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MSSCORPS CO., Ltd.

2024 Year Annual Report

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IV. Name, firm, address, website and telephone number of the CPA attesting the most recent annual financial statements:

CPA Name: Chung-Cheng Chen and Li-Wei Liu.

Firm: Deloitte, Taiwan

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V. The name of any exchanges where the Company's securities are listed offshore, and the method by which to access information on the offshore securities: None.

VI. Company website: <http://www.msscrops.com>

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One. Letter to Shareholders

I. 2024 Business Result

1. Results of the Business Plan Implementation

The operating revenue and the net income after tax of the Company for 2024 are NT\$1,966,669 thousand and NT\$64,963 thousand, increasing by 4.58% and decreasing by 75.14% from 2023, respectively. In 2024, benefiting from the continuous growth of R&D expenses in advanced semiconductor process technologies and the ongoing advancement of advanced process technological nodes, the demands for material analysis grew, boosting overall revenue. However, due to the construction of a new plant at the Tai Yuen Hi-Tech Industrial Park, equipment investments, business promotion and personnel training of overseas subsidiaries, depreciation expenses and human resource costs increased, resulting in a decrease in net income after tax.

2. The Company does not prepare the financial forecast disclosed publicly, and thus is not applicable.

3. Financial Position and Profitability Analysis

Unit: NT\$ thousand

Item			2023	2024	Increased (decreased) percentage
Financial income and expenses	Operating revenue		1,880,575	1,966,669	4.58%
	Gross profit before unrealized gross profit on sales to subsidiaries		696,999	524,262	(24.78%)
	Net profit after tax		261,280	64,963	(75.14%)
	Return on Assets (ROA)		6.78%	1.87%	(72.42%)
	Return on Equity (ROE)		10.17%	2.27%	(77.68%)
Profitability analysis	Percentage to the paid-in capital (%)	Operating profit	73.58%	26%	(64.66%)
		Net income before tax	72.42%	21.72%	(70.01%)
	Net profit margin		13.89%	3.30%	(76.24%)
	Earnings per share (before distribution) (NT\$)		5.59	1.34	(76.03%)

4. Research and Development Status

The Company seeks to be a global leader in professional material analytical technologies. For many years, there has been continuous investment in R&D efforts, with R&D expenses amounting to NT\$81,742 thousand for 2024. Additionally, in terms of R&D achievements, as of the end of 2024, the Company has obtained 4 registered trademarks, 20 patents are awarded for key inventions, 12 patent applications are pending, and several trade secrets. It continues to expand its patent portfolio both domestically and internationally. All these are core invention patents in the analytic and inspection industry, and build the high barrier one after another in terms of the material analysis (MA) and Failure analysis (FA) technologies, to make the technological entrance more difficult to be overcome by competitors. In the future, the Company will position more analytical patents, provide the most advanced working methods to shorten their R&D timeframes, and become the essential key R&D partner of customers to develop various advanced process nodes.

II. 2025 Operational Summary

1. Operating Guidelines and Implementation Summary

Since founding, the Company has cultivated the material analytical technologies for the semiconductor advanced process, and provided the analytic reports with consistent quality and data-precise to the global semiconductor customers. Through the in-house developed smart e-scheduling system to provide the best delivery schedule of report to customers, so they may shorten the R&D schedule. Other than actively seeking suitable locations to expand our analytical capacity, the Company also added a new plant location at the Tai Yuen Hi-Tech Industrial Park in January 2024, aiming to increase the scale of our existing material analysis capacity. This will lead to a steady growth trend in our operations, creating more value for our shareholders.

Furthermore, given the global geopolitical risks, countries worldwide are actively developing semiconductor self-sufficiency policies. Particularly in Asia, countries like mainland China, Japan, South Korea, as well as countries in Europe and America such as the United States and Germany, are implementing various semiconductor industry subsidy policies to accelerate the progress of semiconductor self-sufficiency, which aids The Company in its global overseas deployment strategy. The Company established the Japanese Subsidiary, MSS Japan Company, in August 2023 and the American Subsidiary, MSS USA Corp, in May 2024. In addition to our Subsidiary in Nanjing, we are also expanding into the Japanese and American semiconductor markets to enhance our presence in the global material analysis market. This not only diversifies our operational risk considerations but also adds momentum to our overseas market growth.

2. Estimated sales quantity and its basis: The Company is a professional technology service provider. Pricing is based on customer demand, not entirely on quantity, so it is not feasible to reasonably estimate sales quantity.

3. Key Production and Sales Policies

- (1) Continuously developing more advanced analytical working method services, to satisfy customers' demands for the analytic and inspections during the R&D of advanced processes, with the improvement of the customers' stickiness, to form the long-term partnership with cooperation and reliance.
- (2) The Company will actively plan to expand the presence domestically and internationally, to increase the analytic and inspection capacities. Other than serving customers nearby, the plan also satisfies the demands for outsourced analytic services.

III. Effects of the External Competitive Environment, Regulatory Environment and Overall Operating Environment

1. Competitive Status

The era of technological nodes below one nanometer in the global advanced process is arriving soon. To manufacture a single chip has evolved from hundreds of processes in the past to thousands of highly complex processes today. The difficulty in semiconductor manufacturing lies in the need for meticulous refinement in each process, where even the slightest issue can lead to significant yield loss. Therefore, the role of material analysis becomes an indispensable partner during the R&D process. Each process requires material analysis to evaluate its merits, and among them, dozens of key processes must rely on numerous transmission electron microscopy analysis services to examine the data. These are supplemented with quantitative analysis to verify process stability and yield optimization outcomes. However, the issue is not with the equipment, but whether the professional analytic and inspection service providers may have their in-house developed analytic working methods accommodated to the different materials, structures, and ingredients of the technological nodes in the most advanced process R&D, and provide the corresponding analytic service; this is the key competition barrier. In addition, the capability to provide analytic reports with consistent quality and accuracy in mass production within a short time frame is another technical barrier, and it becomes the Company's key development advantage in the advanced process material analysis area.

2. Regulatory Environment

The Company complies with the ethical management philosophy, and thorough implementation of the committed principles is one of the key Company's policies. Therefore, our operation always has the premises of compliance, ethics, and corporate social responsibility. Other than monitoring and collecting the movements in the economic and political environment as well as regulations at home and abroad all the time, the internal management procedures and regulations are established, updated, and adjusted in a timely manner, to respond and adjust the operating strategies any time.

3. Overall Operating Environment

The main customers served by the Company cover the up-, mid-, and downstream semiconductor sectors, photo-electronics sector, and network communication sector. Since the analytic and inspection industry is an essential part of the overall semiconductor supply chain, the overall market of the analytic industry is greatly influenced by the "R&D expenses" of the semiconductor industry, particularly closely related to the fields of semiconductor advanced process evolution, advanced IC packaging technologies, and AI chips. In 2024, with the rise of silicon photonics technology applications, the Company has followed its clients' R&D over the years, strengthening its own R&D capabilities and obtaining relevant patents. Looking forward to the 2025 semiconductor industry development trends, AI and silicon photonics related applications are favorable for the development of the Overall Operating Environment.

IV. The Company's Future Development Strategies

The semiconductor industry has become the key industry supported by various countries. The Company plays the role of "navigator" essential to advanced processes in the semiconductor industry and acts as the locomotive of R&D for advanced processes. This accelerates the R&D pace of advanced processes for semiconductor manufacturers, assisting them in gaining an advantage in the global advanced process competition and becoming the key but unseen driver that enables the semiconductor advanced process to continuously lead the world.

Chairman: Chi-Lun Liu

President: Chi-Lun Liu

Accounting Supervisor: Hui-Wen Chan

Two. Corporate Governance Report

I. Information on Directors, Supervisors, Presidents, Vice Presidents, Assistant Vice Presidents, and Officers of Departments and Branches

(I) Board Member Information

1. Board Member Information

April 12, 2025; Unit: shares; %

Title	Name	Gender Age	Nationality or place of registration	Date of elected	Term of Office	Date of first time elected	Shares held when elected		Current shares held		Shareholding of spouse and minor children now		Shareholding in the name of others		Major 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			Remarks
							Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding			Title	Name	Relationship with the endorser/ guarantor	
Chairman (Note 1)	Shun Shun Investment Co., Ltd.	—	R.O.C.	June 26, 2024	3	March 11, 2021	2,556,815	5.47	2,776,815	5.36	—	—	—	—	—	—	—	—	—	—
	Representative: Chi- Lun Liu	Male 51-60	R.O.C.	-	-	-	-	-	1,520,237	2.94	865,000	1.67	3,051,633	5.89	Bachelor, Department of Applied Physics, Tamkang University Engineer, Product Department, United Microelectronics Corporation Vice Manager, Manufacturing Department, United Microelectronics Corporation Vice Manager, Production Planning Department, United Microelectronics Corporation Manager, Material Department, Novatek Microelectronics Corp	President, Msscorps Co., Ltd. Executive Director, MSS (Shanghai) Electronic Technology Limited Chairman, Nanjing MSS Electronic Technology Limited Chairman, MSS Investment Co., Ltd. Chairman, Shun Shun Investment Co., Ltd.	Director	Chun- Hao Liu	Father-son	—
Director	Shun Shun Investment Co., Ltd.	-	R.O.C.	June 26, 2024	3	March 11, 2021	2,556,815	5.47	2,776,815	5.36	—	—	—	—	—	—	—	—	—	—
	Representative: Chun-Hao Liu	Male 21-30	R.O.C.			-	--	-	22,000	0.04	-	-	2,776,815	5.36	Bachelor's, Materials Science and Engineering, Tsing Hua University Stanford University Master in Science in Applied Physics Tandem PV, Inc./Research and Development Engineer	MSS USA CEO Director, Shun Shun Investment Co., Ltd.	Director	Chi- Lun Liu	Father-son	—
Director	Jia Cheng Investment Co., Ltd	-	R.O.C.	—	—	—	1,097,544	2.79	1,185,523	2.29	—	—	—	—	—	—	—	—	—	—
	Representative: Jung-Chin Chen	Male 51-60	R.O.C.	July 1, 2021	3	July 1, 2021	—	—	52,000	0.10	—	—	1,353,284	2.61	Ph.D., Materials Science and Engineering, Tsing Hua University Vice Manager, Product Department, TSMC	CTO, Msscorps Co., Ltd. President, MSS (Shanghai) Electronic Technology Limited Director and President, Nanjing MSS Electronic Technology Limited Director, MSS Investment Co., Ltd. Chairman, Jia Cheng Investment Co., Ltd.	—	—	—	—

