Cheng Kung University to interpret the story of Mazu by the interweaving and dance of dancers, robotic arms and interactive projections; The choreography interface for the robotic arm movements recognizes dancers' body movements through vision, and then translates them into the language and movements of the robotic arm. There is no need to learn the movement logic and programming of the robotic arm, and then it can be taught to dance with dancers Dancing together NT\$2,000 thousand was invested in 2024.

(4) Others

In 2024, we participated in the Tainan Design Exhibition and assisted in the 25th anniversary production of the Department of Theater, National Taiwan University. The total amount of NT\$462 thousand. Please refer to the Company's 2024 ESG Report for details.

6. Net-Zero Commitment of HIWIN

(1) The Company actively aligns with international initiatives and officially passed the Science Based Target initiative (SBTi) review in fiscal 2024, confirming that the path to its carbon reduction targets is consistent with the Paris Agreement and committing to becoming a company that achieves SBTi Net Zero by 2050.

(2) The base year for Scope 1 and Scope 2 is 2021. Mid-term goal: 42% reduction by 2030; long-term goal: 90% reduction by 2050.

(3) Scope 3 takes 2022 as the base year. The carbon emissions of purchased products and services, fuel and energy-related activities, sales of products, use of sold products, and upstream transportation and distribution are the main carbon emissions, which account for about 90% of the overall Scope 3. Mid-term goal: 25% reduction by 2030; long-term goal: 90% reduction by 2050.

(4) The scope of investigation for Scope 1, Scope 2 and Scope 3 in 2024 includes the Company and its consolidated subsidiaries.

7. HIWIN Technology was selected as a constituent of the DJSI Emerging Market Index

In 2024, the Dow Jones Sustainability Indices (DJSI) announced its results. HIWIN Technologies was selected as the sustainability benchmark in emerging markets, the only one company from the machinery and electrical equipment industry in Taiwan invited, to be included in the "DJSI Emerging Markets Indices"; it became the constituent upon the selection.

Table 2-2-3 Implementation of Climate-Related Information

Item	Implementation																															
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	<p>The Board of Directors is the highest body in risk management and decision-making of HIWIN, and is responsible for monitoring, reviewing, and approving relevant policies and systems, as well as guiding and supervising the Company's response to climate risks.</p> <p>Since the launch of the Climate-Related Financial Disclosures (TCFD) Recommendation by the Financial Stability Board in 2017, HIWIN has been exploring and planning through the internal and external expert review and consultation system, disclosed in the 2021 annual report for the first time and became a supporter of TCFD. In 2022, the Company expanded its inventory and review mechanism to report regularly to the ESG Committee Chairperson to review the current risks and opportunities faced by the company, as well as related corresponding measures and guidance. The Company has established the ESG Committee, which is composed of senior executives from each department. President, Hui-Ching Tsai is the chairperson. The ESG Committee conducts various risk and opportunity assessments with reference to the Framework of Recommendations for Climate-related Financial Disclosures. Significant risks and opportunities are identified by the level of risk exposure, and conducts climate change risk analysis based on policies and regulations, markets, and manufacturing to assess potential. The Company uses the most rigorous mechanism to integrate and manage all business strategies, finance and potential hazardous risks that may affect the Company's operating performance. The executive secretary of the ESG Committee convenes a meeting every month to review the progress of strategy and goal implementation, and reports to the chairperson on the goals and current implementation for the next month. from the second half of 2023 onwards, and report to the Board of Directors on a quarterly basis.</p>																															
2. Describe how the identified climate risks and opportunities affect the business, strategy and finance of the enterprise (short-term, medium-term, and long term).	<p>Based on the TCFD identification and assessment process, HIWIN Technologies uses RCP2.6 and IEA SDS to simulate, defining short-term as within 3 years, medium-term as 3 - 5 years, and long-term as more than 5 years, to assess the related climate risks and opportunities as the Company's potential operational and financial impacts in the short, medium and long-term, and plan various action plans to respond to climate-related risks and opportunities.</p> <table><tr><th>Type of risk/opportunity</th><th>Short term (0 - 3 years)</th><th>Mid-term (3 - 5 years)</th><th>Long-term (over 5 years)</th></tr><tr><td>Transition risks</td><td><ul style="list-style-type: none">● International industry regulations and voluntary regulations● Increasing demands of customers on the carbon footprint of products</td><td><ul style="list-style-type: none">● Changes in customer and market demands</td><td><ul style="list-style-type: none">● Failure to achieve ideal carbon reduction path implementation● Carbon reduction results do not meet stakeholder expectations</td></tr><tr><td>Real risks</td><td><ul style="list-style-type: none">● Extreme weather caused floods and disrupted transportation and supply chain</td><td><ul style="list-style-type: none">● Operation interruption due to drought</td><td><ul style="list-style-type: none">● Rising average temperature</td></tr><tr><td>Opportunity</td><td><ul style="list-style-type: none">● More efficient production● Resource substitutability and diversity</td><td><ul style="list-style-type: none">● Development and innovation of low-carbon products and services</td><td><ul style="list-style-type: none">● Entering new markets or customers● Participation in renewable energy projects and efficiency improvement</td></tr></table> <p>HIWIN has assessed the climate-related risks and opportunities that may cause significant financial impact, and the corresponding strategies are as follows:</p> <table><tr><th colspan="3">Transformation risks/climate opportunities</th></tr><tr><th>R=risk / O=opportunities</th><th>Financial impact-/+</th><th>Action plan</th></tr><tr><td>R: International industry regulations and voluntary regulations R: Increasing demands of customers on the carbon footprint of products</td><td><ul style="list-style-type: none">- Increased operating costs due to the payment of carbon fees- Renewable energy procurement, resulting in operating costs increase- Loss of orders resulting in a decline in revenue</td><td><ul style="list-style-type: none">● Establish a product carbon footprint platform● Continue to install solar power infrastructure● Research and development of low-carbon products</td></tr><tr><td>R: Changes in customer and market demands O: Development and innovation of low-carbon products and services O: Entering new markets or customers</td><td><ul style="list-style-type: none">- Failure to respond to customer needs in a timely manner resulted in loss of orders or decline in revenue (R)+ Research and develop low-carbon products to increase revenue (O)</td><td><ul style="list-style-type: none">- Diagnosis of energy-saving solutions- Research and development of low-carbon products- Conducting product carbon footprint inspection</td></tr><tr><td>R: Failure to achieve ideal carbon reduction path implementation R: Carbon reduction results do not meet stakeholder expectations</td><td><ul style="list-style-type: none">+ Gain customers' trust and increase revenue+ Gaining stakeholder trust</td><td><ul style="list-style-type: none">● Enhance corporate sustainability image through disclosure and third-party verification● Strengthen corporate governance and establish the Company's emphasis</td></tr></table>	Type of risk/opportunity	Short term (0 - 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			on climate-related issues ● Enhance corporate image by participating in sustainability appraisals
	Physical risks/climate opportunities		
	R=risks / O=opportunities	Financial impact-/+	Action plan
	R: Extreme weather causes flooding and disrupts transportation O: More efficient production	- Employees can not commute, resulting in production disruptions, financial losses, and decreased revenue - Decrease in revenue due to production interruption - Suppliers were unable to supply normally, resulting in a decline in revenue - Financial losses due to damage to machinery and equipment	● Capacity scheduling ● Smart manufacturing for production lines ● Construction of waterproof gates and purchase of sand bags ● Change from sea freight to air freight for emergency materials stocking ● Purchase property insurance
	R: Extreme climates cause droughts O: Resource substitutability and diversity	- Supply chain shutdown and no supply, resulting in production impact - Decrease in revenue due to decreased production output - The imbalance between supply and demand of raw materials leads to price rise and increase of cost (R) +Development of low-carbon materials to reduce costs and increase profits (O)	● Installation of smart water meters ● ISO 46001 establishment in the headquarters ● Subscription and contracting water trucks ● Develop new suppliers ● Development of alternative raw materials
	R: Rising average temperature O: Participation in renewable energy projects and efficiency improvement	- The increase in power consumption after the temperature rises results in an increase in operating expenses (R) + Lower electricity cost due to improved performance (O)	● Smart manufacturing for production lines ● Use of renewable energy ● Procurement of energy-saving equipment ● Energy management system was introduced to track energy usage
3. Describe the financial impact of extreme climate events and transformation actions.	<p><u>Financial impacts of extreme climate events</u></p> <p>Based on the TCFD identification process, HIWIN Technologies focuses on transformation and physical risks, as well as short-term and long-term opportunities.</p> <p>The physical risks include changes in rainfall and weather patterns, as well as the frequency of extreme weather events, which will affect the continuity and sustainability of production. Extreme changes in precipitation and climate patterns mainly affected the production site in Taichung. Extreme weather caused floods, causing traffic disruptions, employees were unable to attend work, and production was affected, resulting in financial losses and reduced revenues. Raw material suppliers are unable to produce or ship normally, causing disruption to operations and shipments. Drought due to extreme weather may result in operating losses. Based on the scenario of drought in central Taiwan in 2021, it is estimated that the production shutdown will affect revenue for about two days.</p> <p>Under the leadership of the ESG Committee, the Company managers from all departments and external consultants to hold regular workshops on "climate risk and opportunity" identification. The RCP2.6 and IEA SDS scenarios were used to simulate ~3 years), medium-term (4-5 years), and long-term (more than 5 years), each team calculates the risk and opportunity likelihood and impact level, and identifies the top five risks and opportunities. Its likelihood score is 1 (almost unlikely) to 5 (almost certainty), and the impact severity is 1 (more than 0.1% of the monthly revenue is affected) to 5 (more than 10% of the monthly revenue is affected).</p> <p><u>Financial impact of transformation initiatives</u></p> <p>The transformation risk mainly covers changes in the cost of raw materials in the supply chain, changes in customer and market demands, such as the increase in the cost of raw materials forcing up the operating costs of production and products, and changes in demand, resulting in a decline in revenue or the risk of loss of profitability. These two risky are relatively influential to the Company's operation.</p> <p>Under the transformation risks, the transformation to a low-carbon economy may require a wide range of changes in policies and regulations, technology and market. Based on the nature, speed and focus of the above changes, within the time frame of the analysis, the carbon fee and greenhouse gas cap, renewable energy laws and regulations, and changes in consumer preferences may increase operating costs or reduce sales.</p> <p>Considering that HIWIN is selling some low-carbon products and continues to innovate and expand the diversity of related products, there will be no significant impact on market sales under each scenario, so the Company focuses on the analysis of operating costs. Under the scenario of low-carbon transformation, the financial impact of carbon pricing on the Bank will lead to an increase in the Company's own operating and supply chain costs. By introducing energy-saving and carbon-reducing projects, HIWIN seeks to minimize the impact of energy consumption, water consumption and waste on the climate in its operations and supply chain;</p>		

	improve energy efficiency, invest in green energy equipment; and invest in research and development of green products Innovation meets the needs of consumers in order to respond to these transformation risks. The financial impact of this project on HIWIN will result in an increase in the Company's capital investment and operating costs.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system	<p>The Board of Directors is the highest decision-making body of the Company and is responsible for supervising, reviewing and approving risk management policies and systems.</p> <p>By referring to the framework of ISO 31000, the Company formulated the "Risk Management Policy," as the highest guidelines for the Company's risk management. The Audit Committee oversees the Company's risk management. The Company established the "ESG Committee" and "Risk Management Committee" for annual risk identifications to determine risks that may affect the Company's sustainable development and formulate related risk management policies, we hold at least two risk management meetings per year. These policies cover management objectives, organizational structure, accountability attribution, and risk management procedures. Implementing the policies can effectively identify, measure, and control different risks of the Company, limiting them within acceptable ranges.</p> <p>The Company has established risk management procedures in accordance with the aforementioned policies. In addition to following the organizational management system and internal control system at all levels, the Company also manages and controls risks that should be considered in the process of operation. Risks associated with innovative technologies that may pose a threat to the sustainable operation of the Company in the future.</p> <p>Based on the scope of each department's business, the Risk Management Committee conducted six major risk assessments, namely industry change risk, climate change risk, supply chain risk, intellectual property and litigation risk, information security risk, credit and financial risk, human resources risk, industrial safety risk, and other emerging risks. For risk identification and analysis, and the annual major risk identification matrix update, each department will carry out strategic planning, integration and management of risks that may affect operations and profits based on the results of the risk identification, and submit to the board of directors at least once a year the management implementation and Report on risk management, supervise, track and review the implementation of risk management by the management team, in order to strengthen the company's constitution.</p>
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	<p>Since 2022, HIWIN has been complying with the TCFD disclosure framework and has convened managerial departments and external consultants to identify "climate risks and opportunities". and conduct qualitative and quantitative analysis of climate model to assess the resilience of HSBC Bank in the face of climate change risks under different external conditions for the entire value chain.</p> <p>The Company adopts RCP 8.5 scenario analysis. For the parameters, assumptions and analysis factors used, please refer to 5.1 Climate Change Management and Strategy of the Sustainability Report; for the main financial impact, please refer to 5.1 Climate Risks and Opportunities Identification and Assessment of the Sustainability Report.</p>
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	<ol style="list-style-type: none"> 1. HIWIN established its mid- and long term goals through the ESG team discussion, and to align to the SBTi commitment. It is expected to reduce Scope 1 and Scope 3 emissions by 42% by 2030, reduce Scope 3 emissions by 25% by 2050, and aim to reduce Scope 1 and Scope 3 emissions by 25% by 2050. reduced by more than 90%. 2. In response to the climate-related risks and opportunities identified by the ESG Committee through the risk identification process, HIWIN has formulated action plans that include the use of renewable energy, power conservation measures, reuse of water resources, and emergency response to climate risks, in order to reduce carbon emissions year by year. 3. Every year, HIWIN will continue to obtain ISO 14064-1:2018 third-party verification statement, and will respond to the CDP (Carbon Disclosure and Climate Change) questionnaire in 2023 to disclose major climate change risks and opportunities, analysis of monetization, corporate carbon manage performance, and supplier value chain engagement towards net zero carbon emissions. In terms of future product technology layout, we must continue to ensure that the renewable energy construction meets the expectations, and the product manufacturing process is gradually shifted to low-carbon technology, and the recycled raw materials are introduced to ensure that the reduction standards of Scopes 1, 2, and 3 are met.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated	<p>In order to drive low-carbon investment, enhance energy efficiency and increase internal carbon reduction efforts, HIWIN Technology will introduce an internal carbon pricing system starting from 2025. Shadow pricing is the most common method of internal carbon pricing after evaluation, helping companies understand the impact of technological changes or future regulatory changes.</p> <p>In view of the impact of climate-related risks under the current climate change, the internal carbon price is set at US\$50 per metric ton after considering the national carbon fee/emission trading ETS/regulatory fees and referring to the shadow prices adopted by domestic and foreign benchmark companies that have introduced internal carbon pricing. We will first pilot this at our Taiwan plant and introduce the concept of carbon payback period. When evaluating whether to invest in energy-saving equipment, in addition to evaluating the financial benefit payback period, we will also include carbon reduction benefits as one of the evaluation indicators. We will provide each business unit with a management report that includes the impact of carbon fees every month, and carbon reduction results will be included as one of the performance evaluation items for each business unit and manager.</p> <p>HIWIN Technology's investment in energy-saving and environmentally sustainable equipment in 2024 will save a total of 7,881kWh of electricity, equivalent to reducing carbon emissions by 3,893 metric tons. After evaluation by the internal carbon pricing mechanism, the potential external carbon cost reduced by reducing carbon emissions is NT\$6.326 million.</p>

8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	<p>HIWIN Technology promotes greenhouse gas inventory policies at each production site, defines organizational boundaries based on operational control, and completes third-party verification every year in accordance with the inventory regulations, guidelines and national carbon emission coefficients announced by the Ministry of Environment. In order to achieve the goal of a sustainable environment, the company has formulated four core strategies: "improving energy efficiency, innovating low-carbon products, reducing waste through a circular economy, and introducing renewable energy." It has established a "Sustainable Development Committee" to meet monthly to promote and monitor the progress of various projects, and the general manager (Chairman of the Sustainability Development Committee) reports to the board of directors on climate change-related issues every quarter. HIWIN Technology adopted the Science Based Target (SBTi) in November 2024, setting a mid-term target of an absolute reduction of 42% in Scope 1 and 2 greenhouse gas emissions by 2030 (base year 2021), and an absolute reduction of 25% in Scope 3 (base year 2022); the long-term target is an absolute reduction of 90% in Scope 1 to 3 by 2050 (base year 2023).</p> <p>Since 2016, HIWIN Technology has been gradually installing solar renewable energy at various production sites. In 2024, the actual self-generated and self-used solar photovoltaic power was 3.8 million kWh. The company carried out a green electricity procurement and transfer program in 2024, and signed a 20-year 1.2MW contract with the Green Electricity Bank jointly established by the Chiayi County Government and Dehe Energy. In 2024, the company transferred 1.12 million kWh of solar photovoltaic power, with a total of 1,117 renewable energy certificates. In addition, it won a 5-year small-scale green electricity sales pilot plan with Taiwan Power Company, and actually transferred 250,000 kWh of solar photovoltaic power in 2024, with a total of 250 renewable energy certificates.</p>
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 9-1 and 9-2 below)	Please refer to the following description

9-1. Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

9-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO ₂ e), intensity (metric tons CO ₂ e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.					
<p>HIWIN Technology promotes greenhouse gas inventory policies at all production sites, and defines organizational boundaries based on operational control rights in accordance with relevant inventory guidelines and regulations announced by the Ministry of Environment. It uses the IPCC AR6 (Intergovernmental Panel on Climate Change) 2021 Global Warming Potential (GWP) value and the national emission coefficient announced by the Ministry of Environment to complete third-party verification every year. The company has been regularly reviewing its individual and consolidated financial reports since 2010, and its subsidiaries have voluntarily started reviewing their greenhouse gas emissions in advance starting from 2024 to fully understand the use and emission of greenhouse gases and verify the effectiveness of reduction actions. The greenhouse gas inventory data for the last two years is compiled based on the operational control method, including the greenhouse gas emissions of the company and all subsidiaries in the consolidated financial statements. The disclosure of data for 2024 is expected to be completed in June. The explanation is as follows:</p>					
		2023		2024	
		Emissions (ton)	Intensity (metric tons CO ₂ e/million NTD)	Emissions (ton)	Intensity (metric tons CO ₂ e/million NTD)
Parent Company	Scope 1	6,219.0261		24,940.4297	
	Scope 2	115,638.4641		117,401.4350	
	Subtotal	121,857.4902		142,341.8647	
Consolidated financial statements of all subsidiaries	Scope 1	-		1,533.2093	
	Scope 2	-		By market:57.6045 By region:4,369.2858	
	Subtotal	-		5,902.4951	
Total		121,857.4902	6.90	148,244.3598	6.08
<p>Note 1: Direct emissions (Scope 1, i.e., emissions directly from sources owned or controlled by the company), indirect energy emissions (Scope 2, i.e., indirect greenhouse gas emissions from imported electricity)</p> <p>Note 2: The coverage of direct emissions and energy indirect emissions data shall be handled in accordance with the schedule specified in the order stipulated in Article 10, Paragraph 2 of these Regulations. Other indirect emissions information may be disclosed on a voluntary basis.</p> <p>Note 3: Greenhouse gas inventory standard: Greenhouse Gas Protocol (GHG Protocol) or ISO14064-1 issued by the International Organization for Standardization (ISO).</p> <p>Note 4: Intensity of greenhouse gas emissions is calculated based on operating revenue (in millions of dollars) (covering Scope 1 and 2).</p> <p>Note 5: - (indicates undisclosed)</p>					

9-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.
<p>The verification scope of Scope 1 and Scope 2 of the Company and all subsidiaries in the consolidated financial statements for 2024 accounts for 100% of the disclosure in 1-1-1 above. The disclosed data for 2024 is expected to be completed in June. The greenhouse gas inventory of the Company and some subsidiaries in the consolidated financial statements in the past two years is described as follows:</p>

Scope of execution assurance		Emissions in 2023 (metric tons CO ₂ e)	Emissions in 2024 (metric tons CO ₂ e)
Parent Company	Scope 1	6,219.0261	24,940.4297
	Scope 2	115,638.4641	117,401.4350
	Subtotal	121,857.4902	142,341.8647
	Accounting for the above 1-1-1 revealed investigation	100%	100%
Consolidated financial statements of all subsidiaries	Scope 1	-	1,533.2093
	Scope 2	-	By market:57.6045 By region:4,369.2858
	Subtotal	-	5,902.4951
	Accounting for the above 1-1-1 revealed investigation	0%	100%

Note 1: Consolidated financial statements for all subsidiaries will be implemented in 2024.