Title	Name	Gender Age	Nationality or place of registration	Date of election	Term of Office	Date of first time elected	Shares held when elected		Current shares held		Shareholding of spouse and minor children now		Shareholding in the name of others		Major 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			Remarks
							Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding			Title	Name	Relationship with the endorser/ guarantor	
Director	Qiao Zan Investment Co., Ltd.	—	R.O.C.	—	—	—	793,485	1.99	857,091	1.66	—	—	—	—	—	—	—	—	—	—
	Representative: Yung-Shun Liao	Male 51-60	R.O.C.	July 1, 2021	3	July 1, 2021	-	-	62,649	0.12	9,837	0.02	980,759	1.89	Master's, Materials Science and Engineering, Tsing Hua University Chief Engineer, TSMC Vice Division Chief, Visera Technologies Company Ltd.	COO, Msscorps Co., Ltd. Director, Nanjing MSS Electronic Technology Limited Supervisor, MSS (Shanghai) Electronic Technology Limited Director, MSS Investment Co., Ltd. Chairman, Qiao Zan Investment Co., Ltd	—	—	—	—
Director	Mu-Bo Investment Co., Ltd.	-	R.O.C.	—	—	—	1,504,982	4.02	1,706,903	3.3	—	—	—	—	—	—	—	—	—	—
	Representative: Hsin-Tsai Lin	Male 61-70	R.O.C.	July 1, 2021	3	June 24, 2016	-	-	846,609	1.63	588,989	1.14	1,905,914	3.68	Electronic Engineering Department, AsiaEastern University of Science and Technology Vice Manager, Testing Department, United Microelectronics Corporation Vice President, Sales, King Yuan Electronics Co., Ltd. Director, King Yuan Electronics Co., Ltd.	Supervisor, Nanjing MSS Electronic Technology Limited Director, MSS Investment Co., Ltd. Chairman, Mu-Bo Investment Co., Ltd.	—	—	—	—
Independent Director	Hung-Chang Yuan	Male 41-50	R.O.C.	July 1, 2021	3	July 1, 2021	—	—	—	—	—	—	—	—	Department of Business Administration, Fu Jen Catholic University Master's, Institute of Finance, Chiao Tung University CFO, TaiwanJ Pharmaceuticals Head of Finance, K Laser Technology Inc.	Director and President, TaiwanJ Pharmaceuticals Independent Director, Original BioMedicals Co., Ltd.	—	—	—	—
Independent Director	Chang-Feng Tsui	Male 41-50	R.O.C.	July 1, 2021	3	July 1, 2021	—	—	—	—	—	—	—	—	Department of Information Management, Chung Hua University Computer Management Program, Institute of Computer Science & Information Engineering, Chung Hua University Director of Jing Young Biotech Business Co., Ltd. Director of Wei Hung Tool Co., Ltd. Director of Wei Cheng Global Enterprise Inc. Chairman and President of Network Era Information Media Co., Ltd.	Secretary General of Alumni Association, Chung Hua University	—	—	—	—

Title	Name	Gender Age	Nationality or place of registration	Date of elected	Term of Office	Date of first time elected	Shares held when elected		Current shares held		Shareholding of spouse and minor children now		Shareholding in the name of others		Major 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			Remarks
							Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding			Title	Name	Relationship with the endorser/ guarantor	
Independent Director	Chien-Min Wang	Male 41-50	R.O.C.	July 1, 2021	3	July 1, 2021	—	—	—	—	—	—	—	—	Department of Financial and Economic Law, Chung Yuan Christian University Team Leader, Litigation Team, JS International Attorneys At Law Intern Lawyer of Wu & Associates, Attorneys-at-Law Specialist of Securities and Futures Investors Protection Center Clerk of Administrative Enforcement Agency, Taoyuan Branch	Attorney-in Charge of W.S.C Attorneys at Law	—	—	—	—
Independent Director	Chia-Ling Yang	Female 41-50	R.O.C.	June 26, 2024	3	June 26, 2024	-	—	—	—	—	—	—	—	J.S.D., Berkeley Law, University of California J.S.M., Stanford Law School, Stanford University LL.M., Berkeley Law, University of California LL.B., Department of Law, College of Law, National Taiwan University Attorney-in-Charge, Anli International Law Offices Lawyer, World Law Firm Part-time Assistant Professor, Graduate Institute of Travel and Health, National Taipei University of Nursing and Health Sciences Lawyer, Lee and Li, Attorneys-at- Law Postdoctoral Researcher, Berkeley Law, University of California	—	—	—	—	

Note 1: Where the chairman and president or equivalent position (highest level managerial officer) is the same person, the spouse, or a first-degree relative, the reason, reasonableness, necessity, and response measures (such as increasing seats of independent directors, and the majority of the directors shall not concurrently serve as the employees or managerial officers) must be disclosed: In order to strengthen the effectiveness of the Company's operation and decision-making implementation, the chairman, president, and CEO of the Company are the same person to effectively link the board members for participating each decision-making and build the consensus, to accomplish the board's resolutions. Furthermore, the Company has elected four independent directors in 2024 general shareholders' meetings, and established the Audit Committee to replace the supervisor system, to increase the external supervision and check-balance power in the board of directors, with more than a half of the directors not concurrently serving as employees or managerial officers, as the implementation of corporate governance goals.

2. Major shareholders of corporate shareholders:

(1) Major shareholders of corporate shareholders

April 12, 2025

Names of corporate shareholders	Major shareholders of corporate shareholders
Shun Shun Investment Co., Ltd.	Chi-Lun Liu (57.7%); Mei-Yu Fang (29.5%); Liu, Meng-Chuan (6.4%); Chun-Hao Liu (6.4%)
Jia Cheng Investment Co., Ltd	Jung-Chin Chen (73.33%); Wang, Yueh (9.52%); Chen, Hui-Cheng (5.73%); Chen, Hsin-Cheng (5.71%); Chen, Wan-Cheng (5.71%)
Qiao Zan Investment Co., Ltd.	Yung-Shun Liao (90.52%); Yeh, Li-Chun (9.48%)
Mu-Bo Investment Co., Ltd.	Hsin-Tsai Lin (40.0%); Liu, Hui-Mei (20.0%); Lin, Kung-Huan (20.0%); Lin, Kung-Hsien (20.0%)

3. Disclosure of the professional qualifications of directors and supervisors, and the independence of the independent directors

Criteria Name	Professional qualification and experience	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
Chi-Lun Liu	Bachelor, Department of Applied Physics, Tamkang University; served as Engineer, Product Department, United Microelectronics Corporation; Vice Manager, Manufacturing Department, United Microelectronics Corporation; Vice Manager, Production Planning Department, United Microelectronics Corporation; and Manager, Material Department, Novatek Microelectronics Corp. Currently serving as the Chairman, President, and CEO of the Company; not having circumstances set forth in Article 30 of the Company Act.	<ol style="list-style-type: none"> 1. Serving as a managerial officer of the Company and its affiliates and as a director of affiliates. 2. Among the top ten shareholders of the Company. 3. Having a kinship relationship within the second degree with Director Chun-Hao Liu. 4. The rest comply with the independence conditions listed in Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." 	—
Chun-Hao Liu	Bachelor's, Materials Science and Engineering, Tsing Hua University Stanford University Master in Science in Applied Physics Tandem PV, Inc./Research and Development Engineer	<ol style="list-style-type: none"> 1. Serving as a managerial officer of the Company and its affiliates. 2. Having a kinship relationship within the second degree with Director Chi-Lun Liu. 3. The rest comply with the independence conditions listed in Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." 	—

<div>Criteria</div> <div>Name</div>	Professional qualification and experience	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
Jung-Chin Chen	Ph.D., Materials Science and Engineering, Tsing Hua University; served as Vice Manager, Product Department, TSMC, Project Manager, Jing-Yen Technology, and Chief, Technology Division, Materials Analysis Technology. Currently serving as the Executive VP and CTO of the Company; not having circumstances set forth in Article 30 of the Company Act.	<ol style="list-style-type: none"> 1. Serving as a managerial officer of the Company and its affiliates and as a director and supervisor of affiliates. 2. The rest comply with the independence conditions listed in Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." 	—
Yung-Shun Liao	Master's, Materials Science and Engineering, Tsing Hua University; served as Chief Engineer, TSMC; Manager, Department of Technology, Integrated Service Technology Inc; Vice Division Chief, Visera Technologies Company Ltd. Currently serving as the Senior VP and COO of the Company; not having circumstances set forth in Article 30 of the Company Act.	<ol style="list-style-type: none"> 1. Serving as a managerial officer of the Company and its affiliates and as a director of affiliates. 2. The rest comply with the independence conditions listed in Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." 	—
Hsin-Tsai Lin	Electronic Engineering Department, Asia Eastern University of Science and Technology; served as Vice Manager, Testing Department, United Microelectronics Corporation and Vice President of Sales, King Yuan Electronics Co., Ltd. Currently serving as the representative of the corporate shareholder for the Company; not having circumstances set forth in Article 30 of the Company Act.	<ol style="list-style-type: none"> 1. Serving as a supervisor of affiliates. 2. The rest comply with the independence conditions listed in Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." 	—

<div>Criteria</div> <div>Name</div>	Professional qualification and experience	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
Hung-Chang Yuan	Graduated from Department of Business Administration, Fu Jen Catholic University, with a master's degree from Institute of Finance, Chiao Tung University. Served as CFO of TaiwanJ Pharmaceuticals and Head of Finance of K Laser Technology Inc. Currently serving as the independent director, member of the Audit and Remuneration Committees of the Company; Independent Director of Original BioMedicals Co., Ltd.; Director and President of TaiwanJ Pharmaceuticals; not having circumstances set forth in Article 30 of the Company Act.	<ol style="list-style-type: none"> Not an employee of the Company or its affiliates. Not serving as a director or supervisor of the Company or its affiliates. None of the circumstances involve a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings. Managerial officers not listed in 1., or the spouses, relatives within second-degree kinship, or linear relatives within third-degree kinship of the personnel listed in 2. and 3. 	1
Chien-Min Wang	Department of Financial and Economic Law, Chung Yuan Christian University; served as Team Leader, Litigation Team, JS International Attorneys At Law; Intern Lawyer of Wu & Associates, Attorneys-at-Law; Specialist of Securities and Futures Investors Protection Center and Clerk of Administrative Enforcement Agency, Taoyuan Branch. Currently serving as the independent director, member of the Audit Committee and the Remuneration Committee of the Company, and Attorney-in Charge of W.S.C Attorneys at Law; not having circumstances set forth in Article 30 of the Company Act.	<ol style="list-style-type: none"> Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, ranks among the top five in shareholdings, or designates its representative to serve as a director or supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act. 	—

<div>Criteria</div> <div>Name</div>	Professional qualification and experience	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
Chia-Ling Yang	<p>J.S.D., Berkeley Law, University of California J.S.M., Stanford Law School, Stanford University LL.M., Berkeley Law, University of California LL.B., Department of Law, College of Law, National Taiwan University Attorney-in-Charge, Anli International Law Offices Lawyer, World Law Firm Part-time Assistant Professor, Graduate Institute of Travel and Health, National Taipei University of Nursing and Health Sciences Lawyer, Lee and Li, Attorneys-at-Law Postdoctoral Researcher, Berkeley Law, University of California Currently serving as the independent director, member of the Audit Committee and the Remuneration Committee of the Company; not having circumstances set forth in Article 30 of the Company Act.</p>	<p>6. Not a director, supervisor, or employee of another company where a majority of the Company's director seats or voting shares are controlled by the same person.</p> <p>7. Not a director, supervisor, or employee of another company or institution where the Chairman, President, or equivalent positions are the same person or spouses.</p> <p>8. Not a director, supervisor, managerial officer, or a shareholder holding five percent or more of the shares of a specified company or institution that has a financial or business relationship with the Company.</p>	—

<div>Criteria</div> <div>Name</div>	Professional qualification and experience	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
Chang-Feng Tsui	Graduated from Department of Information Management and Computer Management Program, Institute of Computer Science & Information Engineering, Chung Hua University; served as Director of Jing Young Biotech Business Co., Ltd., Director of Wei Cheng Global Enterprise Inc.; Secretary General of Alumni Association, Chung Hua University; Director of Wei Hung Tool Co., Ltd.; Chairman and President of Network Era Information Media Co., Ltd.; currently serving as the independent director and the Audit Committee member of the Company; not having circumstances set forth in Article 30 of the Company Act.	9. Not an owner, partner, director, supervisor, managerial officer, or spouse thereof of a sole proprietorship, partnership, company, or institution that provides audit services to the Company or its affiliates, or a professional individual, sole proprietorship, partnership, company, or institution that, in the past two years, has received cumulative compensation exceeding NT\$500,000 for providing commercial, legal, financial, accounting or related services, or an owner, partner, director, supervisor, managerial officer, or spouse thereof.	—

4. Board Diversity and Independence

- (1) Diversity: The Company includes, but is not limited to, diversity and equality, representation from different age groups, and ethnic voices. The current Board of Directors consists of 9 members, including 5 directors and 4 independent directors. The Board of Directors members take into account gender, professional background, and experience. The members are composed of individuals from the technology, finance, and industry sectors, covering professional fields such as computer communication, electrical engineering, electronic product applications, business management, biotechnology and medical care, and law. They generally possess the knowledge, skills, and qualities necessary for performing their duties. Overall, they have operational judgment, accounting and financial analysis capabilities, industry experience, leadership and decision-making abilities, and an international market perspective.

All directors are of local nationality, with directors who are also employees of the Company accounting for 44.44% and non-employee directors accounting for 55.56%. The age distribution of directors includes 1 member below 40 years old and 8 members between 40 and 70 years old.

The current board members possess diverse expertise and provide advice to the company based on their talents. The company will timely adjust diversity policies, including but not limited to criteria in two major aspects: basic criteria and values, and professional knowledge and skills, in accordance with the operation of the Board of Directors, business patterns, and development needs, aiming to bring different perspectives to the Board of Directors and enhance its functions. Aside from the above, The Company also values gender equality in the composition of the Board of Directors, although currently the composition of different genders on the Board is below

Due to the relatively fewer Female professionals in the electronic industry, the Company is actively promoting outstanding Female employees to participate and enter the Company's management decision-making level. In the future, by promoting outstanding female executives or seeking qualified female professionals from the industry, and considering practical operational needs, as well as balancing board seats and diversity, the number of female director seats will be gradually increased to enhance the proportion of female directors.

The specific management objectives and achievement状况 are as follows:

Management objectives	Achievement Status
The number of Independent Director positions exceeds one-third of the Director positions.	Achieve
Directors concurrently serving as the company's managerial officers should not exceed one-third of the director positions.	Unachieved (Note)
The term of office of the Independent Director has not exceeded three terms.	Achieve
At least retain one female director, with the goal of having board members of different genders reach one-third.	Achieve

Note: The newly appointed Director, Chun-Hao Liu, is part of the company's succession planning, responsible for MSS USA Corp's establishment and the integration of group resources. Considering the characteristics of the industry, he must possess an international perspective, semiconductor-related professional knowledge, foreign language skills, etc., and is brought into the Board of Directors in advance.

- (2) Independence: None of the current Board of Directors members have circumstances set forth in Article 30 of the Company Act. Among the members, aside from directors Chi-Lun Liu and Chun-Hao Liu, who have a father-son relationship (2 seats), the others (7 seats) do not have circumstances as stipulated in Article 26-3 of the Securities and Exchange Act, such as having more than half of the seats controlled by directors or supervisors having spousal or within-second-degree kinship relationships as specified in Paragraphs 3 and 4.

(II) Information on presidents, vice presidents, assistant vice presidents, and officers of departments and branches

April 12, 2025; Unit: shares; %

Title	Name	Gender	Nationality	Date of inauguration	Number of Shares Held		Shareholding of spouse and minor children now		Shareholding in the name of others		Major Experience (Education)	Concurrent positions in other companies now	Managerial officers with spouses or relatives within the second degree of kinship Managerial Officer:			Remarks
					Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding			Title	Name	Relationship with the endorser/guarantor	
Chairman, President, and CEO (Note 1)	Chi-Lun Liu	Male	R.O.C.	July 2005	1,520,237	2.94	865,000	1.67	3,051,633	5.89	Bachelor, Department of Applied Physics, Tamkang University Engineer, Product Department, United Microelectronics Corporation Vice Manager, Manufacturing Department, United Microelectronics Corporation Vice Manager, Production Planning Department, United Microelectronics Corporation Manager, Material Department, Novatek Microelectronics Corp	Executive Director, MSS (Shanghai) Electronic Technology Limited Chairman, Nanjing MSS Electronic Technology Limited Chairman, MSS Investment Co., Ltd. Chairman, Shun Shun Investment Co., Ltd.	—	—	—	—
Executive Vice President and CTO (Head of R&D)	Jung-Chin Chen	Male	R.O.C.	July 2005	52,000	0.10	—	—	1,353,284	2.61	Ph.D., Materials Science and Engineering, Tsing Hua University Vice Manager, Product Department, TSMC	President, MSS (Shanghai) Electronic Technology Limited Nanjing MSS Electronic Technology Limited Director and President Director, MSS Investment Co., Ltd. Chairman, Jia Cheng Investment Co., Ltd.	—	—	—	—
Senior Vice President and COO	Yung-Shun Liao	Male	R.O.C.	May 2008	62,649	0.12	9,837	0.02	980,759	1.89	Master's, Materials Science and Engineering, Tsing Hua University Chief Engineer, TSMC Vice Division Chief, Visera Technologies Company Ltd.	Director, Nanjing MSS Electronic Technology Limited Supervisor, MSS (Shanghai) Electronic Technology Limited Director, MSS Investment Co., Ltd. Chairman, Qiao Zan Investment Co., Ltd	—	—	—	—

Title	Name	Gender	Nationality	Date of inauguration	Number of Shares Held		Shareholding of spouse and minor children now		Shareholding in the name of others		Major Experience (Education)	Concurrent positions in other companies now	Managerial officers with spouses or relatives within the second degree of kinship Managerial Officer:			Remarks
					Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding			Title	Name	Relationship with the endorser/guarantor	
Vice President and COO	Hsueh-Liang Chou	Male	R.O.C.	January 2010	450,130	0.87	222,746	0.43	76,949	0.17	Master's, Institute of Earth Sciences, National Cheng Kung University Quality Engineer, Hertide Material Corp. Manager, Failure Analysis Section, United Microelectronics Corporation Manager, Physical Property and Micro-Analysis, Hejian Technology	—	—	—	—	—
Vice President and CISO	Wen-Hsiang Chien	Male	R.O.C.	June 2016	310,904	0.60	—	—	271,242	0.52	Bachelor, Department of Computer Science & Information Engineering, National Taiwan University Senior Consultant, Oracle Senior Consultant, SAP Assistant VP, SAS Technology Platform	Chairman of Asia Ritai Capital Management Co., Ltd. Chairman	—	—	—	—
Vice president	Yu-Chung Hsu	Male	R.O.C.	January 2024	30,801	0.06	112,931	0.22	-	-	Master, Department of Electrical Engineering, Chung Hua University FEI Taiwan branch Field service engineer. FEI Nordic branch Field service engineer.	—	—	—	—	—
Vice president	Pang-Hao Huang	Male	R.O.C.	January 2024	74,000	0.14	4,000	0.01	26,271	0.05	Ph.D. Materials Science, National Sun Yat-sen University Vice President, R&D Department, Msscorps Co., Ltd.	—	—	—	—	—
Head of Finance	Hsueh-Ching Mao	Female	R.O.C.	March 2024	195,708	0.38	3,240	0.01	15,920	0.03	Business Administration, Minghsin University of Science and Technology Finance Manager, Integrated Service Technology Inc. Manager of Finance, Msscorps Co., Ltd.	—	—	—	—	—
Accounting Supervisor / Corporate Governance Officer	Hui-Wen Chan	Female	R.O.C.	March 2022	—	—	—	—	—	—	Master's, Institute of Business Operation, Dayeh University Vice Accounting Manager, ACT Genomics Co. Ltd.	—	—	—	—	—

Note 1: In order to strengthen the effectiveness of the Company's operation and decision-making implementation, the chairman, president, and CEO of the Company are the same person to effectively link the board members for participating in each decision-making and build the consensus, to accomplish the board's resolutions. Furthermore, the Company has elected four independent directors in 2024 general shareholders' meetings, and established the Audit Committee to replace the supervisor system, to increase the external supervision and check-balance power in the board of directors, with more than a half of the directors not concurrently serving as employees or managerial officers, as the implementation of corporate governance goals.