Note 2: The relevant data for 2023 was verified by Taiwan Rheinland Technology Consulting Co., Ltd. in accordance with ISO14064-3:2019, and it is believed that the verification level is reasonable assurance; the subsidiary has completed GHG protocol or ISO14064-3 verification by a local verification company.

Note 3: - (indicates undisclosed)

9-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.
<p>Greenhouse gas reduction targets:</p> <p>The base year for Scope 1 and Scope 2 carbon reduction targets is set at 2021. Medium-term goal: an absolute reduction of 42% by 2030; long-term goal: an absolute reduction of 90% by 2050. Scope 3 takes 2022 as the base year, and the main carbon emissions are purchased products and services, fuel and energy-related activities, use of sold products, and upstream transportation and distribution, accounting for approximately 90% of the entire Scope 3. Medium-term goal: an absolute 25% reduction by 2030; long-term goal: an absolute 90% reduction by 2050. In order to achieve the carbon reduction goal, we will increase investment in the research and development of low-carbon products, and carry out various carbon reduction tasks from product raw material selection, transportation, manufacturing process to the use stage.</p> <p>Greenhouse Gas Reduction Plan:</p> <p>In 2024, HIWIN Technology will use energy performance as the main management indicator. The reduction plan includes implementing standby energy saving and energy saving improvements on process equipment at the process end, reducing compressed gas, improving heat dissipation of cooling towers, etc., reducing a total of 3,893 metric tons of CO₂e. We will continue to implement ISO50001 energy management system and process carbon emission reduction measures in the future.</p> <p>Based on its concern for energy management issues and the severe challenges that energy management will face in the future, HIWIN Technology has taken the initiative to effectively manage energy use and improve energy efficiency, from energy saving to energy creation, improving energy management systems to intelligent monitoring, and achieving the best power generation efficiency. In 2024, it will promote 26 energy-saving projects, and it is expected to implement 30 projects in 2025. The solution includes improving equipment efficiency and energy-saving management in standby mode, with an estimated carbon reduction of 2,137 tons of CO₂e, an estimated electricity saving of 4,325 kilowatt-hours, and the establishment of solar power generation, with a total of 2,934.715 kW from 2016 to 2024. HIWIN Technology uses its capabilities and expertise to create unlimited possibilities for energy conservation in different fields.</p>

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

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
<p>I. Establishment of ethical corporate management policies and programs</p> <p>(I) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?</p> <p>(II) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?</p> <p>(III) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?</p>	<p>V</p> <p>V</p> <p>V</p>		<p>(I) The Company established the "Ethical Corporate Management Best Practice Principles" on November 6, 2014, through the resolution of the Board of Directors. The code was amended on May 11, 2016, March 26, 2016, and May 6, 2019. In addition, the Board of Directors amended the "Code of Ethical Conduct" on November 6, 2015, which sets forth the policies and practices for the Company's integrity management and the commitment of the Board of Directors and management to actively enforce this policy. Board members and management must adhere to these principles of integrity in their business activities. Furthermore, the Company disclosed the "Ethical Corporate Management Best Practice Principles" and "Code of Ethical Conduct" on its website to enhance employees' awareness of the Company's integrity management principles.</p> <p>(II) The Company has also established the "Employee Code of Conduct" and the "Procedures for Ethical Management and Guidelines for Conduct." which specify various operating procedures. If employees violate the code of conduct or involve in fraudulent activities, the Company will take appropriate disciplinary measures based on the severity of the situation. Anyone who notices any violation of government laws or fraudulent activities can report it through email or in writing to independent directors, managers, internal auditors, or other appropriate personnel. Upon receipt of the report, the relevant personnel will report to the Chairman, and the internal auditors will occasionally review the compliance with the system mentioned above and include the occurrence of dishonest behavior as part of the audit to ensure adherence with the Principles.</p> <p>The Company's conduct guidelines also stipulate the procedures and methods for reporting, including establishing an independent whistle-blowing mailbox for internal and external personnel, and a dedicated unit handles the process, record-keeping, and whether whistle-blowing rewards are given. All the information above has been disclosed on the Company's website.</p> <p>The Company has established the "Employee Code of Conduct" following the "Ethical Corporate Management Best Practice Principles". The Company has also established preventive measures for high-risk dishonest behaviors in business activities under Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" or other business activities within the Company's scope of operation. The internal audit department also plays an essential role in ensuring compliance with the code of ethics and regulatory requirements. To ensure the accuracy, reliability, and timeliness of financial, management, and operational information and employees' compliance with relevant policies, guidelines, procedures, and regulations, the internal audit department conducts various inspections under the annual audit plan approved by the Board of Directors. The audit department will report the results and follow-up improvement plans to the Board of Directors to put the audit results into practice.</p> <p>(III) 1. The "Procedures for Ethical Management and Guidelines for Conduct" established by HIWIN on November 10, 2015, explicitly mandates employees to always return or refuse any valuables if no supervisor approves, report to their immediate supervisors of such incidents, and inform the Chairman's Office or the responsible department of the Company. The Company should propose appropriate suggestions such as returning, accepting, confiscating, or donating to charity based on the nature and value of the interests involved.</p>	None.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			2. To implement integrity management, the Human Resources Department is responsible for promoting and implementing integrity policies and preventive measures. The Audit Office, directly under the Board of Directors, conducts occasional inspections and follow-ups to improve the enforcement of the policies and reports and reviews abnormalities at any time if any occur.	
II. Ethical Management Practice				None.
(I) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	V		(I) HIWIN has established an evaluation mechanism for its suppliers and outsourcers. When entering into a contract with the supplier, the rights and obligations of both parties are specified in detail, and a confidentiality agreement and an undertaking of honesty and integrity are signed. The intellectual property team of the Company has also included the clauses of ethical conduct into the Company's various standard contracts, requiring the counterparties to duly observe the ethical conducts. If the unethical conduct is indeed involved, the Company may unconditionally terminate or cancel the contract at any time.	
(II) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	V		(II) The Human Resources Department has been in charge of the promotion and execution of ethical corporate management, and the General Manager serves as the convener to ensure the implementation of ethical corporate management by the duties of each unit, and fully promote the ethical corporate management. All employees, managers and directors should abide by the "Ethical Corporate Management Best Practice Principles." Relevant members are also obliged to report to the Board of Directors at least once a year. The implementation of ethical management for 2024 has been reported to the Board of Directors on May 9, 2025. If an employee discovers any unethical conduct, he/she can also report it through the Company's public channels. If the case is serious, they are reported to the Board of Directors from time to time for supervision by the Board of Directors to determine whether they are implemented according to the Principles. The Company has implemented the ethical management policy and its implementation in 2024 is as follows:	
(III) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	V		1. Education and training: Training courses on laws and regulations, auditing, risk management, and fraud prevention are provided. Corporate ethic forums and external training courses on corporate fraud risk discussion are also arranged for supervisors and colleagues.	
(IV) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	V		2. Compliance advocacy: The main focus of 2024 is to promote and implement the Company's business philosophy of "professional standards, work enthusiasm, and professional ethics."	
(V) Does the company provide internal and external ethical corporate management training programs on a regular basis?	V		3. Communication channels: Employees can report possible violations of ethical corporate management through the various channels to the Human Resources Department, various management levels, and independent directors. The Human Resources Department will be responsible for coordinating and handling matters.	
			4. Regular inspections: A self-assessment of corruption risks is conducted each year for effective management and implementation. Audits are also conducted independently by the audit unit. There were no major corruption incidents in 2024.	
			(III) Regarding conflicts of interest, the Company's internal employees may report incidents to their direct department supervisors and the audit department, or submit their opinions through the three whistle-blowing mailboxes set up by the Company. The Chairman and General Manager will handle the opinions raised in person. For any breach of ethical requirements, Company will investigate and confirm the situation in accordance with the Company's whistle-blowing procedures. For the reported party, the Company provides them with the opportunity to state their opinions or appeal. If the investigation results show any dishonesty, the Company will punish according to the regulations.	

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons								
	Yes	No	Summary description									
			<p>(IV) HIWIN's business philosophy of "professionalism, work enthusiasm, and work ethics" is a testament to the importance it attaches to ethical corporate management. To establish the corporate culture of ethical management and sound development there of, the Company established the "Corporate Ethical Management Best Practice Principles." For the implementation of ethical management, the Company has established an effective accounting system and internal control system. The internal audit unit has an internal audit plan and performs various audit operations in accordance with the plan. In addition, it also audits specific employees for integrity issues or fraud from time to time. In 2024, no abnormality was found during the year.</p> <p>(V) HIWIN educates and advocates to directors, managerial officers, and employees on relevant laws and regulations at least once a year.</p> <p>Implementation: The Company has carried out relevant education and promotion for the current directors and managers; the Company has promoted the philosophy of anti-corruption and ethical corporate management through monthly meetings, new employees, supervisors, basic and promotion training, etc. Meanwhile, the Company also announces the "Ethical Corporate Management Best Practice Principles" and the "Ethical Management Operating Procedure and Guidelines for Conduct" to avoid conflicts of interest, accepting vendor gifts, insider trading, trade secrets, etc. The courses related to ethical management in 2024 include the laws and regulations on ethical management, scope of internal and material information, confidential work, legal knowledge, and business management meetings. The summary is as follows:</p> <table><tr><th>Category</th><th>Class</th><th>Time (hours)</th><th>Attendees</th></tr><tr><td>Ethical Management Related Courses</td><td>391</td><td>2,186</td><td>19,219</td></tr></table>	Category	Class	Time (hours)	Attendees	Ethical Management Related Courses	391	2,186	19,219	
Category	Class	Time (hours)	Attendees									
Ethical Management Related Courses	391	2,186	19,219									
III. Implementation of Complaint Procedures				None.								
(I) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers?	V		(I) The "Employee's Code of Ethics" established by HIWIN Technologies has stated the whistle-blowing system, and also stipulated the employee reward and punishment method; to facilitate the whistle-blowers to report the violation of ethics matters, the Company has created an independent whistle-blowing mailbox on the Company's website for internal and external Mailboxes have been set up for the Chairman, General Manager, and the Human Resources Department to send whistleblowers directly to the report. If the Chairman and General Manager receive the reporting letter, they will instruct the Audit Office or the Human Resources Department to handle the case on a project-by-case basis. The Procedures for Ethical Management and Guidelines for Conduct specify the information to be provided by whistleblowers, the levels of acceptance for different whistleblowers, and the handling procedures of the dedicated unit. Whistle-blowing mail box:argon@HIWIN.tw; hope@HIWIN.tw; help@HIWIN.tw。									
(II) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	V											
(III) Has the company adopted proper measures to protect whistleblowers from retaliation for filing complaints?	V											
			(II) The "Employee's Code of Ethics" has stipulated the methods of investigation of whistle-blowing and the personnel of relevant units shall report to the Chairman immediately after receiving the whistle-blowing. The Company will provide comprehensive protection measures for whistle-blowers in accordance with Article 7 of the regulations. This is to ensure the quality of the investigation and to prevent the whistleblower from unfair retaliation or treatment. The chairman instructs the relevant units to investigate and handle privately, and the confidentiality of the reported matters and the whistleblower is enhanced.									
			(III) Pursuant to Article 7 of the "Employee's Code of Ethics," the Company will provide comprehensive protection measures for whistle-blowers to ensure the quality of investigations and to prevent unfair retaliation or treatment of the whistleblowers. The									

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary description	
			Company will not disclose their names and other relevant information to ensure the investigation quality and to prevent the whistleblower from unfair retaliation or treatment. In 2024 and 2023, the Company accepted 23 and 13 whistleblowing cases, respectively, and all of them have been handled in accordance with the provisions of the guidelines. Disciplinary measures have been taken against those found to have violated the regulations after investigation.	
IV. Strengthening of information disclosure Does the company disclose the content of the Ethical Corporate Management Best Practice Principles and the effectiveness thereof on its website and the Market Observation Post System?	V		<ol style="list-style-type: none"> 1. The Company discloses information such as ethical corporate management philosophy, corporate mission, and brand meaning on its website and the Market Observation Post System. The Company also discloses the Company's "Ethical Corporate Management Best Practice Principles" on its website and Market Observation Post System. 2. In addition to setting up a corporate governance section on the Company's website to disclose the principles of ethical corporate management, the Bank also has a dedicated department responsible for the collection and release of various company information, and the relevance and reliability of the disclosure are also disclosed in the annual report and sustainability report. the Company's ethical corporate management. 	None.
V. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation: The Company has established the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TWSE Listed Companies", which are based on the examples released by Taiwan Stock Exchange. The relevant units are required to implement the above principles and guidelines into daily operations and management. Therefore, the actual operation is not materially different from the principles and guidelines.				
VI. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies <ol style="list-style-type: none"> 1. Regular education and training are held to promote the principles of integrity. In addition, the Company has formulated an Integrity and Integrity Transaction Commitment, requiring suppliers to sign back the commitment, promising to comply with the principles of integrity and integrity when dealing with the Company. 2. The Company abides by the Company Act, the Securities and Exchange Act, the regulations related to listing on the TWSE/TPEX, and related laws and regulations, as the basis for the implementation of ethical management, and prohibits the conduct of dishonest acts with the counterparties in the external business transactions. The Company has amended the "Ethical Corporate Management Best Practice Principles" and the "Ethical Management and Guidelines for Conduct" on May 6, 2019. 				

(VII) Other Important information helpful for enhancing understanding of the corporate governance of the Company: None.

(VIII)Implementation of the Internal Control System

1. Statement of Internal Control System

HIWIN TECHNOLOGIES CORP.

Statement of Internal Control System

HIWIN TECHNOLOGIES CORP.
Statement of Internal Control System

Date: February 26, 2025

The company hereby declares the following statement about its internal control system of 2024 fiscal year based on its self- examination:

- I. The company is aware that it is the Board and managers' responsibility to establish, implement, and maintain an internal control system and the Company has set up such a system. Its purpose is to provide reasonable information on the effect and efficiency of operations (including profitability, performance, and protection of asset security), the reliability, timeliness, and transparency of reporting, and compliance with relevant laws and regulations. guarantee.
- II. Internal control systems have their inherent limitations. No matter how well they are designed, an effective internal control system can only reasonably ensure the achievement of the above three objectives. In addition, an internal control system's effectiveness may change as circumstances change. Nevertheless, self-supervision mechanisms have been built into the Company's internal control system. Once a deficiency is identified, the Company will immediately take corrective actions.
- III. The Company determines whether the design and implementation of its internal control system is effective by referring to the criteria stated in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter, the "Regulations") The Regulations provide measures for judging the effectiveness of the internal control system. Based on the management control process, the Regulations divided the internal control system into five components, namely: (1) Control Environment, (2) Risk Evaluation, (3) Control Operation, (4) Information and Communication, and (5) Monitoring. Each component consists of several items. Please refer to the Regulations for these items. Please refer to the "Regulations" for the said items.
- IV. The Company uses the criteria above to determine whether the design and implementation of its internal control system is effective.
- V. Based on a test using the above criteria, the Company believes that, as of December 31, 2024, its internal control system (including supervision and management of subsidiaries) is effective and, therefore, can reasonably ensure the achievement of the above objectives, which include awareness of the degree to which operating results and goals are achieved, reliability of financial reporting, and compliance with the law.
- VI. This statement shall become a principal part of the Company's Annual Report and prospectus and be available to the public. If the above content is untruthful or certain critical information is withheld, the Company shall be held liable pursuant to Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This statement was approved on February 26, 2025 by the Board, with all ten directors present agreed with this Statement.

HIWIN TECHNOLOGIES CORP.

Chairman:Eddie Chuo Signature

General Manager: Hui-Ching Tsai Signature

2. If the company has commissioned external auditors to review the company's internal control system, the external auditor's report should be disclosed: None.

(IX) Major resolutions of Shareholder and Board Meetings in the most recent fiscal year and as of the publication date of this Annual Report:

1. Important resolutions of the shareholders' meeting as below:

Date of shareholders' meeting	Important Resolutions of the Board Meeting	Implementation Details
2024.05.31	Approved to ratify the 2023 Business Report and Financial Statements	Relevant forms have been submitted for inspection and announced in accordance with the Company Act and other relevant laws and regulations.
	Approved to ratify the 2023 earning distribution	According to the resolution, the distribution was completed, and a total of NT\$2.5 per share was distributed on August 8, 2024.
	Approval of the Amendment to the "Rules of the Shareholders' Meeting"	Effective upon resolution of the shareholders' meeting.