II. Remuneration for Directors, Supervisors, Presidents and Vice Presidents

(I) Directors' Remuneration

Unit: NT\$ thousand; %

Title	Name	Directors' Remuneration								A, B, C, and D as a % of the Net Profits After Tax		Remuneration for a Concurrent Position as an Employee								A, B, C, D, E, F and G as a % of the Net Profits After Tax		Remuneration from Invested Enterprises Outside Subsidiaries or From the Parent Company
		Base Remuneration (A)		Severance and Pension (B)		Remuneration for Directors (C)		Business Execution Expenses (D)				Salary, Bonus, Allowance (E)		Severance and Pension (F)		Remuneration for Employees (G)						
		The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company		All Companies in the Financial Statements		The Company	All Companies in the Financial Statements	
																Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Director	Shun Shun Investment Co., Ltd. Representative: Chi-Lun Liu	—	—	—	—	450	450	18	18	468 0.72%	468 0.72%	15,407	15,407	—	—	—	—	—	—	15,875 24.44%	15,875 24.44%	—
	Jia Cheng Investment Co., Ltd Representative: Jung-Chin Chen	—	—	—	—	450	450	18	18	468 0.72%	468 0.72%	5,315	5,315	108	108	—	—	—	—	5,891 9.07%	5,891 9.07%	—
	Qiao Zan Investment Co., Ltd. Representative: Yung-Shun Liao	—	—	—	—	450	450	18	18	468 0.72%	468 0.72%	4,010	4,010	108	108	—	—	—	—	4,586 7.06%	4,586 7.06%	—
	Zhong Hua Development Advantageous Venture Capital Limited Partnership Representative: Yung-Ta Wang (Note)	—	—	—	—	225	225	6	6	231 0.36%	231 0.36%	—	—	—	—	—	—	—	—	231 0.36%	231 0.36%	—
	Mu-Bo Investment Co., Ltd. Representative: Hsin-Tsai Lin	—	—	—	—	450	450	18	18	468 0.72%	468 0.72%	—	—	—	—	—	—	—	—	468 0.72%	468 0.72%	—
	Shun Shun Investment Co., Ltd. Representative: Chun-Hao Liu (Note)	—	—	—	—	225	225	9	9	234 0.36%	234 0.36%	6,287	6,287	41	41	—	—	—	—	6,562 10.1%	6,562 10.1%	—

Title	Name	Directors' Remuneration								A, B, C, and D as a % of the Net Profits After Tax		Remuneration for a Concurrent Position as an Employee								A, B, C, D, E, F and G as a % of the Net Profits After Tax		Remuneration from Invested Enterprises Outside Subsidiaries or From the Parent Company		
		Base Remuneration (A)		Severance and Pension (B)		Remuneration for Directors (C)		Business Execution Expenses (D)				Salary, Bonus, Allowance (E)		Severance and Pension (F)		Remuneration for Employees (G)								
		The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company		All Companies in the Financial Statements		The Company	All Companies in the Financial Statements			
																		Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Independent Director	Chang-Feng Tsui	—	—	—	—	450	450	18	18	468 0.72%	468 0.72%	—	—	—	—	—	—	—	—	468 0.72%	468 0.72%	—		
	Hung-Chang Yuan	—	—	—	—	450	450	18	18	468 0.72%	468 0.72%	—	—	—	—	—	—	—	—	468 0.72%	468 0.72%	—		
	Ting-Hsun Chan (Note)	—	—	—	—	225	225	6	6	231 0.36%	231 0.36%	—	—	—	—	—	—	—	—	231 0.36%	231 0.36%	—		
	Chien-Min Wang	—	—	—	—	450	450	18	18	468 0.72%	468 0.72%	—	—	—	—	—	—	—	—	468 0.72%	468 0.72%	—		
	Chia-Ling Yang (Note)	—	—	—	—	225	225	12	12	237 0.36%	237 0.36%	—	—	—	—	—	—	—	—	237 0.36%	237 0.36%	—		

Note 1: Director Representative of Zhong Hua Development Advantageous Venture Capital Limited Partnership: Yung-Ta Wang, Independent Director Ting-Hsun Chan was dismissed on June 26, 2024.

Note 2: Director Representative of Shun Shun Investment Co., Ltd: Chun-Hao Liu, Independent Director Chia-Ling Yang was newly appointed on June 26, 2024.

1. Policy, system, standards, and structure by which independent director compensation is paid, and association between the amount paid and independent directors' responsibilities, risks and time committed:

(1) Directors' remunerations: The independent directors of the Company also function as the Audit and Remuneration Committees, and the directors' remunerations are distributed based on the profit of the year, the time engaged and the risks borne by them.

(2) Business execution expenses: mainly the transportation subsidies, and determined by reference to the standard of the peers.

2. Except as disclosed above, the remuneration for the directors of the Company for providing services to all companies in the financial statements (such as serving as a non-employee consultant) in the most recent year: None.

(II) Supervisor's remuneration: Not applicable.

(III) President and vice president's remuneration (disclosed in aggregation with name)

Unit: NT\$ thousand; %

Title	Name	Salary (A)		Severance and Pension (B)		Bonus and allowance (C)		Remuneration for employees (D)				A, B, C, and D as a % of the net profits after tax		Remuneration from Invested Enterprises Outside Subsidiaries or From the Parent Company
		The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company		All Companies in the Financial Statements		The Company	All Companies in the Financial Statements	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
President and CEO	Chi-Lun Liu	3,841	3,841	—	—	11,566	11,566	— (Note 2)				15,407 23.72%	15,407 23.72%	—
Chairman's Special Assistant and CEO of MSS USA CEO of MSS USA	Chun-Hao Liu	586	586	41	41	5,701	5,701					6,328 9.74%	6,328 9.74%	—
Executive Vice President and CTO (Head of R&D)	Jung-Chin Chen	3,421	3,421	108	108	1,894	1,894					5,423 8.35%	5,423 8.35%	—
Senior Vice President and COO	Yung-Shun Liao	2,761	2,761	108	108	1,249	1,249					4,118 6.34%	4,118 6.34%	—
Vice President and COO	Hsueh-Liang Chou	2,761	2,761	108	108	2,784	2,784					5,653 8.7%	5,653 8.7%	—
Vice President and CFO	Ching-Chi Su (Note 1)	589	589	28	28	1,188	1,188					1,805 2.78%	1,805 2.78%	—
Vice President and CISO	Wen-Hsiang Chien	2,185	2,185	108	108	2,008	2,008					4,301 6.62%	4,301 6.62%	—

Note 1: (Note) Vice President and CFO Ching-Chi Su resigned effective April 2, 2024.

Note 2: In consideration of the profitability of 2024, it is proposed not to allocate employee remuneration to managerial officers.

- (IV) The name of the managerial officer in charge of the distribution of employee remuneration and the status of the distribution for the most recent year (2024):

Unit: Thousand NT\$; %

Title	Name	Stock Amount	Cash Amount	Total	Total amount as a % of the 2024 net profits after tax
President	Chi-Lun Liu	— (Note 2)	— (Note 2)	— (Note 2)	— (Note 2)
Executive Vice President	Jung-Chin Chen				
Senior Vice President	Yung-Shun Liao				
Vice president	Hsueh-Liang Chou				
Vice president	Ching-Chi Su (Note 1)				
Vice president	Wen-Hsiang Chien				
Division Chief	Hui-Wen Chan				
Manager	Hsueh-Ching Mao				

Note 1: (Note) Vice President and CFO Ching-Chi Su resigned effective April 2, 2024.

Note 2: In consideration of the profitability of 2024, it is proposed not to allocate employee remuneration to managerial officers.

- (V) Compare and describe the total remuneration paid to directors, supervisors, general managers, and deputy general managers in the most recent 2 years by the Company and all companies in the consolidated financial statements as a % of the net profits after tax in the parent-only or consolidated financial statements, and explain the policies, criteria, combination, the procedures for determining remuneration and the correlation to operating performances and future risks.

Unit: %

Item Title	2023		2024	
	Total remuneration as a % of the net profits after tax (%)		Total remuneration as a % of the net profits after tax (%)	
	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements
Director	4.14%	4.14%	6.48%	6.48%
President and vice president	16.65%	16.65%	66.25%	66.25%

The Company's remuneration standards, or structure and system for paying directors, supervisors, presidents and vice presidents, have taken into account of the positive correlation between risks and operating performance, and have achieved a balance between risk and operating performance control. It should not lead directors, supervisors, presidents and vice presidents to engage in conduct that exceeds the Company's risk tolerance to the pursuit of remuneration. Pursuant to the relevant provisions of the Company's Articles of Incorporation, upon the approval of the board of directors, it will be reported to the shareholders' meeting pursuant to the Article 235-1 of the Company Act; the remunerations of the president and vice president include the salaries, bonuses and employees' bonuses, and comply with the Company's system and regulations related to remunerations; the remunerations paid by the Company to the directors and supervisors are based on the degree of their participation in the Company's operations and the value of their contributions.

Explanation of changes.