2. Resolutions from the board meeting:

Date of board meeting	Important Resolutions of the Board Meeting
2024.02.27	Approval of the 2023 Employee Remuneration and Director Remuneration Proposal Approval of the 2023 "Internal Control System Statement" Approval of the 2023 Business Report Approval of the 2023 Financial Statements Approval of the 2023 earning distribution Approval of the Amendment to the "Rules of the Shareholders' Meeting" Approval of the time, place, proposal, and related matters of the 2024 regular shareholders' meeting Approval of accepting proposals from shareholders and related matters Approval of the 2024 Business Plan Approval of the endorsement guarantee case of the subsidiary Matrix Precision Approval of the Japanese subsidiary overdue account transfer funds loan case Approval of the donation of funds to the "HIWIN Education Foundation" Approved the motion for personnel changes in the subsidiary
2024.05.10	Approval of the 2024 Q1 consolidated financial statements Approval of the endorsement guarantee case of the subsidiary Matrix Precision Approval of the Japanese subsidiary overdue account transfer funds loan case Approval of the Amendment to the "Rules of the Board of Director's Meeting" Approved the amendments to the "Audit Committee Charter" Approved the amendment of the Company's "Corporate Governance Practice Principles"
2024.08.13	Approval of the 2024 Q2 consolidated financial statements Approval of cash capital increase of the subsidiary Approval of the endorsement guarantee case of the subsidiary Matrix Precision Approval of proposal to provide endorsement/guarantee to the Singaporean subsidiary Approval of the endorsement guarantee case for the Korean subsidiary Approved the lifting of the prohibition on managers from competing in business Approval of the 2023 Sustainability Report
2024.11.12	Approval of the 2024 Q3 consolidated financial statements Approval of capital increase and decrease of Japan subsidiary Approval of the cash capital increase and endorsement guarantee case of the subsidiary Matrix Precision Approval of plant construction by the Italian subsidiary Approval of the endorsement guarantee case of Italian subsidiary Approval of the endorsement guarantee case for the Korean subsidiary Approval of the endorsement guarantee case of the subsidiary Matrix Approval of the Japanese subsidiary overdue account transfer funds loan case Approval of proposal to lease plants from HIWIN Mikrosystem Ltd. Approval of proposal to assess the qualification, independence, and competence, as well as the engagement for CPAs. Approved the proposal to establishment of the internal control system for the management of sustainability information Approved the formulation of the 2025 annual internal audit plan

Date of board meeting	Important Resolutions of the Board Meeting
	Approved the establishment of an "Anti-Corruption Policy" Approved the amendment to the "Risk Management Policy and Procedures" Approved the amendment to the "Code of Ethical Conduct"
2025.02.26	Approval of the 2024 Employee Remuneration and Director Remuneration Proposal Approval of the 2024 "Internal Control System Statement" Approval of the 2024 Business Report Approval of the 2024 Financial Statements Approval of the 2024 earning distribution Approved the amendments to the "Articles of Incorporation" Approval of the time, place, proposal, and related matters of the 2025 regular shareholders' meeting Approved the election of the 13th Board of Directors Approval of matters related to the acceptance of shareholders' proposals and the nomination of candidates for directors and independent directors Approval of the 2025 Business Plan Approval of capital increase and decrease of Japan subsidiary Approval of the endorsement guarantee case of the subsidiary Matrix Precision Approval of the endorsement guarantee case of Italian subsidiary Approval of the Japanese subsidiary overdue account transfer funds loan case Approval of the donation of funds to the "HIWIN Education Foundation"
2025.04.09	Approved the nomination of the list of director candidates for the 13th board and the qualification review of independent directors Approved the lifting of restrictions on the participation of the 13th board of directors and their representatives non-compete restrictions Approval of the Japanese subsidiary overdue account transfer funds loan case

- (X) In the most recent fiscal year and as of the printing date of this Annual Report, directors have different opinions on important resolutions passed by the board of directors and have records or written statements: None.

IV. Information on the professional fees of the attesting CPAs

- (I) The amounts of the audit fees and non-audit fees paid to the attesting certified public accountants 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\$ thousand

Name of Accounting Firm	Names of CPAs	Period covered by the CPA audit	Audit fees	Non-audit fees	Total	Remark
Deloitte Taiwan	Wu, Li-Dong	2024.1.1~2024.12.31	5,790	1,610	7,400	The non-audit fees include audit of the profit-seeking enterprise income tax, preparation of transfer pricing report, and expenses paid on behalf of the Company
	Karen Yen					

- (II) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None
- (III) The audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more: None

V. Information on replacement of certified public accountant: None

(I) Information regarding the former CPAs

Date of replacement	2022.05.10		
Reason for replacement and explanation	In accordance with the internal rotation at Deloitte & Touche, starting from the first quarter of 2022, the financial statement auditing services will be provided by CPAs Wu Li-dong and Karen Yen instead of Wu Li-dong and Zeng Dong-jun.		
Was the termination of audit services initiated by the Company or the CPA?	<div>Parties</div> <div>Circumstances</div>	CPAs	The Company
	Terminated the engagement	Not Applicable	
	No longer accepted (discontinued) the engagement		
If the CPAs issued an audit report expressing any opinion other than an unqualified opinion during the 2 most recent years, specify the opinion and the reasons			
Disagreement with the Company?	Yes		Accounting principles or practices
			Disclosure of financial reports
			Audit scope or steps
			Other
	None	V	
	Description		
Other disclosures (Any matters required to be disclosed under sub-items d to g of Article 10.6.A of Regulations Governing the Preparation of Financial Reports by Securities Issuers)	None		

(II) Information Regarding the Successor CPAs

Name of accounting firm	Deloitte Taiwan
Names of CPAs	Wu, Li-Dong and Karen Yen
Date of engagement	2022.05.10
Subjects discussed and results of any consultation with the CPAs prior to the engagement, regarding the accounting treatment of or application of accounting principles to any specified transaction, or the type of audit opinion that might be issued on the company's financial report	Not Applicable
Successor CPAs' written opinion regarding the matters of disagreement between the Company and the former CPAs	Not Applicable

(III) The reply letter from the former CPA regarding the Company's disclosures regarding the matters under Article 10.6.A and 10.6.B(c) of the Regulations: N/A

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

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

(I) Changes of shares held by directors, managers and major shareholders

Unit: Shares

Title	Name	2024		2025 and up to March 31	
		Increase (Decrease) in Shares Held	Increase (Decrease) in Shares Pledged	Increase (Decrease) in Shares Held	Increase (Decrease) in Shares Pledged
Chairman	Eddie W.H. Chuo	-	(265,000)	-	-
Vice Chairman	Chin-Tsai Chen	-	470,000	-	(2,323,000)
Director	Eric Y.T. Chuo	-	-	-	-
Director	Shun-Chin Lee	-	-	(334,000)	(3,000,000)
Director	Olivia S.Y. Chuo	-	-	-	-
Director	Sanko Investments Ltd.	40,000	850,000	-	-
	Representative: Ching-Yi Huang	-	-	-	-
Independent director	Cheng-Ho Chiang	-	-	-	-
Independent director	Zhen-Yuan Chen	-	-	-	-
Independent director	Hui-Xiu Lee	-	-	-	-
General Manager	Enid H.C. Tsai	(112,000)	-	(16,000)	-
Executive Assistant General Manager, Chairman's Office (Note)	Ming-Yao Lin	-	-	-	-
Senior Vice President, Finance Division	Yue-Chin Wu	-	-	-	-
Senior Vice President, Marketing Business Group	Yan-Qi Peng	(1,000)	-	-	-
Assistant General Manager, Chairman's Office	Jun- Liang Wu	-	-	-	-
Assistant General Manager, Chairman's Office	Chuang- Bao Yang	-	-	-	-
Assistant General Manager, System Development Business Division	Fu-Qing Wang	(2,000)	-	-	-
Assistant General Manager, Finance Division	Ke- Huang Liao	-	-	-	-
Assistant General Manager, Chairman's Office	Wen-Bin Lee	(3,000)	-	-	-
Assistant General Manager, Chairman's Office	Shi-Rong Chiu	(10,670)	-	-	-
Assistant General Manager, Finance Division	Hong- Ming Chen	-	-	-	-

(II) Information on Transfers of Shareholding with Related parties: none

(III) Information on Pledges of Shareholding with Related parties: none

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

March 31, 2025

Unit: Shares; %

Names of Major Shareholders	Shareholding		Spouse and minor children Shareholding when elected or appointed		Shareholding in the name of others in total		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remark	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship		
HIWIN Investment Corporation Representative: Wen-Heng Chou	28,829,898	8.15%	-	-	-	-	Eddie W.H. Chuo	Chairman	None	
	6,845,702	1.93%	420,676	0.11%	-	-	Eric Y.T. Chuo	Director		
Labor Pension Fund, New System	14,660,215	4.14%	Not Applicable							
HSBC Bank (Taiwan) Limited entrusted with custody of Fidelity Advisor Series VIII: Fidelity Advisor focuses on Emerging Markets Fund Investment Account	11,697,660	3.31%	Not Applicable							
Eric Y.T. Chuo	10,990,759	3.11%	1,300,320	0.36%	-	-	Eddie W.H. Chuo	Father and son		
Shun-Chin Lee	8,618,011	2.44%	107,957	0.03%	-	-	First Bank Trust-Fund Account Appointed by Shun-Chin Lee	-		
Nanshan Life Insurance Co., Ltd. Representative: Yin Chong-Yao	6,862,355	1.94%	Not Applicable							
	Information not available									
Eddie W.H. Chuo	6,845,702	1.93%	420,676	0.11%	-	-	Eric Y.T. Chuo	Father and son		
Norges Bank Investment Account under custody of Citibank (Taiwan)	6,525,815	1.84%	Not Applicable							
Deutsche Bank Taipei Branch in custody for Fidelity Emerging Markets Fund Investment Account	6,082,520	1.72%	Not Applicable							
First Bank Trust-Fund Account Appointed by Shun-Chin Lee	6,000,000	1.70%	Not Applicable				Shun-Chin Lee	-		

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

March 31, 2025

Unit: Shares; %

Reinvestment Business	Investment of the Company		Investment of Business Directly or Indirectly Controlled by the Directors and Managerial officers		Comprehensive Investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
HIWIN Corporation, U.S.A.	2,148,000	100%	-	-	2,148,000	100%
HIWIN GmbH Germany	Note	100%	-	-	Note	100%
HIWIN Corporation, Japan	80,200	100%	-	-	80,200	100%
Eterbright Solar Corp.	505,360,592	89%	14,960,865	3%	520,321,457	92%
HIWIN Singapore Pte.Ltd.	5,000,000	100%	-	-	5,000,000	100%
HIWIN Corporation, Korea	1,760,000	100%	-	-	1,760,000	100%
HIWIN S.R.L Italy	Note	100%	-	-	Note	100%
HIWIN China	Note	100%	-	-	Note	100%
HIWIN Samoa	100,000	100%	-	-	100,000	100%
Matrix Precision Co., Ltd.	75,696,467	61%	7,083,674	6%	82,780,141	67%
Matrix Suzhou Co., Ltd.	-	-	Note	61%	Note	61%
Matrix Corp. UK	8,249,500	100%	-	-	8,249,500	100%
HIWIN Schweiz GmbH Switzerland	243,000	81%	57,000	19%	300,000	100%
HIWIN Corp. Czech	-	-	Note	100%	Note	100%
HIWIN Bulgaria	-	-	Note	100%	Note	100%
HIWIN France	-	-	Note	100%	Note	100%

Note : No share is issued.

Three. Fundraising

I. Capital and shares

(I) Source of share capital

Unit : NT\$ thousand; thousand shares

Month/Year	Issue price	Authorized share capital		Paid-in capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Subscriptions paid with property other than cash	Others
1999.10.08	12	130,500	1,305,000	123,500	1,235,000	Capital increase in cash	None	1999.08.05 (88) TCZL(1) No.72181
2001.10.22	10	151,900	1,519,000	135,850	1,358,500	Capital increase out of earnings and capital reserves	None	2001.08.14 (90)TCZL(1)No.151591
2002.10.15	10	151,900	1,519,000	139,925	1,399,255	Earnings capitalization	None	2002.08.14 (91)TCZL(1)No.145107
2003.10.09	10	151,900	1,519,000	145,544	1,455,442	Capital increase out of earnings and employee bonuses	None	2003.08.15 (92)TCZL(1)No.137138
2004.10.05	10	191,038	1,910,380	156,918	1,569,178	Capital increase out of earnings and employee bonuses	None	Jin-Guan-Zheng-1-Zi No. 0930135195, August 6, 2004
2005.10.05	10	191,038	1,910,380	177,706	1,777,059	Capital increase out of earnings and employee bonuses	None	Jin-Guan-Zheng-1-Zi No. 0940132392, August 09, 2005
2006.08.02	10	300,000	3,000,000	201,345	2,013,448	Capital increase out of earnings and employee bonuses	None	Jin-Guan-Zheng-1-Zi No. 0950133960, August 02, 2006
2009.06.25	24	300,000	3,000,000	223,390	2,233,898	Capital increase in cash	None	Jin-Guan-Zheng-1-Zi No. 0970071383, January 08, 2009
2010.08.16	10	300,000	3,000,000	227,858	2,278,576	Earnings capitalization	None	Jin-Guan-Zheng-Fa-Zi No. 0990032889, June 25, 2010
2011.08.29	10	300,000	3,000,000	234,693	2,346,933	Earnings capitalization	None	Jin-Guan-Zheng-Fa-Zi No. 1000031785, July 11, 2011
2012.09.17	10	300,000	3,000,000	246,428	2,464,280	Earnings capitalization	None	Jin-Guan-Zheng-Fa-Zi No. 1010031169, July 13, 2012
2013.09.18	10	300,000	3,000,000	253,821	2,538,208	Earnings capitalization	None	Jin-Guan-Zheng-Fa-Zi No. 1020027958, July 18, 2013
2014.09.15	10	300,000	3,000,000	261,435	2,614,354	Earnings capitalization	None	Jin-Guan-Zheng-Fa-Zi No. 1030026626, July 14, 2014
2015.09.02	10	300,000	3,000,000	269,278	2,692,785	Earnings capitalization	None	Jin-Guan-Zheng-Fa-Zi No. 1040027343, July 21, 2015
2016.09.21	10	300,000	3,000,000	274,664	2,746,640	Earnings capitalization	None	Jing-Shou-Shang-Zi No. 10501226510, September 21, 2016
2017.09.01	10	300,000	3,000,000	280,157	2,801,573	Earnings capitalization	None	Jing-Shou-Shang-Zi No. 10601126420, September 01, 2017
2018.08.22	10	300,000	3,000,000	288,562	2,885,620	Earnings capitalization	None	Jing-Shou-Shang-Zi No. 10701102130, August 22, 2018
2018.10.05	250	500,000	5,000,000	300,562	3,005,620	Capital increase in cash	None	Jing-Shou-Shang-Zi No. 10701122430, October 05, 2018

2019.08.27	10	1,000,000	10,000,000	309,579	3,095,789	Earnings capitalization	None	Jing-Shou-Shang-Zi No. 10801118450, August 27, 2019
2020.09.16	10	1,000,000	10,000,000	318,866	3,188,663	Earnings capitalization	None	Jing-Shou-Shang-Zi No. 10901168200, September 16, 2020
2021.01.28	195	1,000,000	10,000,000	330,866	3,308,663	Capital increase in cash	None	Jing-Shou-Shang-Zi No. 11001002260, January 28, 2021
2021.10.04	10	1,000,000	10,000,000	340,792	3,407,923	Earnings capitalization	None	Jing-Shou-Shang-Zi No. 11001184000, October 04, 2021
2022.09.22	10	1,000,000	10,000,000	353,792	3,537,922	Capital increase in cash	None	Jing-Shou-Shang-Zi No. 11101177240, September 22, 2022

Type of Share	Authorized share capital			Remark
	Outstanding Shares	Unissued Shares	Total	
Registered common shares	353,792,240	646,207,760	1,000,000,000	-

Information for the Shelf Registration System: none.

(II) List of major shareholders

March 31, 2025

Names of Major Shareholders	Shares	Number of shares held	Shareholding ratio
HIWIN Investment Corporation		28,829,898	8.15%
Labor Pension Fund, New System		14,660,215	4.14%
HSBC Bank (Taiwan) Limited entrusted with custody of Fidelity Advisor Series VIII: Fidelity Advisor focuses on Emerging Markets Fund Investment Account		11,697,660	3.31%
Eric Y.T. Chuo		10,990,759	3.11%
Shun-Chin Lee		8,618,011	2.44%
Nan Shan Life Insurance Co., Ltd.		6,862,355	1.94%
Eddie W.H. Chuo		6,845,702	1.93%
Norges Bank Investment Account under custody of Citibank (Taiwan)		6,525,815	1.84%
Deutsche Bank Taipei Branch in custody for Fidelity Emerging Markets Fund Investment Account		6,082,520	1.72%
First Bank Trust-Fund Account Appointed by Shun-Chin Lee		6,000,000	1.70%

(III) Company's dividend policy and implementation

1. Dividend policy

When distributing the surplus in each fiscal year, the Company shall first make up for the loss and set aside 10% as the statutory surplus reserve except for the statutory surplus reserve has reached the Company's total capital. In accordance with other laws and regulations, the Company also sets aside (or reversals) special surplus reserves, with the second dividend increase being less than 6% (inclusive). The distribution of surplus can be made in the form of cash dividends or stock dividends. However, the proportion of stock dividends shall not be more than two-thirds of the total shareholder dividends and shareholder dividends for the year.

The Company may consider the financial, business, and operational factors to distribute all or part of the remaining surplus after deducting the amount specified above, the undistributed surplus of the previous period, and the distributable surplus of the current year.

The Company's Articles of Incorporation has not yet clearly specified the distribution ratio of shareholders' dividends due to the profit for the current year is subject to adjust based on future capital expenditure and capital situation and shall be handled as per the resolution of the shareholders' meeting. As the Company continues to expand its plants, the scale of reinvestment, and the R&D of new products, a certain level of funds is required to be retained. The dividend distribution ratio is expected to be approximately 35%-45% in the short term, but the actual ratio depends on the economic conditions and investment plans.

2. The dividend distribution proposed at the shareholders' meeting

The 2024 earnings distribution plan, as resolved by the Board of Directors on February 26, 2025, proposed to allocate a total of NT\$849,101,376 in dividends to shareholders (NT\$ 2.4 per share), all distributed in cash. The cash dividends will be submitted to the shareholders' meeting according to the law after the board of directors' approval, then the authorized chairman will set a dividend record date for distribution.

3. Expected major changes in the dividend policy: None.

(IV) The influences of the stock dividends proposed at the shareholders' meeting on the Company's business performance and earnings per share:

Not applicable because the Company did not distribute stock dividends or employee stock dividends in 2024. It didn't affect the Company's business performance and earnings per share.

(V) Employee remuneration and director remuneration

1. Percentage or scope of employee bonuses and remunerations of directors and provided for in the Articles of Incorporation:

The Company's remuneration includes principal salary, bonuses, and employee dividends. The amount of various bonuses and employee dividends depends on the Company's overall operation and employee performance.

According to the Articles of Incorporation, if the Company has earnings at the end of a fiscal year, it should allocate (1) a minimum of 1% for employee remunerations and (2) a maximum of 4% for directors' remunerations. The board of directors determines whether the distribution of employee remuneration is paid in stock or cash. The remuneration for directors is paid in cash. The distribution proposal of employee remuneration and director remuneration shall be reported to the shareholders' meeting. However, if the Company still has accumulated losses, the amount for offset shall be reserved, then the employees' and directors' remuneration may be distributed according to the above proportions. The amendment to the Articles of Incorporation specifies that no less than 0.3% shall be provided as the remuneration to the non-executive employees, and which was approved by the Board on February 26, 2025, and to take effect upon the approval of the shareholders' meeting on May 28, 2025.

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

After the end of the fiscal year, if there are significant differences in the distribution amount proposed by the Board of Directors, such changes will be adjusted against the initially accrued annual expenses. If the actual amounts still differ from the proposed amounts after the publication of the annual financial statement, the differences are charged to the earnings of the following year as a result of a change in accounting estimate.