Director: The Directors' remuneration of the Company is provided according to the Company's articles of incorporation. For 2024 and 2023, the proportions of pre-tax net profit were 6.48% and 4.14%, respectively.

President and Vice President: The overall remuneration for 2024 is slightly lower than that of 2023, mainly due to the increase in capital expenditure and related setup costs associated with the global strategic layout, leading to a decline in operating profit. The remuneration for the president and vice president is benchmarked against industry standards and, in consideration of the profitability of 2024, it is proposed not to allocate employee remuneration to managerial officers, as approved by the compensation committee and the Board of Directors.

(VI) Remuneration of the top five executives with the highest remuneration:

Title	Name	Salary (A)		Severance and Pension (B)		Bonus and allowance (C)		Remuneration for employees (D)				A, B, C, and D as a % of the net profits after tax		Remuneration from Invested Enterprises Outside Subsidiaries or From the Parent Company
		The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company		All Companies in the Financial Statements		The Company	All Companies in the Financial Statements	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
President and CEO	Chi-Lun Liu	3,841	3,841	—	—	11,566	11,566	— (Note)				15,407 23.72%	15,407 23.72%	—
Chairman's Special Assistant and CEO of MSS USA	Chun-Hao Liu	586	586	41	41	5,701	5,701					6,328 9.74%	6,328 9.74%	—
Executive Vice President and CTO (Head of R&D)	Jung-Chin Chen	3,421	3,421	108	108	1,894	1,894					5,423 8.35%	5,423 8.35%	—
Vice President and COO	Hsueh-Liang Chou	2,761	2,761	108	108	2,784	2,784					5,653 8.7%	5,653 8.7%	—
Vice President and CISO	Wen-Hsiang Chien	2,185	2,185	108	108	2,008	2,008					4,301 6.62%	4,301 6.62%	—

Note: In consideration of the profitability of 2024, it is proposed not to allocate employee remuneration to managerial officers.

III. Implementation of Corporate Governance

(I) Status of operation of the Board of Directors

1. The Audit Committee held six meetings (A) in the most recent year (2024) and as of the publication date of the annual report with the attendance of directors as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Chairman	Representative of Shun Shun Investment Co., Ltd: Chi-Lun Liu	6	—	100	Reappointment on June 26, 2024
Director	Representative of Jia Cheng Investment Co., Ltd: Jung-Chin Chen	6	—	100	Reappointment on June 26, 2024
Director	Representative of Qiao Zan Investment Co., Ltd: Yung-Shun Liao	6	—	100	Reappointment on June 26, 2024
Director	Representative of Zhong Hua Development Advantageous Venture Capital Limited Partnership: Yung-Ta Wang	2	—	33	Dismissal on June 26, 2024
Director	Representative of Mu Bo Investment Co., Ltd: Hsin-Tsai Lin	6	—	100	Reappointment on June 26, 2024
Director	Representative of Shun Shun Investment Co., Ltd: Chun-Hao Liu	3	—	50	Newly appointed on June 26, 2024
Independent Director	Chang-Feng Tsui	6	—	100	Reappointment on June 26, 2024
Independent Director	Hung-Chang Yuan	6	—	100	Reappointment on June 26, 2024
Independent Director	Ting-Hsun Chan	2	—	33	Previously appointed on June 26, 2024
Independent Director	Chien-Min Wang	6	—	100	Reappointment on June 26, 2024
Independent Director	Chia-Ling Yang	4	—	67	Newly appointed on June 26, 2024

2. Other matters required to be recorded:

- (1) If the operation of the Board of Directors is under any of the following circumstances, the date, period, proposal content, all independent directors' opinions and the Company's handling of their opinions should be described:

Matters set forth in Article 14-3 of the Securities and Exchange Act: the Company has established the Audit Committee, and the independent directors are applicable for the provision regarding expressing opinions to the resolution set for the Article 14-5 of the Securities and Exchange Act; thus Article 14-3 of the Securities and Exchange Act is not applicable.

- (2) In addition to the previous matters, other board meeting resolutions that have been opposed or reserved by independent directors with records or written statements:
No such situation.

3. In the implementation of a director's recusal for being an interested party in a proposal, the director's name, the proposal content, the recusal reasons and his or her participation in voting should be stated:

Board of Directors meeting date	Director's name	Motion content	Reason for recusal	Participation in voting
March 1, 2024	Chi-Lun Liu	Discussion and review of director nominees	Recusal due to conflict of interest, as required by the Company Act	The proposal was passed by the directors present unanimously, except for those directors who had recused themselves from attending the meeting and voting according to the laws.
March 1, 2024	Jung-Chin Chen	Discussion and review of director nominees	Recusal due to conflict of interest, as required by the Company Act	The proposal was passed by the directors present unanimously, except for those directors who had recused themselves from attending the meeting and voting according to the laws.
March 1, 2024	Yung-Shun Liao	Discussion and review of director nominees	Recusal due to conflict of interest, as required by the Company Act	The proposal was passed by the directors present unanimously, except for those directors who had recused themselves from attending the meeting and voting according to the laws.
March 1, 2024	Hsin-Tsai Lin	Discussion and review of director nominees	Recusal due to conflict of interest, as required by the Company Act	The proposal was passed by the directors present unanimously, except for those directors who had recused themselves from attending the meeting and voting according to the laws.

Board of Directors meeting date	Director's name	Motion content	Reason for recusal	Participation in voting
March 1, 2024	Hung-Chang Yuan	Discussion and review of director nominees	Recusal due to conflict of interest, as required by the Company Act	The proposal was passed by the directors present unanimously, except for those directors who had recused themselves from attending the meeting and voting according to the laws.
March 1, 2024	Chang-Feng Tsui	Discussion and review of director nominees	Recusal due to conflict of interest, as required by the Company Act	The proposal was passed by the directors present unanimously, except for those directors who had recused themselves from attending the meeting and voting according to the laws.
March 1, 2024	Chien-Min Wang	Discussion and review of director nominees	Recusal due to conflict of interest, as required by the Company Act	The proposal was passed by the directors present unanimously, except for those directors who had recused themselves from attending the meeting and voting according to the laws.
March 1, 2024	Chi-Lun Liu	Discussion of relieving directors from non-competence restrictions	Recusal due to conflict of interest, as required by the Company Act	The proposal was passed by the directors present unanimously, except for those directors who had recused themselves from attending the meeting and voting according to the laws.
March 1, 2024	Jung-Chin Chen	Discussion of relieving directors from non-competence restrictions	Recusal due to conflict of interest, as required by the Company Act	The proposal was passed by the directors present unanimously, except for those directors who had recused themselves from attending the meeting and voting according to the laws.
March 1, 2024	Yung-Shun Liao	Discussion of relieving directors from non-competence restrictions	Recusal due to conflict of interest, as required by the Company Act	The proposal was passed by the directors present unanimously, except for those directors who had recused themselves from attending the meeting and voting according to the laws.
March 1, 2024	Hsin-Tsai Lin	Discussion of relieving directors from non-competence restrictions	Recusal due to conflict of interest, as required by the Company Act	The proposal was passed by the directors present unanimously, except for those directors who had recused themselves from attending the meeting and voting according to the laws.

Board of Directors meeting date	Director's name	Motion content	Reason for recusal	Participation in voting
March 1, 2024	Hung-Chang Yuan	Discussion of relieving directors from non-competence restrictions	Recusal due to conflict of interest, as required by the Company Act	The proposal was passed by the directors present unanimously, except for those directors who had recused themselves from attending the meeting and voting according to the laws.
March 1, 2024	Chien-Min Wang	Discussion of relieving directors from non-competence restrictions	Recusal due to conflict of interest, as required by the Company Act	The proposal was passed by the directors present unanimously, except for those directors who had recused themselves from attending the meeting and voting according to the laws.
May 3, 2024	Chi-Lun Liu	Discussion of 2023 employees' remuneration	Recusal due to conflict of interest, as required by the Company Act	The proposal was passed by the directors present unanimously, except for those directors who had recused themselves from attending the meeting and voting according to the laws.
May 3, 2024	Jung-Chin Chen	Discussion of 2023 employees' remuneration	Recusal due to conflict of interest, as required by the Company Act	The proposal was passed by the directors present unanimously, except for those directors who had recused themselves from attending the meeting and voting according to the laws.
May 3, 2024	Yung-Shun Liao	Discussion of 2023 employees' remuneration	Recusal due to conflict of interest, as required by the Company Act	The proposal was passed by the directors present unanimously, except for those directors who had recused themselves from attending the meeting and voting according to the laws.

4. The periodicity and duration, scope, method and content of the self-evaluation (or peer evaluation) by the board of directors are as below:

Evaluation cycle	Evaluation duration	Evaluation scope	Evaluation method	Evaluation content
Once a year	January 1, 2024 ~ December 31, 2024	Performance evaluation for board members, the board and functional committees	Board member self-evaluation, self-evaluation within the board and within the functional committees for performance	<ol style="list-style-type: none"> 1. Evaluation and measurement of the board's performance <ol style="list-style-type: none"> (1) Participation in the operation of the Company (2) Improvement in the quality of the board's decision-making (3) Composition and structure of the board (4) Election and continuing education of directors (5) Internal control 2. Evaluation of the board member's performance <ol style="list-style-type: none"> (1) Alignment of the Company's objectives and tasks (2) Understanding of directors' responsibilities (3) Participation in the operation of the Company (4) Internal relationship management and communication (5) Professionalism and continuing education of directors (6) Internal control 3. Evaluation of the functional committees' performance <ol style="list-style-type: none"> (1) Participation in the operation of the Company (2) Perception of functional committees' responsibilities (3) Improvement in the quality of the functional committee's decision-making (4) Composition and member appointment of functional committees. (5) Internal control

5. Evaluation of the objective for enhancing the functions of the Board of Directors (establishing an audit committee, enhancing information transparency, etc.) and its implementation in the current year and the most recent year:

- (1) Establishment of the Audit Committee

The Company established the Audit Committee to replace the supervisors on July 1, 2021; the members of the Audit Committee consist of all independent directors; since the establishment of the Audit Committee, at least one meeting has been convened quarterly, and the Committee operated smoothly.

- (2) Establishment of Remuneration Committee

To enhance the remuneration system for the directors and managerial officers, the Company established the Remuneration Committee on July 9, 2021, to assist the board of directors in fulfilling its supervisory responsibility. As of the publication date of the annual report, seven meetings were convened, and operated smoothly.

- (3) Directors' continuing education

To encourage directors' continuing education, the Company regularly arranges lecturers with courses to continuously replenish their new knowledge.

- (II) The operation of the Audit Committee or the participation of supervisors in the operation of the board of directors

1. The Audit Committee held five meetings (A) in the most recent year (2024) and as of the publication date of the annual report with the attendance of independent directors as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Independent Director	Chang-Feng Tsui	5	—	100	Reappointment on June 26, 2024
Independent Director	Hung-Chang Yuan	5	—	100	Reappointment on June 26, 2024
Independent Director	Ting-Hsun Chan	2	—	40	Dismissal on June 26, 2024
Independent Director	Chien-Min Wang	5	—	100	Reappointment on June 26, 2024
Independent Director	Chia-Ling Yang	3	—	60	Newly appointed on June 26, 2024

2. Other matters required to be recorded:

- (1) If the operation of the Audit Committee is under any of the following circumstances, the date, term, proposal content, all independent directors' dissented opinions, qualified opinion, or material suggestion content, the resolution of the Audit Committee, the Company's handling their opinions, and the matters specified in Article 14-5 of the Securities and Exchange Act, should be described: see the following table.

- (2) In addition to the previous matters, other matters that have not been approved by the Audit Committee but approved by more than two-thirds of all directors: see the following table.

Date and session of the Audit Committee meetings	Motion content	Matters specified in Article 14-5 of the Securities and Exchange Act	A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the Audit Committee of the Company.
March 1, 2024, 16th meeting, 1st Term	1. 2023 financial report	V	None
	2. 2023 business report	V	None
	3. Proposal of 2023 earning distribution	V	None
	4. Proposal to abstain from issuing common shares in a private placement for capital increase in cash	V	None
	5. Commission KPMG Taiwan for 2022 corporate social responsibility report consultancy service and service fee	V	None
	6. 2023 appraisal of the effectiveness of the internal control system, and the Statement of the internal control system	V	None
	7. Proposal to changes in accounting supervisor and proxy, head of finance, spokesperson and acting spokesperson	V	None
	8. Amended the "Rules of Procedure for Shareholders' Meetings"	V	None
	9. Revision of Board Meeting Agenda	V	None
	Resolutions of the Audit Committee: approved by all Audit Committee members		
	The Company's handling of the Audit Committee members' opinions: approved by all attending directors		
May 3, 2024, 17th meeting, 1st Term	1. 2024 Q1 financial report	V	None
	2. Amendment to authorization chart	V	None
	3. Proposal of the establishment of a subsidiary company in the United States	V	None
	4. The issuance of new shares for the cash capital increase in 2024 and the issuance of the first domestic unsecured convertible bonds.	V	None
	Resolutions of the Audit Committee: approved by all Audit Committee members		
	The Company's handling of the Audit Committee members' opinions: approved by all attending directors		

Date and session of the Audit Committee meetings	Motion content	Matters specified in Article 14-5 of the Securities and Exchange Act	A resolution is adopted with the approval of two-thirds or more of all directors, without having been passed by the Audit Committee of the Company.
August 9, 2024 1st meeting, 2nd Term Audit Committee	1. 2024 Q2 financial report	V	None
	2. Proposal to changes in accounting supervisor and proxy, head of finance, spokesperson and acting spokesperson	V	None
	3. MSS USA Corp plans to acquire factory office cases.	V	None
	4. Lease Improvement Plan for MSS Japan Company	V	None
	Resolutions of the Audit Committee: approved by all Audit Committee members		
	The Company's handling of the Audit Committee members' opinions: approved by all attending directors		
November 8, 2024 2nd meeting, 2nd Term Audit Committee	1. 2024 Q3 financial report	V	None
	2. Appointment of the Chief Auditor	V	None
	3. Proposal to commission Deloitte Taiwan for 2025 taxation audit and certification, and the service fee.	V	None
	Resolutions of the Audit Committee: approved by all Audit Committee members		
	The Company's handling of the Audit Committee members' opinions: approved by all attending directors		
December 20, 2024, 3rd meeting, 2nd Term Audit Committee	1. Establishment of operating regulations for sustainable information management	V	None
	2. Amend the internal control system and the implementation details of internal auditing.	V	None
	3. 2024 audit plan	V	None
	Resolutions of the Audit Committee: approved by all Audit Committee members		

- (3) In the implementation of an independent director's recusal for being an interested party in a proposal, the independent director's name, the proposal content, the recusal reasons and his or her participation in voting should be stated: None.

- (4) Communication between independent directors, internal audit officer and CPA (major matters, methods and results of communication on the Company's financial and business conditions, etc. should be included):

Summary of the communications between the independent directors and Chief Internal Auditors

Date	Communication meeting	Matters communicated	Communication outcomes
March 1, 2024	Audit Committee	Internal audit activities	No opinion raised in this meeting
May 3, 2024	Audit Committee	Internal audit activities	No opinion raised in this meeting
August 9, 2024	Audit Committee	Internal audit activities	No opinion raised in this meeting
November 8, 2024	Audit Committee	Internal audit activities	No opinion raised in this meeting
December 20, 2024	Symposium	Internal audit activities	No opinion raised in this meeting
December 20, 2024	Audit Committee	Internal audit activities	No opinion raised in this meeting

Summary of the communications between the independent directors and CPAs

Date	Communication meeting	Matters communicated	Communication outcomes
March 1, 2024	Audit Committee	<ol style="list-style-type: none"> Results of the Audit of the Consolidated Financial Statements for Q4 2023 Replaced the CPAs to accommodate the internal rotation mechanism of the CPAs firm Establishment of the general principles for the pre-approved non-assurance service policy 	No opinion raised in this meeting
August 9, 2024	Audit Committee	<ol style="list-style-type: none"> Results of the Audit of the Consolidated Financial Statements for Q2 2024 	No opinion raised in this meeting
November 8, 2024	Audit Committee	<ol style="list-style-type: none"> Results of the Audit of the Consolidated Financial Statements for Q3 2024 Communications of key audit matters 	No opinion raised in this meeting

3. Supervisors' participation in the board of directors: Not applicable.

(III) The Company's implementation of corporate governance and the differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reason

Evaluation Items	Status of operation			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary Description	
I. Has the Company formulated and disclosed its corporate governance practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?"	V		On April 27, 2021, the board of directors approved the Corporate Governance Best Practice Principles, mainly to be used to establish an effective corporate governance framework, protect the interests of shareholders, strengthen the functions of the board of directors, exert the supervisors' functions, respect the interests of stakeholders, and improve information transparency. The details of the Principles are disclosed in the Corporate Governance section on the official website.	No difference
II. The Company's equity structure and shareholder equity				No significant difference
(I) Has the Company established internal operating procedures to handle shareholder recommendations, doubts, disputes, litigations, and implemented them according to the procedures?	V		(I) The spokesperson, acting spokesperson, IR, and shareholder service are established to handle the related shareholders' issues.	
(II) Does the Company have a list of the major shareholders who actually control the Company and those who ultimately have control over the major shareholders?	V		(II) The shareholder service company (Shareholder Service Agent Department of Taishin Securities Co., Ltd) is engaged; internally, there is a shareholder service unit to grasp the related information. The Company has good relationship with shareholders, without material dispute or litigation.	

Evaluation Items	Status of operation			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary Description	
<p>(III) Has the Company established and implemented risk control and firewall mechanisms between affiliated companies?</p> <p>(IV) Has the Company formulated internal regulations to prevent insiders from trading securities using undisclosed information on the market?</p>	V		<p>(III) The business transactions between the Company and its subsidiaries are handled pursuant to the internal control system and relevant laws and regulations.</p> <p>(IV) The "Management Procedures for Preventing Insider Trading" have been prescribed, and relevant personnel implement accordingly to avoid improper leakage of information and prevent insider trading from occurring.</p>	
<p>III. Composition and responsibilities of the Board of Directors</p> <p>(I) Does the board of directors formulate diversified policies, and specific management objectives and implementation?</p> <p>(II) Does the Company voluntarily establish functional committees other than the Remuneration Committee and the Audit Committee?</p> <p>(III) Does the Company formulate a performance evaluation method and approaches for the Board of Directors, conduct performance evaluation annually and regularly, and report the performance evaluation results to the Board of Directors and apply it as a reference for the consideration of remuneration and nomination of each director?</p>	V	V	<p>(I) The Company's board members have different expertise in each field, and help the Company's operation to a certain degree.</p> <p>(II) Currently, the Company has set up the Audit Committee and the Remuneration Committee. In the future, different functional committees may be set up based on the overall development to meet the actual needs.</p> <p>(III) The Company has passed the "Measures for the Board of Directors Performance Evaluation" on April 27, 2021; the evaluation was conducted in 2024 and the evaluation results were reported to the board of directors on March 6, 2025.</p>	No significant difference

Evaluation Items	Status of operation			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary Description	
(IV) Does the Company regularly evaluate the independence of the attesting CPAs?	V		(IV) The Company regularly reviews the independence of the CPAs, and reports the evaluation results to the board of directors (Note 1). The accounting firm issues a letter of declaration.	
IV. Does the public listed company have a suitable and appropriate number of corporate governance personnel and appoint a corporate governance officer to be responsible for corporate governance related matters (including but not limited to providing information necessary for directors to perform their business, assisting directors in complying with laws and regulations, conducting board meeting and shareholder meeting related matters in accordance with law, handling company registration and alteration registration, and preparing minutes of board meetings and shareholder meetings)?	V		The board of directors approved to establish the corporate governance officer on March 31, 2022.	No significant difference
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.) and a special section for stakeholders on the Company's website, and responded appropriately to important corporate social responsibility issues that are of concern to stakeholders?	V		<p>(I) There are spokespersons and acting spokespersons as the main communication channel with external stakeholders.</p> <p>(II) Have smooth communication channels with banks, creditors, employees, customers and suppliers, and respect and protect their legitimate interests.</p> <p>(III) The Company's website has set up a stakeholder section so that stakeholders can click to enter and understand the contact channels of various related issues and obtain appropriate responses.</p>	No significant difference