3. Information of proposals approved by the Board of Directors to distribute remunerations

- (1) Remunerations to employees and directors in cash

NT\$156,558,502 for employees and NT\$78,279,251 for directors. The estimated ratios were 6.2% and 3.1% respectively, comply with the Articles of Incorporation of the Company.

- (2) The proportion of the number of shares for employees as remunerations to net profits after tax and the total of employee bonuses of the individual or individual financial reports in the current period: Not applicable.

4. The actual distribution of employee remuneration and director remuneration in the previous year

- (1) The employee remunerations distributed in cash actually in 2024 were NT\$161,497,771.

- (2) The director remunerations distributed in cash actually in 2024 were NT\$80,748,886

- (3) No differences between the actual distribution and the proposed amount approved by the Board Meeting.

(VI) Repurchase shares by the Company: None.

II. Issuance of corporate bonds: None

III. Issuance of preferred shares: None

IV. Issuance of global depository receipts: None

V. Issuance of employee share subscription warrants: None

VI. Issuance of new restricted employee shares: None.

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

VIII. Capital allocation plan implementation:

As of the publication date of this Annual Report, the Company hasn't issued or completed the private placement of marketable securities, nor has it completed such actions in the last three years with no effects shown yet.

Four. Operation Overview

I. A description of the business

(I) Business Scope

1. HIWIN's main businesses:

HIWIN is mainly engaged in the R&D, design, manufacture, sale, maintenance, and pre-sales and after-sales services of linear guideway (GW), ball screws (BS), industrial robots, various robot arms, Torque Motor rotary tables, reducers, precision bearings, and medical equipment.

2. Business proportion:

The turnover of 2024: GW for 64%, BS for 20%, robots for 7%, others 9%.

3. Current products (services):

HIWIN provides key components, industrial robots, special machines, and after-sales services for machine tools, industrial machinery, bioscience, medical equipment, equipment of the electronics industry, opto-electronics, semiconductor devices, automation, etc. The current main products of the company are listed below:

By product			Series
1	Linear guideways		Self-lubricating type, quiet type, roller type, super heavy-duty type, micro type, smart type, high dust-proof type, high rigidity type, light weight type, high torque resistance type, cross-configuration type, ultra-low type, four-row stainless steel, UR overloaded roller
2	Ball screw		Precision grinding, precision turning, self-lubricating, high-speed, heavy-duty, air cleaning, nut rotation, thread cutting and circulation type, quiet type, cooling type, intelligent type, economic type, precision turning
3	Rotary table		Double-axis double-arm rotary table, double-axis single-arm rotary table, single-axis vertical rotary table, single-axis horizontal rotary table, composite high-speed rotary table
4	Robot	General industry	Single-axis robot, articulated robotic arm series, scala robotic arm series, electric gripper series
		Semiconductor industry	Wafer transfer system, wafer robot arm series, wafer edge finder, wafer loader and unloader load port
		Medical industry	Robotic gait training system
		Strain Wave Gear	Datorker robot strain wave gear
		Precision Bearing	Crossed roller bearing, ball screw bearing, support unit

4. New products (services) planned to be developed:

- (1) Expanded specifications of intelligent linear guideways and ball screw
- (2) Slim harmonic strain wave gear
- (3) Development of new series of wafer articulated robot/wafer aligner
- (4) Expansion of the specifications of EDM equipment-specific rotary table
- (5) Expansion of the composite high-speed rotary table specifications

(II) Industry Overview

1. Development and current state of the industry:

In recent years, the machine tool industry has faced multiple challenges. The traditional manufacturing industry and the automobile industry are under the influence of weak demand and China's overproduction, slowing down growth and facing transformation pressure. With the advancement of technology and the drive of industrial upgrading, the field of machine tools is rapidly advancing in the direction of intelligence, digitization, automation, greenness and precision. In particular, the development of composite, multi-axis and high efficiency has gradually become a The demand for mainstream, high-end 5-axis and multi-function processing machines continues to grow. High-precision and high-efficiency four-axis and five-axis rotary worktables are also becoming more and more widely used. Mid-to-high-end machine tools have become the mainstream for the transformation and upgrading of global manufacturing industries. It is expected to account for 40% of high-end machine tools in a few years the above.

Environmental protection and smart manufacturing are also important issues. In the design and production process of machine tools and related industrial machinery, more and more attention is paid to resource conservation and reducing carbon emissions, to further promote the smart and sustainable development of the machine tool industry. The combination of smart manufacturing and green energy also promotes the development of a circular economy, especially in the fields of battery recycling and component modular design, to realize the reuse of resources and reduce the impact on the environment.

In the semiconductor industry, the demand for AI and high-performance computing (HPC) continues to rise. From cloud data centers, terminal devices to specific industry categories, all major application markets are facing the trend of specification upgrade, and the semiconductor industry will once again usher in a new prosperity. IDC expects the wafer manufacturing capacity to increase by 7% in 2025, of which the advanced process capacity will increase by 12%, and the average capacity utilization rate is expected to remain above 90%. The AI demand-driven semiconductor boom continues to unfold.

In recent years, various industries have expanded the introduction of advanced machinery and technical solutions. There are several factors behind this trend. For example, the Company is faced with the problem of rising personnel expenses, resulting in higher production costs and lower productivity. Therefore, many companies have turned to automation solutions as a more economical choice, which has caused the global general industrial robot market to continue to grow in the past few years. In 2024, the installed volume of the global general industrial robot market reached 613 thousand units, and the market scale reached US\$3.61 billion. It is expected that the installed quantity will increase to 718 thousand units by 2026, and the market scale will reach US\$5.20 billion.

In the post-pandemic era, the rehabilitation robot market has grown rapidly and has become an important driving force in the field of smart medical materials. According to the forecast of Global Market Insights Inc, the market scale will reach US\$1.4 billion by 2032, with the compound annual growth rate of 22.2%. With the increasing incidence of brain-related diseases such as stroke, Alzheimer's disease, and Parkinson's disease, the demand for long-term rehabilitation treatment continues to grow, making rehabilitation robots a key technology to supplement clinical treatment. Rehabilitation robots combined with artificial intelligence technology are promoting the development of personalization and decentralization in medical rehabilitation, so that patients can receive efficient rehabilitation even at home.

Overall, ESG has become the core of the future development of various industries, as well as a key factor in industrial transformation and competitiveness. It will further promote industrial innovation, move towards low-carbon manufacturing, circular economy, green manufacturing, and build a sustainable supply chain. Create new market advantages and competitiveness for enterprises.

2. Correlation among the up-stream, mid-stream and down-stream industries of main products:

Raw materials (upstream)	Main products	Main applications (downstream)
Steel, steel balls	Ball screw Linear guideways	Semiconductor and optoelectronic manufacturing and testing equipment, automation equipment, life sciences medical equipment, robots, electronic industry, machine tools, industrial machinery.

3. Product development trends:

The development of IoT and AI artificial intelligence technologies in recent fiscal years has driven the increasing intelligence of machinery. While products on the market currently mainly focus on recording or alerting based on detection results, they still lack predictive capabilities. In response to the demand for uninterrupted production capacity and maintaining product precision, especially in components like ball screws that are critical to equipment, HIWIN's smart ball screws have become a leading indicator in the industry. These smart ball screws come with built-in sensors developed in-house, coupled with real-time collection of big data online. They can monitor screw temperature, vibration levels, lubrication status, and predict product lifespan through algorithms, enabling proactive maintenance. This enhances production efficiency by providing real-time feedback on maintenance schedules, allowing customers to schedule maintenance in advance, maintain production uptime, and avoid losses due to downtime, thus achieving the goals of Industry 4.0. Smart lubrication further allows factories to save 40-70% on oil consumption, equivalent to reducing approximately 80 kilograms of CO2 emissions per year for each equipment installed with smart screws.

In the highly automated semiconductor industry, the engineer-to-machine ratio has gradually increased from one engineer per machine to one engineer managing six or more machines. Enhancing Overall Equipment Effectiveness (OEE) has become a significant challenge for semiconductor equipment manufacturers and related industries. EFEM is a semiconductor loader/unloader. It can provide automatic modules for front-end loading/unloading of equipment for different wafer sizes. Pursuing maximum OEE often involves increasing equipment operating speeds, but this can inadvertently raise the risk of component degradation, leading to unplanned downtime, product scrap, and capacity issues. The imperfect surface morphology of components in linear slides inevitably causes vibration and generates heat due to friction during operation. HIWIN Technologies provides a solution with smart linear slides that monitor key physical parameters such as vibration and temperature using dedicated sensors. They have developed four functionalities: condition monitoring, anomaly alerts, intelligent maintenance, and predictive repairs. The goal is to assist customers in reducing scrap due to unplanned downtime.

The AI topic has expanded and fermented since 2023. Its essence is that all kinds of robots are combined with AI intelligence to understand information. It is expected to lead the new wave of industrial revolution. Four traditional brands of arm, namely FANUC, KUKA, ABB and YASKAWA are still unshakable. They are also keeping up with the AI trend: KUKA's application in the automotive industry and AMR to automatic warehousing provide one-stop solutions; Technological Solutions and a number of partners to integrate software and hardware, and introduce more intelligent and flexible processing services; FANUC focuses on improving product performance and information security in response to the new generation trend, and preventing hacker attacks and theft of manufacturing data. Confidential; YASKAWA continues to deploy key components in-house and focuses on ESG issues to continue to improve its own products (such as power consumption, cost, etc.).

Since the era of Industry 4.0, through the declining birth rate and the global pandemic caused by the overt and recessive economic problems, to the recently hotly discussed AI generation, the hardware that connects everything is robots; while the key components (screws, linear guides, harmonic reducers, bearings, servomotors and control units), we have been recognized by many international big firms for industrial customers in recent years, semi-conductor industry and AI issues. Name; looking back at the past, the technology of key parts of robots was controlled by European, American and Japanese manufacturers, accounting for more than 50% of the cost. In addition to the previous situation of lockdowns due to the pandemic, the congestion of marine transportation caused infinite delays in the delivery of goods. With the investment in the self-production of key materials and positive R&D results, we can still achieve the goal of high delivery rate and low cost. Together with the mastery of systematic integration technology, we can further enhance our profits and industry dominance.

The 5-axis high-end machine tool and the self-developed Torque Motor rotary table are becoming the core of the transformation of the global manufacturing industry and play an important role in improving the processing efficiency, precision and speed. With the upgrade of market demand, the development of high-speed rotary tables will become an important trend of the future machine tool industry, providing more precise and efficient manufacturing solutions for the high-end market.

With the challenges of an aging population and few children in the world, smart medicine has become the core of solving medical needs. At present, there are mainly two types of rehabilitation robots. One is training rehabilitation robots, which can be used in the walking training of stroke brain injury patients and spinal cord injury patients; the other One is the walking-assisted rehabilitation robot, which can enable paralyzed patients to walk while standing. In the era of aging population and few children with few children, it is an inevitable trend that it is impossible to rely on a large number of manpower, and rehabilitation robots have emerged as the times require.

4. Competition of products:

The competitive landscape of straight-line products has seen changes in the underlying structure in recent years.

Major brands dominate the market, but new competitors have emerged in the low-end market to compete for customer orders with large price differences. Most of these competitors are low-priced products from China and South Korea, and enter the European and Asian markets through rebranding and packaging. In the face of these new competitors, SEHK provides differentiated services and improves competitiveness with modular product portfolios, saving customers the time of purchasing other accessories. The Bank also has the advantage of better reliability to gain

market share.

Leading the peer, HIWIN launched the Intelligent Ballscrew with 4 diagnostic functions of temperature, preload, vibration and lubricity ahead of the industry. The level of intellectualization is superior than the European and Japanese competitors. HIWIN i4.0 BS is the beginning of the intelligentization of machinery and equipment. In compliance with the epidemic prevention control policy, customers can remotely monitor the operation of machinery and equipment without entering the factory. The i4.0 BS provides real-time feedback to assist smart factory maintenance and management operations. Ultra-mini ball screws are mainly produced by Japanese brands and are used in micro precision positioning workbenches, 3C products and medical testing equipment.

In the machine tool industry, due to the rise of Chinese competitors, the market is facing serious price competition. In addition, the cancellation of ECFA tariff preferences has made transmission components also faced a serious price challenge. Therefore, how to provide screw wire guides with stable quality and performance has become an important mission of HIWIN's core products. The UR products independently developed by HIWIN have overcome the disadvantage that the high-end machine tools of the past were all using roller slides from Japan and Germany. It effectively satisfies the needs of Taiwanese manufacturers and provides more cost-effective products with short delivery time. In the future development trend of 5-axis composite and high-speed machine tools, the wide application of UR products in the market will gradually increase, and it will become an indispensable tool for building high-end machine tools.

The Torque Motor rotary work table of HIWIN has broken through the technological leading advantages of European suppliers. Through innovative technology and a more competitive cost structure, it will bring significant changes to the high-end machine tool industry in the Asian market. HIWIN is expected to further expand the international market with its advantages in product precision, cost-effectiveness and service, and challenge the dominance of the European market.

Under the long-term strategy of semi-conductor industry deployment, the Company currently has three individual products: Wafer Robot, Wafer Load Port, and Wafer Aligner. EFEM also offers wafer transfer equipment (EFEM). These four types of equipment are available with different features for customers to choose from. Customers can also develop customized specifications to meet the special needs of individual customers, demonstrating the advantages and benefits of SYSTRA products. Diversity. In particular, each EFEM can be matched with different processes of different customers. The Bank has developed various key equipment in-house to be more powerful in system integration and one-stop solution for after-sales service.

The response of the four major families of robotic arms in the new topic also proves the direction of HIWIN in the robotics industry: self-production, integration, one-stop, cross-industry cooperation, and corporate awareness in line with the ESG spirit. HIWIN has made significant progress in AI from assisting the transformation of hardware and intelligent manufacturing to the semiconductor manufacturing and solution strategies, integrated welding of welding technology, logistics solutions, agriculture and medical care. It has occupied a place among the trend-setting global issues.

HIWIN of Saigon has developed a lower extremity rehabilitation robot based on automation and key component technologies to help patients regain their walking ability. The product has an intelligent intensity adjustment function that can instantly detect patients' abilities and dynamically adjust training resistance to ensure personalized training effects. In addition, visual feedback and guidance are combined to help patients improve their cardiovascular fitness during training and promote rehabilitation efficiency. The technological progress and clinical application of rehabilitation robots are promoting precision and personalization of smart medicine and promoting popularization of rehabilitation.

We have a complete line of Industry 4.0 trend products and can provide customers with one-stop service for transformation and upgrade. We have been the only supplier of electromechanical integrated system services for several big manufacturers in smart production line projects. In the electromechanical integrated system service field, we have a strong competitiveness. HIWIN's high-precision electromechanical components are used flexibly by the Weibo Group to provide suitable product combinations and add value for customers based on their different needs. In addition, HIWIN actively implements ESG sustainability strategies, grasps green business opportunities, and continues to develop low-carbon products to improve the energy efficiency of products. Execute the energy-saving project in the production process, and introduce ISO certification and other measures to strengthen the resilience and sustainability of the HIWIN brand.

(III)Technology and R&D Overview

A total of 42 patent applications were submitted by HIWIN during 2024, and 77 patents were granted. As of the end of 2024, there were 2,181 patents that have been obtained and are still effective.

1. R&D expenses in the most recent fiscal year and as of the as of the publication date of this Annual Report

Unit : NT\$ thousand

Item	2024	2023
R&D expenses	963,362	943,458

2. Technologies and products developed successfully in the most recent five years

Year	Product
2020	<ol style="list-style-type: none">1. The precision screws for vehicles have passed the IATF 16949 automotive quality management system certification.2. The endoscope supports the robotic arm fastener family to complete the development, medical certification, and mass production.3. Completed the prototype development of composite high-speed rotary table.4. Development and mass production of dust-proof version of Scala robotic arm.5. Mass production of the Intelligent Ballscrew i4.0BS.
2021	<ol style="list-style-type: none">1. Prototype development of intelligent linear guideway i4.0GW.2. Mass production of MRG-P110, a new generation of lower body strength training machine.3. The E-series of wafer robots has been developed and currently under test-production.4. Completed the prototype development of composite high-speed rotary table.
2022	<ol style="list-style-type: none">1. Completed the prototype development of the rotary table for EDM equipment, RCH- 100E.2. Mass production of the next-generation servo rotary actuator.3. Mass production of the four-row stainless steel linear guideway.4. The A-series of wafer robotic arms has been developed and certified, and currently under test-production.
2023	<ol style="list-style-type: none">1. Expansion of standard and customized stainless steel linear guideway.2. Smart single-axis robot prototype completed.3. Prototype development of EDM equipment specialized rotary table RAS-125E completed.
2024	<ol style="list-style-type: none">1. Development of UR Ultra-Loading Rolling Linear Guideway2. Mass production of the next-generation servo rotary actuator.3. Prototype development of EDM equipment specialized rotary table RAB-800E completed.4. The wafer load port has been developed and put into trial mass production and customized design is available.

(IV)Long- and Short Term Business Development Plan

1. Short-term business development plan
 - (1) Integrated solutions for customers' innovative and value-added electromechanical products.
 - (2) Continue to optimize the linear transmission products, enhance the competitiveness, and ensure the leading position in the market.
 - (3) Expand the sales ratio of electromechanical and innovative products, explore new niche markets, and increase market penetration.
 - (4) Promote the application of Torque Motor rotary table in high-end equipment and provide customers with breakthrough solutions with high speed and high precision.
 - (5) Integrate transmission precision components, robots, and sub-system products with the Group's Total Solution to become a key supplier of the advanced process supply chain.
 - (6) Pay attention to the trend of green energy, develop applications in the green energy industry, and explore new business opportunities.
 - (7) Promote the robotic modular system and work with system integrators and strategic partners to expand the application field.
 - (8) Invest in the development of AI robot technology and become an important supplier of key components.
 - (9) Provide smart products with predictive maintenance function to enhance the performance and added value of customers' equipment.
 - (10)Promote ESG and provide low-carbon and energy-saving products.

2. Long Term Business Development Plan

- (1) Integrate the Group's resources and advantages in electromechanical products, provide industrial innovative solutions, assist customers in transformation and upgrade, and enhance their competitive advantages in the market.
- (2) Continue to optimize sales channels, deepen cooperation with customers in different industries, and enhance the market penetration and application benefits of electromechanical products.
- (3) Extend the sales chain and service network to the end customers and assist in the transformation and upgrade of the entire industrial chain.
- (4) Cultivate the global trending industries and explore related business opportunities to facilitate growth.
- (5) In response to the adjustment of the global supply chain, the Company will actively expand its presence in emerging markets and enhance its regional service capabilities to cope with industrial changes.
- (6) Continue to promote ESG to ensure the achievement of goals and help customers achieve sustainable development.
- (7) Increase the capacity of localized services in the global market.