Evaluation Items	Status of operation			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary Description	
VI. Has the Company appointed a professional stock affairs agency to handle matters for shareholder meetings?	V		In addition to the internal dedicated personnel for shareholders' service, Shareholder Service Agent Department, Taishin Securities is also retained to handle the affairs related to the shareholders' meetings.	No significant difference
VII. Information Disclosure				No significant difference
(I) Has the Company set up a website to disclose finance and business matters and corporate governance information?	V		(I) The "Investor" section is set up at the website, link:	
(II) Has the Company adopted other means of information disclosure (such as setting up an English website, appointing dedicated personnel responsible for the collection and disclosure of Company information, implementing a spokesperson system, posting the Company's earnings calls on its website, etc.)?	V		(II) Set up the dedicated personnel to be responsible for the collection and disclosure of the Company's information, and have a spokesperson and an acting spokesperson to implement the spokesperson system. If there is an investor conference in the future, its key content will also be available on the Company's website and MOPS.	
(III) Does the Company publicly announce and file annual financial statements within two months after the end of the fiscal year? The financial statements for the first, second and third quarters and the monthly operating status before the prescribed deadline?		V	(III) The annual financial report shall be announced and reported pursuant to Article 36 of the Securities and Exchange Act, and the monthly operating conditions are reported within the prescribed time limit.	

Evaluation Items	Status of operation			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary Description	
VIII. Does the Company have other important information that is helpful to understand its implementation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, continuing education of directors and supervisors, Implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company's purchase of liability insurance for directors and supervisors, etc.)?	V		<p>(I) Employee interests: Treat employees with ethics, protect their legitimate and interests of employees pursuant to the Labor Standards Act, and establish the Employee Welfare Committee to coordinate and handle the employee benefit-related matters. Build a good relationship of mutual trust and mutual reliance with employees.</p> <p>(II) For example: subsidizing community activities, providing cultural and recreational entertainment and health examination.</p> <p>(III) Investor relations: Spokesperson and acting spokesperson are established to handle shareholders' opinions and suggestions, and an investor section is set up on the website to provide information. Supplier relationship: Transactions with each supplier are based on the contracts, a good long-term partnership is maintained, and evaluations are conducted pursuant to the supplier management procedure. The new supplier's product quality, financial position, price, supply quantity, environmental protection, occupational safety and health and other aspects are evaluated, and only these passing the evaluation will become qualified suppliers.</p> <p>(IV) Rights of stakeholders: Stakeholders may communicate and raise suggestions to the Company through e-mail, telephone, or official website, as a protection of their interests.</p>	No significant difference

Evaluation Items	Status of operation			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary Description	
			<p>(V) Directors and supervisors' continuing education: in 2024, all directors (independent directors) have fulfilled the statutory hours of continuing education. Please refer (Note 2) for the details of the board members' 2024 continuing education.</p> <p>(VI) The implementation of risk management policies and risk measurement standards: The Company implements hierarchical accountability, and integrated and reports to the President's Office.</p> <p>(VII) Implementation of customer policy: maintain a stable and good relationship with customers, to create a sustainable and stable source of profit for the Company.</p> <p>(VIII) The liability insurance purchased by the Company for directors: in the board on November 8, 2024, the purchase of directors' liability insurance for USD 5 million, covered from October 1, 2024 to October 1, 2025, was ratified.</p>	
<p>IX. Please describe the improvements that have been made in response to the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange in the most recent year, and propose priorities and measures for those not yet improved: As of the printing date of the annual report, the Company governance evaluation has not been disclosed.</p>				

Note 1: Evaluation criteria of the independence of the CPAs:

Evaluation Items	Evaluation result	Status of independence
1. The CPAs do not serve as a director of the Company or its affiliates.	Yes	Yes
2. The CPAs are not shareholders of any affiliate of the Company.	Yes	Yes
3. The CPAs are not paid with salaries in the Company's affiliates.	Yes	Yes
4. The CPAs confirm that their accounting firm has complied with the relevant independence regulations.	Yes	Yes
5. No partner of CPAs' accounting firm has not served as a director, managerial officer, or any position that has a significant influence on the audit case of the Company within one year.	Yes	Yes
6. No CPAs has provided auditing services to the Company for seven consecutive years (starting from the public offering).	Yes	Yes
7. The CPAs have complied with the Norm of Professional Ethics for Certified Public Accountant No. 10 regarding independence.	Yes	Yes

Note 2: Continuing education received by the board member in 2024

Director	Advanced study date	Organizer	Course of continuing education	Training hours	Hours of personal continuing education
Chi-Lun Liu	December 20, 2024	Taiwan Corporate Governance Association	TCFD & SBTi development trends and Directors' authority	3	6
			Deciphering and Diagnosing Corporate Financial Statements: A Practical Approach	3	
Jung-Chin Chen	December 20, 2024		TCFD & SBTi development trends and Directors' authority	3	6
			Deciphering and Diagnosing Corporate Financial Statements: A Practical Approach	3	
Yung-Shun Liao	December 20, 2024		TCFD & SBTi development trends and Directors' authority	3	6
			Deciphering and Diagnosing Corporate Financial Statements: A Practical Approach	3	
Hsin-Tsai Lin	December 20, 2024		TCFD & SBTi development trends and Directors' authority	3	6
			Deciphering and Diagnosing Corporate Financial Statements: A Practical Approach	3	
Chang-Feng Tsui	December 20, 2024		TCFD & SBTi development trends and Directors' authority	3	6
			Deciphering and Diagnosing Corporate Financial Statements: A Practical Approach	3	
Hung-Chang Yuan	December 20, 2024		TCFD & SBTi development trends and Directors' authority	3	6
			Deciphering and Diagnosing Corporate Financial Statements: A Practical Approach	3	
Chien-Min Wang	December 20, 2024		TCFD & SBTi development trends and Directors' authority	3	6
			Deciphering and Diagnosing Corporate Financial Statements: A Practical Approach	3	

Director	Advanced study date	Organizer	Course of continuing education	Training hours	Hours of personal continuing education
Chun-Hao Liu	August 15, 2024	Accounting Research and Development Foundation, R.O.C.	Strengthening of Internal Control Defense Functions and Board of Directors Operational Mechanisms with Analysis of Fraud Cases	6	12
	December 20, 2024	Taiwan Corporate Governance Association	TCFD & SBTi development trends and Directors' authority	3	
			Deciphering and Diagnosing Corporate Financial Statements: A Practical Approach	3	
Chia-Ling Yang	May 24, 2024	Taipei Bar Association	Labor contract termination dispute issues	3	12
	December 20, 2024	Taiwan Corporate Governance Association	TCFD & SBTi development trends and Directors' authority	3	
			Deciphering and Diagnosing Corporate Financial Statements: A Practical Approach	3	
	December 23, 2024		Corporate Governance and Ethical Corporate Management - Including Discussion on Criminal Cases Involving Directors, Supervisors, and Managerial Officers	3	

(IV) Composition and operation of the Remuneration Committee

1. Information on the members of the Remuneration Committee

March 31, 2024

Identity	Name	Criteria	Professional qualification and experience	Independence	Number of other public companies in which the individual is concurrently serving as a remuneration committee member
Independent Director (Convener)	Hung-Chang Yuan		Graduated from Department of Business Administration, Fu Jen Catholic University, with a master's degree from Institute of Finance, Chiao Tung University. Served as CFO of TaiwanJ Pharmaceuticals and Head of Finance of K Laser Technology Inc. Currently serving as the independent director, member of the Audit and Remuneration Committees of the Company; Independent Director of Original BioMedicals Co., Ltd.; Director and President of TaiwanJ Pharmaceuticals; not having circumstances set forth in Article 30 of the Company Act.	Three members of the Remuneration Committee are served by the Company's independent directors, and are not any of the following: an employee, managerial officer, director, or supervisor of the Company or any of its affiliates; the spouse, relative within the second-degree of kinship, or lineal relative within the third-degree of kinship thereof; a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings; a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the Company under Article 27, paragraph 1 or 2 of the Company	1
Independent Director	Chien-Min Wang		Department of Financial and Economic Law, Chung Yuan Christian University; served as Team Leader, Litigation Team, JS International Attorneys At Law; Intern Lawyer of Wu & Associates, Attorneys-at-Law; Specialist of Securities and Futures Investors Protection Center and Clerk of Administrative Enforcement Agency, Taoyuan Branch. Currently serving as the independent director, member of the Audit Committee and the Remuneration Committee of the Company, and Attorney-in Charge of W.S.C Attorneys at Law; not having circumstances set forth in Article 30 of the Company Act.		—

Identity	Criteria		Independence	Number of other public companies in which the individual is concurrently serving as a remuneration committee member
	Name	Professional qualification and experience		
Independent Director	Chia-Ling Yang	J.S.D., Berkeley Law, University of California, J.S.M., Stanford Law School, Stanford University, LL.M., Berkeley Law, University of California, LL.B., Department of Law, College of Law, National Taiwan University, Attorney-in-Charge, Anli International Law Offices, Lawyer, World Law Firm, Part-time Assistant Professor, Graduate Institute of Travel and Health, National Taipei University of Nursing and Health Sciences Lawyer, Lee and Li, Attorneys-at-Law Postdoctoral Researcher, Berkeley Law, University of California Currently serving as the independent director, member of the Audit Committee and the Remuneration Committee of the Company; not having circumstances set forth in Article 30 of the Company Act.	Act; a director, supervisor, or employee of a company where a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person; or director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company; a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; none of them are related as spouse or within second-degree kinship.	—

Note: For the name of the independent director, please refer to pages 9-11 of the Annual Report, (1) related description of board member information.

- The Company's Remuneration Committee consists of three members.