II. Market, production, and sales status

(I) Market analysis

1. Sales regions of the main products:

HIWIN's products are sold and operated in Taiwan, Germany, China, Japan, and the U.S. as follows:

Unit : NT\$ thousand

Business locations of BUs	2024	2023
Taiwan	11,004,063	10,757,040
China	5,079,431	4,874,839
Germany	3,859,779	4,168,497
USA	1,165,478	1,254,724
Japan	876,334	988,724
Others	2,406,599	2,588,948
Total	24,391,684	24,632,772

2. Future supply, demand and growth of the market:

According to the "World Economic Outlook" update report released by the International Monetary Fund (IMF) in January 2025, the global economic growth rate is expected to be 3.3%, a slight growth from 2024. The U.S. economy was expected to perform better than expected, and the growth rate was raised to 2.7%; China's growth was revised down due to Trump's tariff policies and economic weakness, but remained at 5%; the Eurozone economic growth was slowing, and the growth rate was estimated Only 1%; the Japanese economy is expected to continue to recover, and the growth rate is expected to increase from -0.2% for the whole year to about 1%. The global supply chain is still affected by geopolitical risks, inflation pressure and climate change, which bring uncertainty to the global trade dynamics.

Intra-regional trade in Asia is booming, and countries such as Vietnam and India are gradually emerging as supply chain hubs. Against such a background, upholding the core values of innovation and sustainability, HIWIN continues to strengthen the layout of global and regional supply chains, improve adaptability, ensure a stable supply of spare parts, and accelerate the development of local supply models to shorten the market response time and time.

In 2025, it is expected that the development of AI robots and automation will accelerate, and the market demand will be strong, especially in the field of AI hardware and software, which is expected to achieve an average annual growth rate of 40% to 55% in the next three years. However, the geopolitical situation and supply chain pressure may affect the supply stability of semiconductor, personal computer and smart phone industries. In addition, the global public and private sectors continue to invest to promote the transformation of renewable energy, and the advancement of battery technology and energy storage system will improve the efficiency of the grid and accelerate the development of the electric vehicle market. Meanwhile, the interest rate cut policies of major economies and the stimulus policies of China are also expected to drive the gradual recovery of traditional industries in 2025.

Faced with these challenges and opportunities, HIWIN is committed to providing stable and efficient solutions, and is working with global partners to respond to market changes. Through technological innovation and the application of smart manufacturing, HIWIN continues to strengthen the resilience of the supply chain, optimize production processes, and enhance market competitiveness to ensure that it maintains a leading position in the changing industry. Meanwhile, we will continue to invest in the research and development of key technologies, expand the global market presence, strengthen core competitiveness, lay a solid foundation for long-term growth, and embrace the future of smart manufacturing and sustainable development together with customers.

3. Competitive edges

- (1) Focus on electromechanical product integration solutions, provide smart automation and transformation and total solutions for upgrading and transformation to help customers improve their competitiveness.
- (2) Integrate resources within the Group to create synergies, strengthen market competitiveness, and continue to widen the gap with competitors.
- (3) The Company has a high rate of self-production for key components, has a high degree of integration capability, and has advantages in terms of design, quality, cost, and delivery.
- (4) With an extensive global presence and diversified industrial applications, the Company has the ability to diversify market risks and reduce the impact of regional economic changes on business.
- (5) Continue to invest in R&D and innovation, and work with customers to develop Design-In and ESI (early stage supplier involvement) to provide customers with high added value.
- (6) HIWIN's ~~global~~ brand advantage. The global market reputation and brand influence accumulated over the years have given the Company a competitive advantage in the high-end market. Through innovative technology, excellent quality and service, we have won the support of global customers and continue to enhance our brand value.
- (7) Invest in ESG and sustainable development, actively promote various ESG goals, implement carbon emission inventory, energy saving and carbon reduction and green manufacturing, and improve the environmental protection standards of the supply chain. Enhance market competitiveness through ESG strategies, meet the needs of global enterprises for sustainable management, and strengthen long-term growth advantages.

4. Factors Favorable and Unfavorable to Future Development and Response Strategies:

(1) Favorable Factors:

- (1-1) Strong brand reputation and customer satisfaction enhance company competitiveness.
- (1-2) Advanced deployment of key technologies and products ensures a solid technical foundation.
- (1-3) Linear motion products have a wide customer base.
- (1-4) The electromechanical integration and innovative products provide customers with high added value and become an important partner for industrial upgrading.
- (1-5) The global trend of declining birthrates drives the demand for automation and smart manufacturing, and the market growth potential is bright.
- (1-6) Industrial transformation and upgrading drive the demand for new technology applications and create opportunities for continuous growth.
- (1-7) Semiconductors have become a global strategic commodity. Countries have actively invested in wafer factories and industrial chains, bringing long-term business opportunities .
- (1-8) The application of AI and robotics is developing rapidly and the market demand is expanding. There are bright business opportunities in the future .
- (1-9) It plays a key role in the supply chain and has strategic influence in the global industrial chain.
- (1-10) The efficient operation of the global sales and marketing feedback system enables the Company to grasp market trends and customer needs in real time.
- (1-11) With a sound global layout and regional operating advantages, the Company reduces the risk in a single market through a diversified market layout, and flexibly responds to changes in different regional economies and industries.

(2) Unfavorable Factors:

- (2-1) Increasing competition and pricing pressures in the mature linear product market.
- (2-2) The semiconductor industry in Taiwan has a strong demand for high-end technical talents, which may lead to a shortage of talents and an increase in labor costs.

- (2-3) The capacity for new products still needs to be expanded, which affects the market penetration and shipping capacity.
- (2-4) System solution integrators are difficult to develop and may affect the progress of market promotion.
- (2-5) It is difficult to acquire intelligent system and software technical talents, which increases the challenge of R&D.
- (2-6) The management challenges of global subsidiaries have intensified, and managers in Taiwan must have international vision and cultural IQ in order to promote cross-border collaboration.
- (2-7) Inflation and economic uncertainty have affected industrial investment, and corporate investment decisions tend to be conservative.
- (2-8) The risk of geopolitical and regional conflicts increases, affecting the stability of the global supply chain and market expansion strategies.
- (3) Strategies for Dealing with Unfavorable Factors:
 - (3-1) Enhance electromechanical integration solutions, provide high value-added and differentiated services, and enhance market competitiveness.
 - (3-2) Accelerate the organization of new product teams and capacity expansion to ensure the stability of market supply and expansion capability.
 - (3-3) Flexibly adjust the cooperation strategy with system integrators and attract strategic partners through the value co-creation model.
 - (3-4) Deepen industry-academia cooperation and cross-disciplinary technology research and development, strengthen AI, automation and smart manufacturing technologies, and strengthen talent cultivation and technological advantages.
 - (3-5) Strengthen the training program for global managers, improve the cultural IQ, optimize the efficiency of cross-border management and communication.
 - (3-6) Promoting the local development of subsidiaries to improve the adaptability and competitiveness in the regional market.
 - (3-7) Strengthen brand influence and expand market share through the industry leader model.
 - (3-8) Improve market intelligence and adaptability, establish a high-density market detection network, and quickly adjust regional market strategies to maintain competitive advantages.

(II) Important Use And Manufacturing Process of Main Products

1. Primary Use of Products:

HIWIN's drive control products are mainly applied in semiconductor and optoelectronic manufacturing and testing equipment, automation equipment, biochemical and medical equipment, electronic equipment, machine tool, solar equipment, LED, industrial machinery, etc. The Company's series of drive control products correspond to the requirements of the rising environmental awareness and pursuit of high-quality life in modern society, including low pollution, low noise, low power consumption, automatic control, and refinement. Therefore, the more advanced the industry, the larger the demand.

2. Manufacturing Process of Main Products:

(1) Ball Screw

Tapping → thermal treatment → thread-cutting → shoulder machining → external diameter processing → precision shaping → test → assemble → inspect

(2) Linear guideways

Thermal treatment → drill hole → precision forming → inspect → assemble → final inspection

(III) Supply Of Main Raw Materials

Material	Country	Supply status
Steel	Taiwan	Good
Steel	Japan	Good
Steel	Germany	Good
Steel	Korea	Good

(IV) Customers With Over 10% of Gross Purchase or Gross Sales In Either Year of the Most Recent 2 Fiscal Years:

1. List of manufacturers with over 10% of gross purchase

Unit : NT\$ thousand

2023				2024			
Name	Amount	% to Net Purchases	Relationship with the Issuer	Name	Amount	% to Net Purchases	Relationship with the Issuer
No supplier with over 10% of gross purchase				No supplier with over 10% of gross purchase			
Net Purchases	7,949,578	100.0		Net Purchases	9,291,497	100.0	

Cause of increase or decrease: No major changes in the last two terms.

2. List of customer with over 10% of gross sales

Unit : NT\$ thousand

2023				2024			
Name	Amount	% to Net Sales	Relationship with the Issuer	Name	Amount	% to Net Sales	Relationship with the Issuer
Customer A	3,385,931	13.7	None	Customer A	4,597,069	18.8	None
Customer B	3,151,394	12.8	None	Customer B	1,873,621	7.7	None
Others	18,095,447	73.5		Others	17,920,994	73.5	
Net Sales	24,632,772	100.0		Net Sales	24,391,684	100.0	

Reason for the change: Due to the booming semiconductor industry, Customer A has more semiconductor customers, so the amount and proportion of sales to it in 2024 increased; Customer B's customers are mostly large enterprises in the 5G, mobile phone and automation industries, due to the delayed demand Therefore, the sales amount and the proportion of the sales decreased.

III. Employee information of the most recent two years and up to the publication date of this annual report

Year		End of 2023	End of 2024	March 31, 2025
Number of employees (Note)	Indirect personnel	2,473	2,437	2,438
	Direct personnel	3,980	3,915	3,830
	Total (people)	6,453	6,352	6,268
Average Age(Note)		35.4	36.3	36.5
Average Length of Service (Note)		8.0	7.7	7.9
Education Background (%)	Doctor	0.25	0.27	0.27
	Master	10.60	10.71	10.78
	College	52.74	53.95	54.02
	Senior high school	32.05	30.56	30.50
	Below senior high school	4.37	4.52	4.42

Note: Information of number of employees, average age, average length of service, and education background include that of subsidiaries

IV. Information regarding expenditure on environmental protection

Information of the Company's environmental safety and health:

(I) Air Pollution Control

1. The stationary pollution-source manufacturing process of HIWIN shall be equipped with pollution prevention equipment and maintained regularly to improve the stability of equipment and ensure that the exhaust gas complies with the requirements of the regulations.
2. The concentrations of various pollutants tested in 2024 were far below the legal limits.

(II) Water Resource And Wastewater Management

1. The Department of Environmental Protection conducts weekly statistics on tap water consumption to confirm that the water consumption is normal. The total water consumption in 2024 is 587 million liters .
2. The reclaimed water recycling systems have been set up at the headquarters, Jingke Plant 2, Yunke Plant 1, Yunke Plant 2, Yunke Plant 3 and Dapumei Plant 3. In 2024, the recycled water accounts for 16.7% of the total water consumption. % is used for toilet flushing, irrigation and cooling tower use. Effluents from Yunke Plant 2, Yunke Plant 3 and Dapumei Plant 3 are processed and used by the production process. In 2024, the water recycling volume reached 98,066 metric tons .
3. Waste water treatment equipment has been installed in each plant of HIWIN. The water pollution prevention measure permit has been processed and discharged into the industrial zone's sewage sewers. The wastewater treatment procedures are rehearsed every year, and the wastewater is commissioned to be tested by a testing institution accredited by the Environmental Protection Administration, in order to reduce the impact of abnormal wastewater treatment on the environment.

(III) Waste Management and Recycling

1. The Company plans environmental management-related training courses to raise employees' awareness of environmental sustainability. Life cycle assessments of raw materials, products, transportation, and packaging are regularly conducted upholding the principle of recycling, and the concept of circular economy is introduced from the R&D end. It is supplemented by the two-way cooperation of the manufacturing process to implement waste reduction measures, actively develop waste reuse companies, and find ways and opportunities of waste reuse, in order to strive for waste reduction and recycling.
2. The total waste output of plants in Taiwan in 2024 is 10,423tons, including 10,164 tons of general industrial waste and 259 tons of hazardous industrial waste. These are temporarily stored in the waste temporary storage area based on the type, and then cleaned up by the cleaning agency approved by the Environmental Protection Administration. and treatment methods include recycling and reusing 8,848 metric tons (85%) , incineration and landfilling 1,575 metric tons (15%) , and from time to time, arrange personnel to accompany vehicles to the treatment plant to confirm that the removal, transportation and treatment process complies with legal standards and company requirements and no violation in 2024 .

3. By 2024, the introduction of waste reduction equipment will effectively reduce the amount of waste liquid and sludge transported by 272 tons; at the same time, through the development of recycling manufacturers, the recycling rate will increase by 4% compared to 2023.
4. HIWIN plans for waste disposal, recycling and sorting for new recruits, as well as regular training for current employees. Tests are also used to ensure the effectiveness of the training. The achievement rate for the training in 2024 is 100%. Conduct waste classification audits, report audit results at regular meetings, and discuss improvement measures.

(IV) Energy Management and Reduction

1. Total losses (including compensation) and punishment, future countermeasures (including improvement measures), and possible expenditures (including the estimated amount of losses, punishment, and compensation due to failure to take countermeasures; those not able to be estimated reasonably should be stated clearly) in the most recent fiscal year and as of the publication date of this Annual Report: Not applicable since HIWIN hasn't suffered any loss (including compensation) or punishment due to environment pollution in the most recent fiscal year and as of the publication date of this Annual Report.
2. The energy management system of ISO 50001 has been established by the headquarters, Gong Plant 2, Jingke Plant 2, Yunke Plant and Dapumei Plant in Chiayi to effectively manage energy consumption through system implementation and energy inspection and diagnosis. Formulation of energy management policies, advocacy of corporate energy-saving policies, and setting of reduction targets. The actual implementation of improvements in 2024 will save a total of 7,881 MWh, approximately NT\$31.45 million in annual electricity savings, and achieve a carbon reduction of 3,893 tons of CO₂e. For actual values, please refer to the 2024 Sustainability Report of HIWIN Technologies Corp.

Energy conservation topics	Programs (number of program)	Electricity saved annually (kWh)	Costs saved annually (unit: NT\$10,000)	Emissions (tons of CO ₂ e)
Air compressor system	4	1,047	380	517
Air conditioning system	8	2,395	869	1,183
Process improvement	9	3,794	1,377	1,874
Prevention equipment	1	381	138	188
Standby energy saving	3	6	2	3
Lighting system	2	258	94	128
Total	27	7,881	2,861	3,893

3. Setting of energy-saving improvement targets: HIWIN expects to invest another 30 targets in 2025, which will save 4,325 MWh and annual electricity bill by NT\$25,380,000. Also, carbon reduction by 2,137 tons of CO₂e is achieved.

(V) Environmental protection expenditure information

Classification		Instruction	Capital expenditure (NT million)	Current expenditure (NT million)
Operating costs	(1) Pollution prevention costs	Air pollution control costs, water pollution control costs, other pollution control costs	13.8	14.2
	(2) Cost of sustainable resource utilization	(1) Improve resource utilization efficiency (2) Costs of recycling, processing and removal of industrial waste	1.5	121.8
Administrative costs		Environmental management, energy-saving diagnosis, etc.	0.7	5.1
Other environmental protection related costs		(1) Expenses for soil remediation and natural environment restoration, etc. (2) Environmental pollution damage insurance premiums and environmental protection taxes and fees levied by the government, etc. (3) Environmental settlements, compensation, fines and litigation costs	0.0	0.1
Total			16.0	141.2

V. Labor relations

(I) Employee welfare measures, further education, trainings, retirement system and implementation, labor-management agreement and employee benefit protection measures:

HIWIN adheres to the philosophy of "employees are the Company's greatest assets," and strives to create a safe, clean, and friendly working environment, and promotes the declaration of "Happy Company" to achieve work-life balance for employees. The Company formulates and discloses human rights policies with reference to the International Bill of Human Rights. The Company implements gender equality, diversity, and inclusion without discrimination based on gender, religion, race, or nationality. The Company proactively recruits people with disabilities. Recruit talents from all sectors in the society. HIWIN offers comprehensive benefits, including psychological counseling, health care, family-friendly policies, and various subsidies. Activities such as family days and hiking trips are also organized to promote employees' physical and mental health. The Company has also established a variety of communication channels to listen to employees' voices through labor-management meetings, opinion mailboxes, and hotlines to build harmonious labor-management relations. HIWIN has been actively nurturing professional talents with a comprehensive training system and fair recruitment strategy, while prudently contributing pensions pursuant to the Labor Standards Act to protect employees' long-term interests. With these efforts, we have realized the goal of co-prosperity for employees and the enterprise.

1. Employee benefit measures:

(1) Taiwan Headquarters

Item	Description
Employee Assistance Programs (EAPs)	<p>1. Four major categories of consulting services:</p> <p>(1) Psychological counseling: The Company has cooperated with 7 counseling offices, and employees can enjoy free counseling services.</p> <p>(2) Health and medical services: Occupational doctors provide regular in-factory outpatient services, health education consultations, and medical treatment services.</p> <p>(3) Legal-related matters (including debt disputes): assisting with the provision of lawyer resources and legal channels.</p> <p>(4) Tax consultation: Assistance is provided to government agencies.</p> <p>2. Organize various activities with employees as the starting point in the aspects of work, health and life, and balance the physical and mental development of employees.</p> <p>3. Actively cultivate EAP seed personnel of various departments, identify the situation immediately and provide assistance on the initiative.</p>
Pre-approval for special leaves	Employees are entitled to 10 days of special leave in their first year on the job.
Flexible working hours	Employees are given consideration for their hard work during business trips and may be given adequate rest. Employees who travel for extended hours are given the option of staying at local accommodation, or they will be granted the flexibility to come back to work the next day at their work/place of residence.
Insurance protection	Conforming to labor and health insurance and labor pension appropriation, as well as fully subsidized group insurance, and extra protection for employees and dependents.
Nursing subsidy	Employees are encouraged to have children by providing childcare subsidies totaling NT\$180,000 for three years for each child. During the period of claiming subsidy, if an application is made for the leave of absence without pay, the subsidy already claimed does not need to be returned, and the subsidy can still be claimed after returning to work.
Family care	<p>1. Employees may use the "parental education leave" to attend their children's school activities to enhance parent-child relationship.</p> <p>2. Exclusive parking spaces for pregnant women are provided, and each factory has a breastfeeding room.</p>
Benefit subsidies	<p>1. Gift vouchers for three major festivals: Digital gift vouchers are issued to express best wishes during the New Year, Dragon Boat Festival and Mid-Autumn Festival.</p> <p>2. Subsidies for gatherings: The Company provides subsidized meals for employees on a quarterly basis to promote communication and team cohesion among employees.</p>

	<p>3. Birthday monetary gifts: NT\$500 in birthday gifts and electronic birthday cards (Note: the amount will be increased to NT\$600 in 2025) in the month of their birthday.</p> <p>4. Wedding monetary gifts: to congratulate employees on their wedding, NT\$3,600 - NT\$60,000 will be offered as monetary gifts depending on grade and seniority.</p> <p>5. Travel subsidies: Employees are encouraged to participate in travel and exchange activities. In 2024, each employee was provided with a travel subsidy of NT\$2,000 to enhance the spirit of cohesion and teamwork.</p> <p>6. Cultural and recreational subsidy: The Company provides an annual cultural and recreational subsidy of NT\$600 to support employees' participation in cultural and recreational activities to enrich their daily lives (Note: effective from 2025).</p> <p>7. Subsidies for mountain climbing: An annual subsidy of NT\$1,000 is provided to encourage employees to go mountain climbing with their family members and colleagues to promote emotional exchange (Note: to be implemented from 2025).</p> <p>8. Hospitalization subsidy: If an employee is hospitalized due to injury or illness, the Company will provide a subsidy of NT\$1,000 for the visitation gift box to show concern.</p> <p>9. Emergency subsidy: For employees suffering from major illnesses or accidents, a condolence allowance of NT\$6,000 to NT\$10,000 is provided to help employees get through this difficult time.</p> <p>10. Condolences: in the event of the unfortunate death of an employee or dependent, NT\$3,100 to NT\$110,000 will be paid to express condolences, based on the grade and seniority.</p>
Meal subsidy	Each plant has its own cafeteria and provides employees with meal subsidies, free overtime meals and refreshments.
Safety protection	Provide subsidies for the purchase of assistive devices and safety shoes for work safely with peace of mind.
Employee dormitory	As a consideration of the accommodation costs and safety issues for non-local employees, we provide affordable employee dormitories with 24-hour security guards, regular disaster prevention drills, equipped with AED equipment, and implement the dormitory's care, so that employees can live in peace of mind.
Health protection	The Company provides annual health examination subsidies. Each plant is equipped with a medical room, stationed occupational nurses, and regularly stationed occupational physicians in the plants to provide professional consultation services.
Club activities	Encourage employees to establish and participate in clubs and activities, to promote employee health and community communication, and strengthen mutual relationship.
Public welfare activities	The HIWIN volunteer group encourages employees to participate in charity services, education volunteers, and charity sales for a long time.
Others	Stress-relieving massages, occasional gifting of books and tickets for cultural activities, various ball games, photography competitions, year-end banquets, annual family day.

(2) Subsidiary

- Employee benefit measures are implemented in accordance with local laws and regulations and labor market conditions, and performance bonuses are paid based on the operating conditions of each subsidiary.

2. Continuing education and training:

(1) Taiwan Headquarters

- Excellent human resources are the cornerstone of an enterprise's sustainable operations. In order to improve the ability and quality of employees and maintain long-term competitive advantages, the Company's Chairman, President, and first-level senior executives have all served as internal lecturers. In the past five years, the average annual expenditure of thousands of dollars Allocate at least NT\$2,000 per employee each year for employee education and training to ensure that every employee has the opportunity to receive training.
- The Company's training programs include: newcomer training, core functional training, professional functional training, management functional training, and external training. Employees receive appropriate training via the classroom, digital training, on-the-job training, external training, study club, oratory training, exhibition visits, degree programs,

job rotation, and project assignments. The training content and methods are diverse and extensive.

- The Company provides tuition reimbursement programs for employees interested in continuing education to get degrees. The Company has also collaborated with schools to offer two-year college programs for employees who wish to continue their education.

(2) Subsidiary

- Each subsidiary provides training for new employees, training and professionalism, and provides continuing education opportunities to employees depending on the status of each subsidiary.

3. Retirement system:

HIWIN possesses a sound financial system and we have established a robust pension and payment per the Labor Standards Act and the Labor Pension Act. The Company has commissioned an actuary to provide regular pension reports to ensure the balance of the pension and to protect the rights of our colleagues in collecting the pension in the future.

Regarding employee retirement protection, the Company has established employee retirement-related systems and regulations in accordance with the Labor Standards Act and the Labor Pension Regulations. In accordance with the Labor Standards Act, the Company sets aside 2% of the total salary of employees who are subject to the old labor retirement system as retirement reserve funds on a monthly basis, and at the end of each fiscal year, estimates whether the balance of the labor retirement reserve fund is sufficient to pay the retirement pensions of employees who meet the retirement conditions in the following year. ; Since July 2005, the government has implemented a new labor retirement system. According to the law, the company pays 6% of employees' wages as retirement funds on a monthly basis, which are deposited in personal accounts of the Labor Insurance Bureau. Employees can also voluntarily pay retirement funds within the range of 0%-6% of their monthly wages. As of the end of 2024, the number of employees who have voluntarily paid for labor retirement is 630, accounting for 16.3% of the company's total number of employees under the new system.

For employees who are transferred to related companies due to organizational adjustments, their years of service are combined to provide employees with multiple protections so that they can work with peace of mind in the company and achieve the purpose of talent circulation in the group. The retirement regulations are as follows:

- (1) Those who have worked for the company for a certain number of years and meet any of the following conditions may apply for retirement.
 - ① Those who have worked for the company for more than 15 years and are 55 years old or older.
 - ② Those who have worked for the company for more than 25 years.
 - ③ Those who have worked for the company for more than 10 years and are 50 years old or older.
- (2) Employees who have worked for more than 10 years and meet any of the following conditions will be granted retirement upon review and approval by the company.
 - ① Those who are injured for reasons other than work.
 - ② Those who suffer from long-term or chronic diseases.
 - ③ Those who are 55 years of age or older and have serious health problems or family problems.

(3) Retirement system and implementation:

- Taiwan Headquarters

Retirement system:	Old System	New system
Applicable law	Labor Standards Act	Labor Pension Act
Contribution method	2% of the total monthly salary of the employees is contributed, and deposited in the Bank of Taiwan in the name of the Company	6% is contributed based on the employee's insurance level into the personal account at the Bureau of Labor Insurance
Amount of contribution	The accumulated pension fund for labor as of the end of December 2024 was NT\$238,972 thousand	NT\$158,829 thousand was contributed as pension under the new system pension in 2024

- Subsidiary

Subsidiaries implements such in accordance with local laws and regulations.

4. Agreements between employers and employees, and measures to protect the rights and interests of employees
 - HIWIN always attaches great importance to employee welfare, and adopts a two-way communication and coordination method for labor-management issues. Regular labor meetings are held to coordinate labor relations and to discuss matters such as the promotion of labor-management cooperation, working conditions, and planning of labor welfare. As a result, labor-management relations have been harmonious since the plant's inception, without labor dispute occurring until now.
 - In addition to purchasing group insurance, the Company also organizes environmental, safety and health seminars and occupational safety and health courses from time to time, and publishes environmental, safety and health e-newsletters on a regular basis to ensure the personal safety of employees and to take appropriate measures in case of emergencies.
5. Employee Satisfaction Survey

In 2024, we will conduct an employee satisfaction survey on internal employee dining and accommodation personnel to care about the quality of employee group meals and colleague dormitories. We will also use the employee survey results and feedback as a direction for communication with group meal vendors and dormitory management companies to create a more suitable living environment.

Object	Dining colleagues	Accommodation colleagues
	Meal quality, meal menu, group meal taste, special meals	Service quality, equipment availability, public space, dormitory environment
Average number of respondents	4,308 people	1,184 people
Average coverage	82.51%	75.01%
Survey frequency	every quarter	every quarter
Investigation period	2024/1~2024/12	2024/1~2024/12
Average satisfaction	67.5%	79.0%
Survey Results	The 2024 satisfaction survey results are 67.1%, an increase of 0.4% from the 2023 survey results.	The 2024 satisfaction survey results are 78.5%, an increase of 0.5% compared to the 2023 survey results.
Improvement plan	1. Based on the feedback from colleagues, we will respond appropriately to the issues, continue to communicate and coordinate with the group catering company, adjust the menu, improve the quality of meals, and provide colleagues with a better dining environment. 2. Conduct continuous surveys and communication improvements every quarter.	1. Based on the feedback from the survey colleagues, we will respond appropriately to the issues, continue to communicate and coordinate with the dormitory management vendor, adjust the dormitory management method, and improve the service quality to provide colleagues with a better accommodation environment. 2. Conduct continuous surveys and communication improvements every quarter.

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes

As of the publication date of the annual report, the Group's employees and employers get along harmoniously, and there is no significant loss due to labor disputes.

VI. Cyber security management

Information security management is one of the important risks in business governance. In order to protect the information of customers, suppliers and employees, the Company has established various information security systems and tools to achieve this goal over the years. In order to make information security management more systematic, and to verify the operation effectiveness through external third-party verification, the establishment and introduction project of ISO27001 information security management system has been launched in mid-2022, and the information security objectives and policy, and established the Information Security Committee. The promotion of these tasks represents the determination of the management and the support for the promotion of information security. Through the attitude of the management, all employees will realize the management's involvement and the importance of information security in the organization.

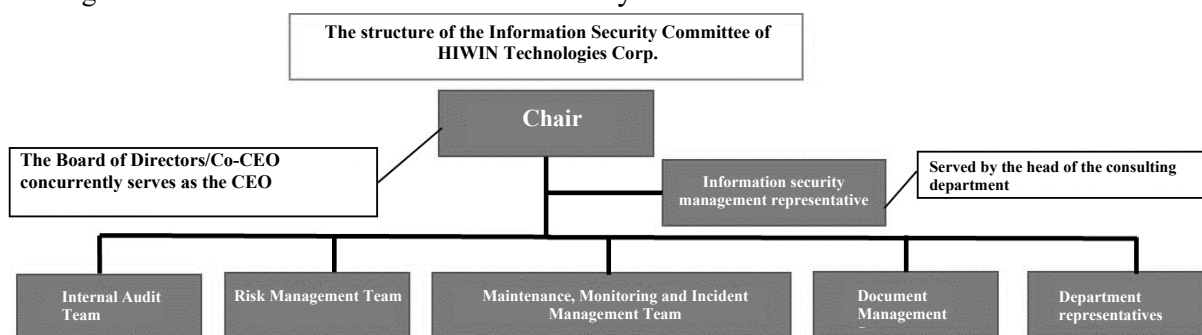
(I) Organization and management structure:

In order to ensure the information security of the Company, customers, suppliers and employees, and to achieve the goal of uninterrupted operations, the Company has formulated and announced the "Information Security Objectives and Policies" as the basis for information security governance. The Company promotes the protection and management of information security from the perspective of

governance, to ensure the confidentiality, integrity and availability of information assets, and to properly respond to regulatory requirements and information security concerns of all parties.

To exclusively promote information security governance, the Company has established the "Information Security Committee". The Co-CEO concurrent President, who is a member of the Board of Directors, serves as the chairman. It is responsible for supervising the implementation and execution effectiveness of information security goals and policies. Submit the information security governance report to the Board of Directors every year. In addition to setting up a dedicated team, the Information Security Committee also assigns information security members of each department (in principle, department managers to serve as the role), who combine with departmental work management to achieve the requirements of all employees participating in information security, and thereby establish a system of in-depth information security awareness. Organizational culture

Organization chart of the Information Security Committee:



(II) Information security management system certification:

The Company has long been committed to building a comprehensive information security management system and introducing various system management tools. To ensure the effectiveness of the information security management system and comply with international standards, the Company has passed the ISO/IEC 27001 certification review and obtained the certificate in March 2023. The certification period is from March 31, 2023 to March 30, 2026. The scope of verification covers core operational personnel, systems, plant areas and computer rooms. In March 2024, the company passed the audit by an external verification agency again, ensuring the continued effectiveness and stable operation of the Information Security Management System (ISMS).

(III) Establishing a corporate culture with information security awareness:

To ensure the implementation of information security goals and policies, the Company enhances the information security awareness of all system users through multi-level education and training, and provides advanced information security training for system administrators. The Company adheres to the philosophy of "the best attack is to the mindset" and establishes the correct concept and awareness of information security among employees, and continues to strengthen the advocacy and integration of the information security management system into daily work to ensure that each employee can implement the information security requirements. the Company implements the following measures:

- Orientation: The orientation training includes the content of information security, so that employees can establish the correct attitude towards information security from the first day.
- Workplace information security promotion: The Company continues to promote and broadcast information security messages through KIOSK devices in various workplaces to generate awareness.
- Log-in reminder mechanism: Employees are forced to read the pop-up window every time they log in to the computer to remind employees of information protection, intellectual property rights, and basic system information security management principles, so that information security requirements can be incorporated into daily operations.
- Penalty mechanism for violations: Employees who violate the information security requirements or information protection guidelines will be subject to appropriate punishment according to the severity of the violations, as a demonstration of the Company's firm determination to maintain information security.

■ 2024 information security education and training results

Course name	Hours	Target	Number of attendee	Number of qualifie	Completion rate
Orientation - information security courses	0.5	New	158	158	100%
Information security awareness basic course ^{Note}	0.5	System user	2,212	2,105	95.2%
Information security awareness and prevention of e-mail social engineering courses	1	Those who failed the drill	296	296	100%
Information security system management practice course	1	System administrator	69	69	100%

(IV) Reporting and handling procedures for information security incidents

To ensure that employees and system administrators have a clear basis for handling suspicious system activities, the Company has established the following security incident reporting and handling procedures:

1. Reporting

When employees find out that the system may be hacked, or that the system administrator detects suspicious system activities through the SIEM system, they shall report the incident to the information security incident reporting mailbox or extension immediately.

2. Determination:

After receiving the report, the Maintenance Operation Monitoring and Incident Handling Team shall record the incident and make a preliminary determination. When necessary, it shall seek assistance from an external information security vendor. Level 2 or higher incidents shall be reported to the information security management representative immediately. If it is a major information security incident, a company spokesperson will release the material information in accordance with the regulations. If the false alarm incident is a minor incident, the incident elimination and improvement follow-up should be completed and closed.

3. Handling:

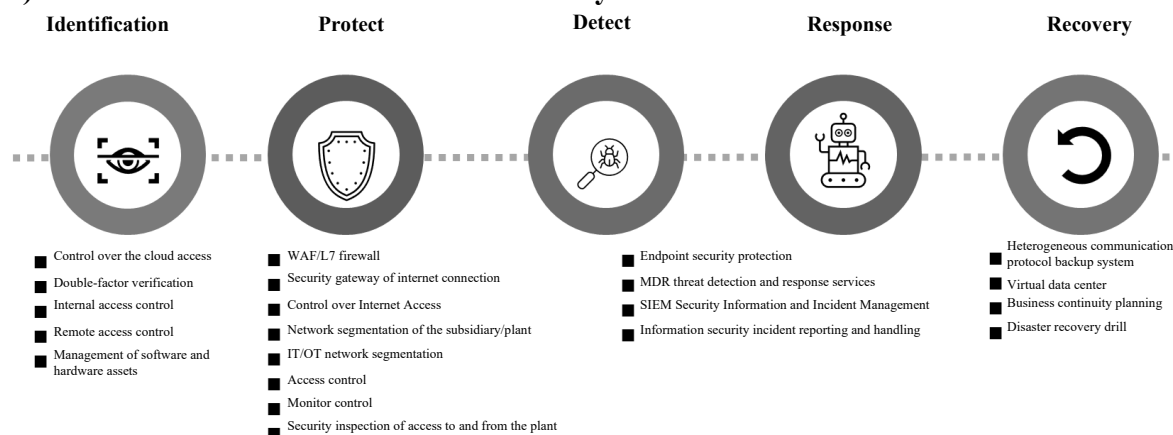
Level 2 or higher incidents shall be investigated and forensics conducted. If necessary, external information security vendors shall be sought for assistance. The main handling procedures are as follows:

- Isolate the affected system: Immediately isolate the attacked server from the network to prevent the attack from spreading further.
- Account control: Suspend compromised accounts and reset passwords for all relevant accounts.
- Vulnerability patching: Check system vulnerabilities and install relevant security updates immediately.
- Enhanced monitoring: Additional monitoring tools are deployed on the affected systems to ensure that any abnormal behavior can be detected immediately.
- Restore with backup: If the system damage is beyond repair, the disaster recovery procedure for restoring the backup will be initiated.
- Notification to related parties: The management, company spokesperson, affected departments and external partners will be informed of the progress of the incident and the necessary support will be provided.

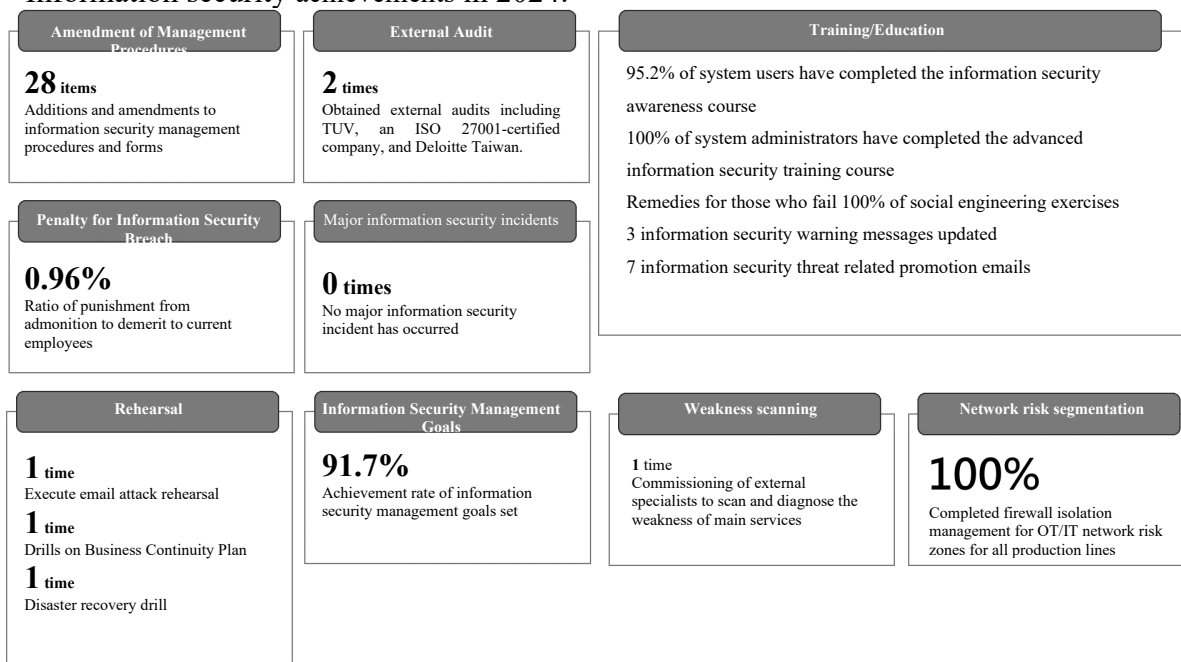
4. Case closure

After the Maintenance, Operation, Monitoring, and Incident Handling Team confirms that all affected systems have been repaired and passed the security test, the incident handling process should be recorded in detail and compiled into a report. Improvement suggestions should be submitted to the management and relevant supervisory units. The Information Security Committee should convene a meeting. The review meeting was scheduled, management, and tracking to prevent similar incidents from occurring again.

(V) Items and results of information security control measures:



Information security achievements in 2024:



(VI) Continuous improvement of application system information security:

Since most of the core information application systems are developed by ourselves, the information security goals and strategies of the organization can only be achieved by continuous improvement of information security functions. In 2024, we will continue to improve the information security of 186 applications and launch them in eight major areas: enhanced identification and tracking, system access control, technical risk improvement, software development protection, data security protection, physical file protection, verification mechanism improvement, and data integration improvement.

(VII) Countermeasures to information security threats

In 2024, ransomware continued to be the main threat to information security and continue to pose a high risk to business operations. Take the following countermeasures against this threat:

1. Eliminate most known threats through the email filtering system.
2. The use of secure gateways is mandatory for internal and external users to reduce the risk of malicious links.
3. Rehearsals of emails are conducted on a regular basis. Those who fail will receive additional training.
4. Endpoint protection systems are deployed to prevent the execution of harmful programs.
5. Subscription to 7X24 MDR threat detection and response services provided by external professional vendors.
6. Regularly perform vulnerability scanning, and patch or adopt risk avoidance measures for high-risk information security vulnerabilities.
7. Strictly implement the daily backup operations to ensure that data recovery can be based on backups in the event of a crisis.

As system services are gradually adopted and transferred to the public cloud environment, incorrect cloud environment configuration and settings can lead to serious information security problems. The countermeasures are as follows:

1. Regularly review whether the number of members in the administrator group is necessary, and reduce the number of management role members to a minimum.
2. The stripe access function has been implemented to allow only managed trusted devices outside the Company to access the cloud system, and MFA multi-factor authentication is mandatory when necessary.
3. MFA has been enforced for administrator roles.
4. The Company has been making good use of Microsoft ServiceHub to provide expert diagnosis on information security settings in a specific cloud environment.

(VIII)Major cyber security incidents:

HIWIN has raised information security awareness through information security training for all employees. We have also set up an information security committee to supervise the implementation of various information security goals and policies, and implemented appropriate information security control measures effectively. There were no material communications in 2024. Security Incident. HIWIN has established reporting and handling procedures for information security incidents, and announced the compliance of all employees through the internal announcement. Once the information security incident is reported, it will be analyzed and determined through the processing process. If the information security incident is met, the material information will be released in accordance with the law. Regarding the handling of major information security incidents, apart from internal security management, the Company also works with external professional security vendors to investigate incidents and improve security control measures. At the same time, it also dynamically revises security goals and policies.

In addition to regularly reviewing information security policies, HIWIN has also reported information security implementation results to the Board of Directors at least once a year. The implementation status was good in 2024, with no major information security incidents, which has been reported to the Board of Directors on November 12, 2024.

VII. Important contracts

March 31, 2025

Nature of contract	Parties	Beginning and end dates of contract	Main content	Restrictive terms
Contract of Factory Lease	William Tools Co., Ltd.	2014.11.16-2025.07.15	Plant leasing	None
	Wei-Chen Co., Ltd.	2022.08.01-2024.11.30	Plant leasing	None
	UDIFA Co., Ltd.	2000.01.01-2023.12.31	Plant leasing	None
		2024.01.01-2026.12.31		
	Yunlin Technology-based Industrial Park Service Center, MOEA	2016.12.19-2036.12.18	Land leasing	None
	Hsieh Cheng Co., Ltd.	2020.09.16-2024.11.30	Plant leasing	None
	HIWIN Investment Corporation	2022.04.01-2026.12.31	Plant leasing	None
Long-Term borrowing contract	Bank of Taiwan	2011.06.16-2026.06.16	Secured loan	None
	Bank of Taiwan	2012.08.22-2027.08.22	Secured loan	None
	Bank of Taiwan	2014.07.21-2029.07.21	Secured loan	None
	Bank of Taiwan	2014.07.30-2029.07.30	Secured loan	None
	Bank of Taiwan	2015.05.04-2030.05.04	Secured loan	None
	Bank of Taiwan	2016.11.21-2031.11.21	Secured loan	None
	Bank of Taiwan	2016.02.04-2031.02.04	Secured loan	None
	Bank of Taiwan	2019.02.21-2034.02.21	Secured loan	None
	Bank of Taiwan	2020.05.06-2027.04.15	Secured loan	None
	Bank of Taiwan	2024.12.25-2034.12.15	Secured loan	None
	Bank of Taiwan	2024.12.30-2031.12.15	Secured loan	None
	Chang Hwa Bank	2020.05.26-2027.05.15	Secured loan	None
	Chang Hwa Bank	2023.03.30-2033.03.30	Secured loan	None
	Chang Hwa Bank	2022.08.04-2038.03.30	Secured loan	None
	China Export and Import Bank	2020.04.30-2027.04.15	Secured loan	None
	Land Bank of Taiwan	2021.02.04-2026.02.04	Secured loan	None
	KGI Bank	2022.12.05-2024.12.05	Credit loan	None
		2024.12.16-2026.12.16		

Five. Review and Analysis of Financial Position, Operation Results, and Risks

I. Financial position

(I) Financial position comparison and analysis

Unit : NT\$ thousand

Item \ Year	2023	2024	Difference	
			Amount	%
Current assets	19,228,208	19,983,435	755,227	3.93%
Funds and investments	1,227,679	1,907,424	679,745	55.37%
Property, plant and equipment	28,214,864	29,367,053	1,152,189	4.08%
Other assets	2,766,039	3,159,689	393,650	14.23%
Total Assets	51,436,790	54,417,601	2,980,811	5.80%
Current liabilities	7,959,998	8,322,036	362,038	4.55%
Long-term liabilities	6,954,779	7,562,662	607,883	8.74%
Other liabilities	1,407,688	1,458,765	51,077	3.63%
Total liabilities	16,322,465	17,343,463	1,020,998	6.26%
Equity attributable to the shareholders of the parent	34,998,024	36,929,047	1,931,023	5.52%
Share capital	3,537,923	3,537,923	-	-
Capital reserves	7,479,735	7,479,735	-	-
Retained earnings	23,588,350	24,549,016	960,666	4.07%
Other equity	392,016	1,362,373	970,357	247.53%
Non-controlling equity	116,301	145,091	28,790	24.75%
Total equity	35,114,325	37,074,138	1,959,813	5.58%

Note: Consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS), which were audited and certified by the CPAs.

(II) Analysis of changes in the percentage of increase or decrease of more than 20%:

1. Funds and investments and other equity increased mainly due to an increase in the share price of the underlying investments recognized in unrealized gain or loss of financial assets.
2. The increase in non-controlling interests is mainly due to the increase in capital in subsidiaries for which non-controlling interests are held.

II. Financial performance

(I) Comparison and analysis of operating results

Unit : NT\$ thousand

Item \ Year	2023	2024	Increased (decreased) Amount	Percentage of change (%)
Operating income – net	24,632,772	24,391,684	(241,088)	(0.98%)
Operating cost	16,977,522	17,173,869	196,347	1.16%
Gross profit	7,655,250	7,217,815	(437,435)	(5.71%)
Operating expense	5,004,300	5,159,030	154,730	3.09%
Operating income	2,650,950	2,058,785	(592,165)	(22.34%)
Non-operating income and expenses	(110,900)	190,846	301,746	(272.09%)
Income before tax	2,540,050	2,249,631	(290,419)	(11.43%)
Income tax expense	708,540	386,817	(321,723)	(45.41%)
Net income for the year	1,831,510	1,862,814	31,304	1.71%
Other comprehensive income for the period (net amount after tax)	157,015	942,495	785,480	500.26%
Total comprehensive income for the period	1,988,525	2,805,309	816,784	41.07%
Net profit attributable to the shareholders of the parent company	2,034,748	1,971,948	(62,800)	(3.09%)
Net income attributable to non-controlling interests	(203,238)	(109,134)	94,104	(46.30%)
Total comprehensive income attributable to owners of the parent company	2,192,551	2,911,229	718,678	32.78%
Total comprehensive income attributable to non-controlling interests	(204,026)	(105,920)	98,106	(48.09%)

Note: Consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS), which were audited and certified by the CPAs.

(II) Analysis of changes in the percentage of increase or decrease of more than 20%:

1. Decrease in operating profit: mainly due to the decline in sales and increase in operating expenses.
2. Increase in non-operating income: mainly due to the appreciation of USD and RMB, which resulted in the recognition of higher amount of exchange gains.
3. Decrease in income tax expenses: mainly due to the increase in investment tax credits.
4. The increase in other comprehensive income (net amount after tax) of the current period, total comprehensive income and total comprehensive income attributable to owners of the parent company is mainly due to an increase in the share price of the underlying investment recognized as unrealized gain or loss.
5. The net profit attributable to non-controlling interests and total comprehensive income attributable to non-controlling interests increased: mainly due to the decrease of loss and the increase of shareholding ratio of the subsidiaries with non-controlling interests.

(III) Expected sales volume and basis thereof, possible impact on the Company's future finance and business, and response plan:

HIWIN has no public financial forecast. Please refer to the "Letters to Shareholders."

III. Cash flow

(I) Liquidity analysis for the most recent two years:

Item \ Year	2023	2024	Increased (decreased) percentage (%)
Cash flow rate (%)	59.93	43.48	(27.44)
Cash flow adequacy rate (%)	108.95	131.47	20.67
Cash flow reinvestment rate (%)	6.50	5.93	(8.77)
Analysis of 20% increase or decrease:			
1. The decrease in cash flow ratio is mainly due to the decrease in cash inflow from operating activities in 2024.			
2. The increase in cash re-flow adequacy ratio is mainly due to the higher net cash flow from operating activities in the past five years.			

Note: Consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS)

(II) Improvement plan for illiquidity: The Company has no such situation.

(III) Cash flow analysis for the coming year: The Company expects that the cash in the coming year and the cash inflow from operating activities should be able to cover the expenditure for investing activities and financing activities, and the cash liquidity in the next year will not be a concern.

IV. Effects of major capital expenditure on financial business of the most recent fiscal year

(I) Utilization of material capital expenditures and funding sources

Unit : NT\$ thousand

Planned items	Actual or expected sources of funds	Actual or expected date of completion	Total funds required for 2024 and 2025	Actual fund utilization in 2024 and expected utilization in 2025	
				2024	2025
Construction of plant buildings	Self-owned capital, financing	2025.12	3,710,742	2,210,742	1,500,000
Expansion of production equipment	Self-owned capital, financing	2025.12	3,003,673	1,503,673	1,500,000

(II) Expected benefits

Capital expenditures are mainly for the development of new products and capacity expansion in line with future operational growth. At the same time, the vertical integration of manufacturing processes is carried out to continuously strengthen the competitive advantages of quality improvement, delivery flexibility and cost optimization.

V. Reinvestment policy of the past year, main causes for profits or losses, improvement plan and reinvestment plan for the coming year

The investment strategy of HIWIN Technology is to strengthen the all-round development of the Group in products, processes, key technologies, marketing and service to customers, hoping to copy the successful production and management experience of the Company through the investment, to achieve the goal of reducing production costs and serving customers nearby. and accelerate the global deployment. Despite the global economic slowdown, in order to accelerate the expansion of new products and new markets and provide customers with real-time, localized services, HIWIN is still actively expanding facilities at home and abroad and providing more localized services. In addition, the German subsidiary acquired a sub-subsidiary in Czech Republic, and established a sub-subsidiary in France, the subsidiary in Switzerland acquired the sub-subsidiary of HIWIN in Bulgaria, and the subsidiary in Singapore set up the HIWIN branch in Malaysia, in order to provide services for local customers. It is hoped that through its sales channels, the Group's resources will be integrated and the goal of improving the Group's operational synergies will be achieved.

In 2024, HIWIN's subsidiaries in Germany, the U.S., China, Italy, Switzerland, Samoa, and Mega Fabs all reported profits. The subsidiary in Japan suffered a loss in 2024 due to the continuous expansion of scale, resulting in an increase in personnel and administrative and sales expenses, and the effect of short-term revenue growth has not yet been reflected. In recent years, the Korean subsidiary has been

effective in developing the market, but it has not yet reached the economic scale, and the subsidiary still incurs a loss in 2024. It is hoped that its future operation will be promising under the multiple benefits of continuous expansion of the market, introduction of excellent talents, and a more complete product line gradually improved. Due to the commissioning of the new plant by the Singapore subsidiary and the increase in talent recruitment for the needs of customers in Southeast Asia, the related personnel and administrative expenses have increased, and the short-term revenue growth effect has not yet been reflected, resulting in a loss in 2024.

Medtrix Precision and MATRIX, a leading gear machine tool manufacturer in the UK, are engaged in joint marketing, R&D, and refinement of processing efficiency and automation, moving towards smart manufacturing. Adhering to the craftsmanship of machine tool assembly, we will continue to improve product quality and expand product lines to enhance the added value of smart machines. In response to the digital wave and the ESG net zero sustainable trend, Matrix successfully developed multi-functional value-added software such as cylindrical gear software and smart grinding software to transform and upgrade toward high performance, digitization, energy saving and carbon reduction, and provide customers with the best smart manufacturing solutions. Through the electromechanical integration and software upgrade of the Group's resources, the processing efficiency and automation level can be refined, and the customization capability can be strengthened to greatly enhance the added value of the machine tool.

For other overseas markets where subsidiaries are not yet established, the Company will also assess at appropriate times whether to establish direct units in suitable locations to immediately support agents in various regions or supply customers directly.

VI. Risk analysis and evaluation of the most recent year and up to the publication date of this annual report

(I) Risk factors: Analysis and evaluation of the most recent year and up to the publication date of this annual report

1. Effect of changes in interest rates, exchange rates and inflation on the Company's profit and loss, and future countermeasures

(1) Interest rate:

As of the date of publication of the annual report, the short-term borrowings of HIWIN may be used on a revolving basis within the term of the contract according to the contract. Under the premise of improving the financial structure and reducing the risk of interest rate changes, HIWIN borrowing interest rate and market interest rate are regularly evaluated. HIWIN will also seek better financing interest rates from banks. Therefore, changes in interest rates have no significant impact on HIWIN.

(2) Exchange rate:

In 2024, the Company's foreign currency revenues will mainly come from RMB, EUR, and USD, while the purchase of raw materials, machinery and equipment will be denominated in USD, EUR, and JPY. HIWIN has implemented the "asset and liability management" for foreign exchange risk management policy for many years, and also uses forward foreign exchange contracts to reduce the exchange rate risk generated by its assets and liabilities. In response to exchange rate risk, HIWIN constantly collects information on exchange rate trends, maintains good interaction with the bank, and takes appropriate measures in a timely manner to avoid exchange rate risks.

(3) Inflation:

The actual CPI for 2024 and the forecast for 2025 announced by the Directorate-General of Budget, Accounting and Statistics are 2.18% and 1.94% respectively. Based on assessments, the inflation risk is still within an acceptable range. HIWIN, constantly through the inventory management of raw materials, procurement strategy, and research and innovation of process, reduces costs and increase profits through appropriate price increases, which are sufficient to respond to changes in the environment and reduce the impact of inflation on the Company.

(4) Customs duties

The Trump administration announced a reciprocal tariff policy in April 2025, which is expected to significantly increase the cost of products sold in the United States. However, the actual tax rate and products levied are still unknown before the annual report is published. Since the company's sales to the US market account for less than 3% and the US subsidiary's revenue accounts for less than 5% of the consolidated revenue, the impact is

estimated to be small. The company will continue to communicate with customers about the cost sharing of tariffs. In the long term, it will reduce costs through in-plant process improvements to reduce the impact of US tariffs on sales. Overall, it is estimated that tariffs have no significant impact towards HIWIN.

2. The policy of engaging in high-risk and highly leveraged investments, loans to others, endorsements and guarantees, and derivative transactions, the main reasons for profit or loss, and future countermeasures
 - (1) HIWIN Technology does not engage in high-risk or highly leveraged investment transactions.
 - (2) As of the date of publication of the annual report, other than the loaning of funds to the subsidiaries for their operational needs: Except for HIWIN Japan, the Company has not loaned funds to others. The balance and actually drawn amount at the end of 2024 were both NT\$30,960 thousand. The above-mentioned loaning of funds to others was processed in accordance with the "Operational Procedures for Loaning of Funds to Others" and was approved by the board of directors.
 - (3) When HIWIN provides endorsement/guarantee, it complies with the "Operating Procedures for Endorsement and Guarantee," which has been approved by the Board of Directors; the balance at the end of 2024 is NT\$4,090,145 thousand, and the actual drawdown amount is NT\$ 2,729,716 thousand. The endorsements and guarantees can effectively reduce the capital demand for the parent company's capital increase and are also beneficial to tax planning.
 - (4) HIWIN adopts a prudent and conservative approach in the transaction of derivative financial instruments. The purpose is to hedge, and the actual foreign currency receipts and payments are used as the hedge to avoid the real exchange rate fluctuation risk caused by the purchase and sale of goods. The Company did not engage in speculative operations.
3. Future R&D plans and expected R&D expenses

According to the 2024 consolidated statement, the R&D expenses of HIWIN Technology is NT\$963,362 thousand, accounting for 4% of the consolidated revenue, an increase of NT\$19,904 thousand, or 2%, from NT\$943,458 thousand in 2023. In the future, the Company will continue to actively invest in research and development to strengthen its long-term development potential and develop new products such as intelligent linear guideways and ball screws, torque motor rotary tables, strain wave gear and various multi-axis robots. The key R&D projects are as follows:

Project name	Current progress	Important factors for the success of future R&D
Expanded specifications of intelligent linear guideways and ball screw	Under development	R&D should be completed successfully
Slim harmonic strain wave gear	Under development	R&D should be completed successfully
Development of new series of wafer robotic arm/wafer aligner	Under development	R&D should be completed successfully
Expansion of the specifications of EDM equipment-specific rotary table	Under development	R&D should be completed successfully
Expansion of the composite high-speed rotary table specifications	Under development	R&D should be completed successfully

The R&D expenses in the 2025 consolidated financial statements are expected to increase by 10%~15% from the NT\$963,362 thousand in 2024, and the total R&D expenses are about NT\$1,000,000 thousand to NT\$1,100,000 thousand; the long-term goal is to make R&D expenses account for 10% of sales and continue to invest R&D will develop towards the trend of smart manufacturing, smart automation, Industry 4.0 and environmental protection, green energy and ESG. While meeting customer needs, we will continue to carry out process integration and internal process re-engineering to reduce costs and expand market competitiveness.

4. The impact of important domestic and foreign policies and legal changes on the Company's finance and business, and the response measures

HIWIN is a professional manufacturer of transmission control and system products, which are critical components and necessities for economic development. The business and finance are less affected by changes in domestic and foreign policies or laws. In the most recent year and up to the date of publication of the annual report, there was no change in important domestic and foreign policies and laws that affect the Company's finance and business. The

Company's management team pays attention to important domestic and foreign policy and legal changes at all times, fully grasps the status development and responds to changes in the market environment, to reduce possible adverse effects in the future.

5. Impacts of technological and industrial changes on the Company's finance and business, and measures to be taken in response

Market risks in the post-pandemic era are mainly due to the continuous variation of the virus. The recovery of developed countries is limited. Insufficient vaccine penetration in emerging countries has slowed economic recovery. The uncertainty of the Chinese market, a major economy, affects the supply chain the rise of raw material prices due to shipping and supply chain disruptions, and the concern of inflation is an unsolvable short-term risk; labor shortages and rising wages have become common issues in all industries; and rapid response actions are urgently needed.

Faced with the risks of the macro environment, manufacturers must respond by changing materials, production processes, and production methods. We have integrated electromechanical products into all products to provide smart automation in various industries, to meet the urgent need for labor shortages and local manufacturing. At the same time, we will accelerate the management of green production and sustainable supply chain in response to net zero carbon emissions.

Continued the US-China trade war, short chain and the trend of decentralized manufacturing. Various industries such as semiconductor, 5G, ADAS intelligent fuel vehicles, and electric vehicle related industry chains have been investing in Eastern Europe and Southeast Asia and planning for local production. Eastern Europe and Southeast Asia will be The manufacturing value chain will play an increasingly important role in the future. Due to the carbon neutrality and energy conservation trends in the global auto industry, all auto manufacturers are developing electric vehicles. This has resulted in a decrease in demand from customers of the original combustion However, smart automation-related industries have created more new business opportunities. In these regions, HIWIN will provide customers of various industries with more products and services required for environmental protection, energy saving, and high value-added smart manufacturing.

The purpose of technology and industry evolution is to provide better well-being for human beings. This coincides with the business philosophy of HIWIN . Therefore, we will continue to strengthen our R&D capabilities, continue to expand the breadth of products and their added value. By grasping the longer term development of technology and industry, the Company adjusts its short-, medium-, and long-term development strategies based on the long-term development trend of technology and the industry, in order to realize the Company's philosophy of sustainable operation.

6. The impact of changes in corporate image on corporate crisis management and countermeasures

HIWIN Technology has long invested in sustainable development, public welfare and educational activities (please refer to Three, III (V)) and has won numerous awards over the years. For example, " High-speed discharge milling head RCH-100E " won the Silver Award of Taiwan Excellence Award ; the banks are also active in the promotion of ESG, passing the Science Based Targets Initiative (SBTi) in 2024, and committing to achieve net zero emissions by 2050 , and make holistic plans for energy and carbon reduction The Company has progressed towards the net zero emission target, and was named "Top 100 in terms of carbon competitiveness" by BusinessWeek for two consecutive years, "Taiwan Corporate Sustainability Award-Taiwan Top 100 Model Sustainability Enterprises" by TCSA, and "Corporate Sustainability Report - Category 1 Platinum" for two consecutive years. , "Talent Development Leadership Award", "Workplace Well-being Leadership Award", and "Green Procurement Outstanding Unit" of the Ministry of Environment, etc. It shows that the government and the outside world recognizes the good corporate image of HIWIN. In case of anything endanger the Company's corporate image, the Company's risk management team will take necessary countermeasures.

7. Expected benefits and possible risks of mergers and acquisitions and countermeasures

In November 2024, HIWIN GmbH acquired 68% of the equity of HIWIN SRO (hereinafter referred to as HIWIN Czech). Together with the previous 32% equity held by HIWIN GmbH, HIWIN Czech became a 100%-owned sub-subsidiary of the Company. HIWIN Czech is mainly engaged in the processing and sales of precision transmission parts, ball screws, linear slides and industrial robots. Through this transaction, we have acquired

substantial operational control over HIWIN Czech, which will further improve the sales network of HIWIN Group in Europe. The Company also seeks to enhance its competitiveness and overall value in the market by adopting a business model of "service nearby and speedy delivery"; as of the date of publication of the annual report, the Company did not engage in other M&A activities.

8. Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken

Regarding the expansion of plant, please refer to the descriptions in Seven. (IV) of this annual report. Over the years, HIWIN Technologies has laid a solid foundation and invested in R&D and process improvement, with rich experience and good results. In addition to continuing to extend the manufacturing process to control the source of raw materials and reduce the cost of material purchase, Therefore, the efficiency of the plant expansion is expected to be significantly higher than the efficiency of the existing plant.

Although capital investment is required for plant expansion, new product development not only reduces production costs due to economies of scale, but also completes the Company's product line and provides customers with one-stop shopping for components and subsystems. In addition to increasing production capacity, plant expansion can also reduce product costs and improve gross profit margins. In conclusion, even if there is a temporary reduction in demand under the economic cycle, the risk of plant expansion should be limited as HIWIN Technologies has the advantage of mastering key technologies and can flexibly adjust the allocation of production lines and the capacity of each product.

9. Risks associated with any concentration of purchases or sales, and mitigation measures being or to be taken

Please refer to Five. Operation Overview (IV) Customers With Over 10% of Gross Purchase or Gross Sales In Either Year of the Most Recent 2 Fiscal Years” in the annual report. There is no single vendor from which the purchases were more than 10% in 2024 and 2023, and there is no concentration of purchases; the net sales to the largest customer in 2024 and 2023 account for 18.8% and 13.7% of the annual net sales, respectively. Customer A's higher sales ratio is due to the fact that it has more end customers in the semiconductor industry. The strong demand in the semiconductor industry has increased the amount and ratio of sales to Customer A; Customer B's end customers are mostly large enterprises in the 5G and mobile phone industries, the sales amount and proportion decreased due to delayed demand. In conclusion, the end customers of Customer A and Customer B are widely distributed and are mostly large enterprises in various industries. As the sales are concentrated in one customer, there should be no excessive concentration of sales. The Company closely observes its business status, and timely evaluates and adjusts its credit terms in response. The assessed risk should be limited.

10. Effect upon and risk to the Company in the event a major quantity of shares belonging to a director or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise exchange, and mitigation measures being or to be taken

In the most recent year and up to the date of the publication of the annual report, there was no significant transfer or exchange of the shares of directors and major shareholders of the Bank.

11. Effect upon and risk to the Company due to change in management, and countermeasures

In the most recent year and as of the date of publication of the annual report, there has been no change in the management of HIWIN Technologies.

12. Litigation and non-litigation events

In the most recent year and up to the date of publication of the annual report, there was no litigation and non-litigation incidents with HIWIN Technology.

13. Other important risks and countermeasures

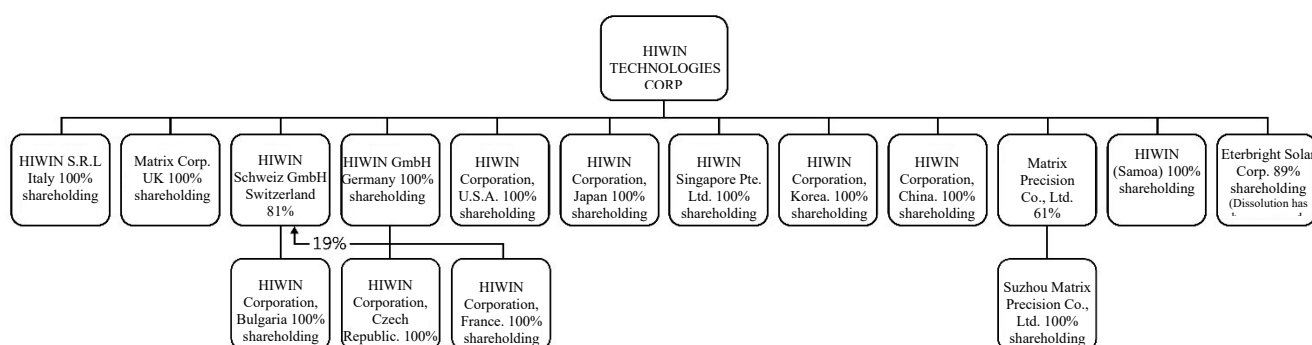
In the most recent year and up to the date of publication of the annual report, there was no other major risk with HIWIN Technology.

VII. Other important matters : None.

Six. Special Items

I. Information related to the company's affiliates

(I) Organization Chart of Affiliates



Note: Organizational structure of affiliates as of December 31, 2024.

(II) Profiles of various affiliated companies

Company Name	Establishmen	Address	Paid-in Capital (Note)	Major Business or
HIWIN Corporation, U.S.A.	19920915	12455 Jim Dhamer Drive, Huntley, IL 60142, U.S.A.	USD10,740,000	Manufacturing and sales of precision motion components, ballscrews, linear guideways, and industrial robots.
HIWIN GmbH Germany	19930401	Brücklesbünd 1 D-77654 Offenburg, Germany	EUR5,635,000	Manufacturing and sales of precision motion components, ballscrews, linear guideways, and industrial robots.
HIWIN Corporation, Japan	19991101	7-4-4, Ibukidai Higashimachi, Kobe Shi, Nishi Ku, 651-2242 Hyogo Pref, Japan	JPY459,000,000	Manufacturing and sales of precision motion components, ballscrews, linear guideways, and industrial robots.
Eterbright Solar Corp.	20101201	No. 442-1, Zhonghua Rd., Toufen City, Miaoli County	NTD5,661,514,690	R&D, production, design, manufacturing, and sales of solar cells, electronic components, power-generating, transmission, and distribution machinery products.
HIWIN S.R.L Italy	20130329	Via Pitagora 4, 20861 Brugherio (MB)	EUR8,500,000	Manufacturing and sales of precision motion components, ballscrews, linear guideways, and industrial robots.
HIWIN Singapore Pte. Ltd.	20130807	2, Woodlands Sector 1 #05-22 Singapore 738068	SGD5,000,000	Manufacturing and sales of precision motion components, ballscrews, linear guideways, and industrial robots.
HIWIN Corporation, Korea	20131008	3F, 228-92, Saneop-ro, 155 beon-gil, Gwonseon-gu, Suwon-si, Gyeonggi-do, Republic of Korea	KRW8,800,000,000	Manufacturing and sales of precision motion components, ballscrews, linear guideways, and industrial robots.
HIWIN China	20140408	No. 2, Xiazhuang Rd., Suzhou Industrial Park, Suzhou City, Jiangsu Province	CNY300,000,000	Manufacturing and sales of precision motion components, ballscrews, linear guideways, and industrial robots.
HIWIN Samoa	20150421	Portcullis TrustNet Chambers, P.O. Box 1225, Apia, Samoa	USD100,000	Sales of medical care robots.

Company Name	Establishmen	Address	Paid-in Capital (Note)	Major Business or
Matrix Precision Co., Ltd.	19940502	No. 1-9, Lixing 1st Rd., Hsinchu City, Hsinchu Science Park	NTD1,244,525,000	R&D, production, manufacturing, and sales of precision gear cutters and machine tools.
Matrix Suzhou Co., Ltd.	20190522	No. 2, Xiazhuang Rd., Suzhou Industrial Park, Suzhou City, Jiangsu Province	CNY8,000,000	Sales of precision gear cutters and machine tools.
Matrix Corp. UK	20031021	Herald Avenue, Coventry Business Park CV5 6UB United Kingdom	GBP8,249,500	Design, integrated application, R&D, manufacturing, and sales of thread forming machines.
HIWIN Schweiz GmbH Switzerland	19990707	Eichwiesstrasse 20, 8645 Jona, Switzerland	CHF300,000	Manufacturing and sales of precision motion components, ballscrews, linear guideways, and industrial robots.
HIWIN Corp. Czech	20011205	Medkova 888/11, 627 00 Brno, Czech Republic	CZK 220,000	Manufacturing and sales of precision motion components, ballscrews, linear guideways, and industrial robots.
HIWIN Bulgaria	20110210	Mladost 1A, block 527, Sofia 1729, Bulgaria	BGN 40,000	Sales of precision motion components, ballscrews, linear guideways, and industrial robots.
HIWIN France	20241029	17 Rue des Cigognes, 67960 Entzheim, France	EUR 500,000	Sales of precision motion components, ballscrews, linear guideways, and industrial robots.

Note1: The base date of paid-in capital is December 31, 2024. Unit: "Dollar" in each currency.

Note2: Dissolution of Eterbright Solar Corporation was effective on February 29, 2024. Currently, the company is undergoing liquidation procedures.

(III) Information on the same shareholders presumed to have controlling and affiliation relation: None.

(IV) Industries covered by the business of all affiliates. If the businesses of affiliates are related to each other, please explain the division of labor in their dealings:

The industries covered by businesses of HIWIN's affiliates mainly include the products manufacturing services for drive control and system technology. Overall, the affiliates create maximum comprehensive benefits through mutual technology, capacity, marketing, and service support and provide customers with the "Global Innovative Value-Added Service" to ensure HIWIN's leading position in the global market.

(V) Information of directors, supervisors and general managers of each affiliates

Unit: Shares; %

Company name	Job title	Name or representative	Number of shares held	Shareholding ratio
HIWIN Corporation, U.S.A.	Chairman	Eddie W.H. Chuo	-	-
	Director	Olivia S.Y. Chuo, Enid H.C Tsai, Yan-Qi Peng	-	-
	Director/General Manager	Shi-Rong Chiu	-	-
HIWIN GmbH (Germany)	Chairman	Eddie W.H. Chuo	-	-
	Director	Olivia S.Y. Chuo, Ke- Huang Liao		
	Director/General Manager	Werner Mäurer	-	-
HIWIN Corporation, Japan	Representative Director (Chairman)	Enid H.C. Tsai	-	-
	Representative Director (Vice Chairman)	Yu-Chih Lin		
	Director	Eddie W.H. Chuo, Olivia S.Y. Chuo	-	-
	Supervisor	Ke- Huang Liao	-	-
Eterbright Solar Corp.	Liquidator	Ming-Yao Lin	89,437	0%
	Supervisor	Ke- Huang Liao	66,377	0%

Company name	Job title	Name or representative	Number of shares held	Shareholding ratio
HIWIN S.R.L Italy	Director	Eddie W.H. Chuo, Ke- Huang Liao	-	-
	Director/General Manager	Chuang- Bao Yang	-	-
HIWIN Singapore Pte. Ltd.	Director	Eddie W.H. Chuo, Olivia S.Y. Chuo, Kai-Sheng Yu	-	-
	Director/General Manager	Yun-Hsiang Chen	-	-
HIWIN Corporation, Korea	Director	Eddie W.H. Chuo, Enid H.C Tsai, Kai-Sheng Yu	-	-
	Supervisor	Kuan-Ying Wu	-	-
	General Manager	Kao, Rong-Bang	-	-
HIWIN China	Chairman	Yan-Qi Peng	-	-
	Director	Enid H.C Tsai, Kai-Sheng Yu	-	-
	Supervisor	Yue-Chin Wu	-	-
	General Manager	Chang, Yun-Jie	-	-
HIWIN Healthcare Corp.	Chairman	Enid H.C. Tsai	-	-
Matrix Precision Co., Ltd.	Chairman/Co-CEO	Eddie W.H. Chuo	2,266,272	2%
	Vice Chairman/Co-CEO	Olivia S.Y. Chuo	3,377,986	3%
	Director/Co-CEO	Representative, HIWIN Investment Corporation Eric Y.T. Chuo	20,530,574	16%
	Director	Representative, HIWIN TECHNOLOGIES CORP. Yue-Ling Chu	75,696,467	61%
	Director	Representative, All Horng Gear Industry Co., LTD. Ying-Che Hong	960,164	1%
	Supervisor	Yue-Chin Wu	-	-
	General Manager	Yue-Ling Chu	230,000	0%
Matrix Suzhou Co., Ltd.	Chairman	Yue-Ling Chu	-	-
	Director	Wen-Zheng Chou	-	-
	Director/General Manager	Zhi-Hong Wang	-	-
	Supervisor	Ke- Huang Liao	-	-
Matrix Corp. UK	Director	Eddie W.H. Chuo, Kuan-Yin Wu, Nelson Chiow, Paul Farndon	-	-
	Director/General Manager	Yue-Ling Chu	-	-
HIWIN Schweiz GmbH Switzerland	General Manager	Mei-Li Liu	-	-
HIWIN Corp. Czech	General Manager	Petr Jašek	-	-
HIWIN Bulgaria	General Manager	Mei-Li Liu	-	-
HIWIN France	General Manager	Werner Mäurer	-	-

Note 1: Information as of December 31, 2024.

Note 2: Dissolution of Eterbright Solar Corporation was effective on February 29, 2024. Currently, the company is undergoing liquidation procedures.

(VI) Overview of the operation of each affiliated enterprise

Unit : NT\$ thousand

Company name	Paid-in capital	Total Assets	Total liabilities	Net worth	Operating income	Operating income (loss)	Current period profit (loss)	EPS (NT\$)
HIWIN Corporation, U.S.A.	303,495	1,505,893	295,542	1,210,351	1,165,516	2,127	13,791	6.42
HIWIN GmbH (Germany)	224,494	3,709,728	885,909	2,823,819	3,908,363	(7,976)	40,632	Note 1
HIWIN Corporation, Japan	95,013	2,017,525	2,046,552	(29,027)	876,334	(149,959)	(160,848)	(2,005.59)
Eterbright Solar Corp.	5,661,515	622,957	50,962	571,995	-	(10,443)	(3,154)	(0.01)
HIWIN S.R.L Italy	289,170	1,576,977	1,135,352	441,625	1,321,711	64,279	11,550	Note 1
HIWIN Singapore Pte. Ltd.	117,550	209,679	181,615	28,064	271,030	(20,396)	(25,958)	(5.19)
HIWIN Corporation, Korea	242,707	200,280	420,376	(220,096)	374,409	(65,152)	(123,339)	(70.08)
HIWIN China	1,498,040	4,762,354	1,984,155	2,778,199	5,081,384	113,666	85,398	Note 1
HIWIN Healthcare Corp.	3,108	8,375	5,295	3,080	22,695	(47)	27	0.27

Company name	Paid-in capital	Total Assets	Total liabilities	Net worth	Operating income	Operating income (loss)	Current period profit (loss)	EPS (NT\$)
Matrix Precision Co., Ltd.	1,244,525	2,926,498	2,696,369	230,129	278,011	(209,505)	(249,703)	(2.01)
Matrix Suzhou Co., Ltd.	36,192	63,234	51,401	11,833	69,786	(10,588)	(10,411)	Note 1
Matrix Corp. UK	326,748	355,272	18,025	337,247	35,966	(61,097)	(64,572)	(7.83)
HIWIN Schweiz GmbH Switzerland	9,414	610,536	107,851	502,685	415,248	47,249	39,302	131.01
HIWIN Corp. Czech	298	330,888	38,482	292,406	377,476	28,050	24,179	Note 1
HIWIN Bulgaria	698	42,564	14,363	28,201	55,601	6,182	5,618	Note 1
HIWIN Frace	17,070	17,070	-	17,070	-	-	-	Note 1

Note 1: No share is issued.

Note 2: If the affiliate is a foreign company, the relevant figures are converted into NTD based on the exchange rate on the reporting date. The exchange rate is as follows:

	Closing exchange rate	Average exchange rate
USD 1:	NT\$32.785	NT\$32.112
EUR 1:	NT\$34.14	NT\$34.74
JPY 1:	NT\$0.2099	NT\$0.2121
SGD 1:	NT\$24.13	NT\$24.04
KRW 1:	NT\$0.02246	NT\$0.02376
CNY 1:	NT\$4.478	NT\$4.454
GBP 1:	NT\$41.19	NT\$41.05
CHF 1:	NT\$36.27	NT\$36.47

Note 3: The base date of the financial information of Affiliates' business status is December 31, 2024.

Note 4: Dissolution of Eterbright Solar Corporation was effective on February 29, 2024. Currently, the company is undergoing liquidation procedures.

(VII) Consolidated financial statements of affiliates: Please refer to the Taiwan Stock Exchange Public Information Observatory.

(VIII) Affliction Report: None.

II. Private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None

III. Other matters that require additional description: None

IV. If any of the situations listed in Article 36, paragraph 3, 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 during the current fiscal year up to the date of publication of the annual report: None