3. Current term of office: From August 9, 2024 to June 25, 2027. There were two Remuneration Committee meetings (A) held in the most recent year (2024) with the qualifications and attendance of the Remuneration Committee members as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Convener	Hung-Chang Yuan	2	—	100	Reappointment on August 9, 2024
Committee member	Chang-Feng Tsui	2	—	100	Dismissal on August 9, 2024
Committee member	Ting-Hsun Chan	2	—	100	Dismissal on August 9, 2024
Committee member	Chien-Min Wang	-	—	-	Newly appointed on August 9, 2024
Committee member	Chia-Ling Yang	-	—	-	Newly appointed on August 9, 2024

4. Other matters required to be recorded:
- (1) If the Board of Directors does not adopt or revises the recommendations of the Compensation Committee, the Board of Directors meeting date, period, motion content, resolution result, and the Company's handling of the Compensation Committee's opinions should be described (if the compensation approved by the Board of Directors is better than the recommendations of the Compensation Committee, the differences and reasons should be stated: None.
 - (2) If there are opposed or reserved opinions with recorded or written statements from members on resolutions of the Compensation Committee, the date, period, motion content, all members' opinions and the handling of members' opinions should be stated: None.

(V) The implementation of the sustainable development and its deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons

Promotion items	Status of implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX
	Yes	No	Summary Description	
I. Has the Company established a governance structure to promote sustainable development, and designated a full-time (part-time) unit to promote sustainable development, which is to be handled by the senior management with the authorization of the Board of Directors, and the actual supervision of the Board of Directors?	V		While the Company has not set up a dedicated unit to promote sustainable development, currently, it is the accounting department coordinating the promotion of the Company's sustainable development affairs. The Chief of Accounting Division is approved by the Board of Directors to serve as the corporate governance officer. Each department implements the Company's social responsibility and maintains the operation for public welfare, and continues to promote sustainable development in daily operating activities. In 2024, reports were made to the Board of Directors on March 11 and December 20 regarding the work description and status of implementation related to supervising and reviewing sustainable operation matters.	No difference
II. Does the Company conduct risk assessments on environmental, social, and corporate governance issues related to the Company's operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies?	V		<p>The Company has conducted risk assessments on environmental, social, and corporate governance issues in accordance with the principle of materiality, with the assessment boundary as follows:</p> <p>(I) Risk assessment standards and processes: During the annual meetings, each unit is tasked with evaluating potential and emerging risks in the environmental, social, and corporate governance aspects based on factors such as frequency of occurrence, impact level, and degree of control. The risk management process includes risk identification, analysis, evaluation, treatment, monitoring, reporting, and disclosure.</p> <p>(II) The data coverage includes the Hsinchu Operational Headquarters, Hsinchu Material Analysis Division, Zhubei Operational Site, and Tainan Science Park branch.</p> <p>(III) Evaluation result and countermeasure: (The issues extracted below, with full description disclosed in the sustainability report)</p>	No difference

Promotion items	Status of implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX
	Yes	No	Summary Description	
			<p>(1) Ethical Corporate Management - Ethics and integrity will directly impact operations and the company's reputation: Benefit: Follow the ethical policy and implement anti-corruption plans.</p> <p>(2) Customer privacy - failure to properly protect customer data: Establish email auto-recognition to protect clients' trade secrets and strengthen education and training for employees.</p> <p>(3) Innovative technology and development - Loss of market share and customers: Sign industry-academia cooperation research contracts and hold internal innovation forums.</p> <p>(4) Intellectual Property Protection - Unpatented technology will face litigation risks: Apply for patents to protect intellectual property rights.</p>	
III. Environmental issues (I) Has the Company set up an appropriate environmental management system based on the characteristics of its industry? (II) Is the Company committed to improving energy efficiency and using recycled materials with low impact on the environment?	V	V	<p>(I) The Company follows the environmental protection regulations set by the Ministry of Environment (such as the Air Pollution Control Act, Water Pollution Control Act, Waste Disposal Act, and Toxic and Concerned Chemical Substances Control Act) to formulate occupational safety and health management plans, safety and health work codes, and emergency response procedures. The Company's adopted environmental management system has not yet obtained external certification.</p> <p>(II) Since 2023, The Company has adopted LED tube lighting throughout all facilities and eliminated energy-inefficient industrial equipment (such as chillers and air compressors).</p>	No difference

Promotion items	Status of implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX												
	Yes	No	Summary Description													
(III) Does the Company evaluate the potential risks and opportunities of climate change to the Company now and in the future, and take corresponding measures to respond to climate related issues?	V		(III) The Company not only should consider the impact of operations on ecological benefits, but also enhance the internal promotion to implement and promote the importance of environmental protection, with the evaluations of the potential impact of climate change, to achieve the goal of strengthening environmental protection.													
(IV) Does the Company make statistics on greenhouse gas emissions, water consumption and the total weight of waste for the past two years and formulate policies for greenhouse gas reduction, water consumption reduction or other waste management?	V		(IV) In order to implement environmental protection and reduce the Company's overall carbon emissions, the Company is committed to saving energy, sorting garbage and recycling waste, and controlling photocopiers to promote the Company's paperless policy. In addition, the Company controls the temperature of indoor air conditioning in the office, replaces old and high-energy-consuming equipment, and observes environmental regulations, to achieve energy-saving and carbon-reduction management; statistical reviews on water and power consumption are regularly conducted. The Company regularly compiles statistics on greenhouse gas emissions, energy usage and energy consumption, water consumption, and total waste weight. Below are the relevant statistics for the past two years: <table><tr><td>Greenhouse gas emissions</td><td>Category 1 (Metric tons of CO2e / year)</td><td>Category 2 (Metric tons of CO2e / year)</td><td>Total Emissions (Metric tons of CO2e / year)</td></tr><tr><td>Total for 2023</td><td>175.86</td><td>2766.57</td><td>2942.43</td></tr><tr><td>Total for 2024</td><td>212.69</td><td>4008.93</td><td>4221.62</td></tr></table>	Greenhouse gas emissions	Category 1 (Metric tons of CO2e / year)	Category 2 (Metric tons of CO2e / year)	Total Emissions (Metric tons of CO2e / year)	Total for 2023	175.86	2766.57	2942.43	Total for 2024	212.69	4008.93	4221.62	
Greenhouse gas emissions	Category 1 (Metric tons of CO2e / year)	Category 2 (Metric tons of CO2e / year)	Total Emissions (Metric tons of CO2e / year)													
Total for 2023	175.86	2766.57	2942.43													
Total for 2024	212.69	4008.93	4221.62													

Promotion items	Status of implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX			
	Yes	No	Summary Description				
				Statistics of Energy Usage and Energy Consumption	Total Energy Consumption in 2023 (Gigajoules)	Total Energy Consumption in 2024 (Gigajoules)	
				Purchased Electricity (kWh)	5,600,336	8,115,237.402	
				Gasoline (Liters)	51,985.55	67,610.09	
				Total Energy Usage (Gigajoules)	5,652,321.55	8,182,847.492	
				Location/Third-party Tap Water Consumption (Million Liters)	2023	2024	
				Hsinchu Operational Headquarters	2.9	2.8	
				Hsinchu Material Analysis Division	2.2	2.4	
				Zhubei Operational Site	5.2	7.3	
				Tainan Science Park branch	0.2	0.2	
				Total Water Consumption	10.5	12.7	
				Waste Data		As of 2024 (Metric Tons)	
				General Household Waste		2.08	
				C-0202 Waste Liquid pH Value Less Than or Equal to 2.0		0.75	
				C-0301 Waste Liquid Flash Point Less Than 60°C (Excluding Alcohol Waste with Ethanol Volume Concentration Less Than 24%)		0.2	
				C-0399 Other Flammable Business Waste Mixtures		0.01	
Total		3.04					

Promotion items	Status of implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX
	Yes	No	Summary Description	
			<p>Greenhouse gas reduction policy:</p> <p>Considering the construction of the plant will be completed in 2025, the baseline year for reduction is set as 2025, with a reduction target of a 5% emission cut.</p> <p>Water conservation policy:</p> <p>The Company's current water usage is for domestic use, and in the future, the new plant will install water-saving toilets. We will continue to strengthen the education of all employees on the importance of valuing water resources and conserving water, in order to reduce water demand.</p> <p>Waste policy and management:</p> <p>(1) Business waste: Reporting in accordance with the Waste Disposal Act and appointing a qualified cooperative.</p> <p>The vendor is responsible for compliance, and the compliance of the vendor is reviewed every Year.</p> <p>(2) General Household Waste: Since plant office are leased, general Household waste is handled by the building management.</p>	
IV. Social issues (I) Has the Company formulated relevant management policies and procedures according to relevant laws and regulations and the International Bill of Human Rights?	V		(I) The Company adheres to internationally recognized human rights standards, including the Universal Declaration of Human Rights (UDHR), the UN Global Compact (UNGC), and international labor conventions set forth by the International Labour Organization (ILO), among others.	No difference

Promotion items	Status of implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX
	Yes	No	Summary Description	
(II) Whether the Company has formulated and implemented reasonable employee welfare measures (including remuneration, vacation and other benefits, etc.), and appropriately reflects operating performance or results in employee remuneration?	V		<p>(II) The Company values employee benefits, and protects employees' interests with the related measures:</p> <ol style="list-style-type: none"> 1. Employee welfare programs The Company values employee benefits and regards employees as the Company's most important asset. It has also established the Employee Welfare Committee to implement various welfare measures, including wedding and funeral subsidies (such as wedding gift money, maternity gift money, birthday gift money, public injury condolences, and funeral condolences, among other things), company trips, emergency relief, birthday celebration events, festival gift money/ vouchers, subsidies for club activities, as well as providing employees with afternoon tea and snacks and other employee benefits that are better than required by the Labor Standards Act. 2. Employees' remunerations The Company specifies in the Company's Articles of Incorporation, that no less than a certain percentage will be allocated as employee remunerations based on the profit status of the current year, as to reflect the operating performance in employee remunerations. In addition, various incentive bonuses are also set up, including monthly bonuses, quarterly bonuses, year-end bonuses and annual performance bonuses, plus the group competition bonuses, to motivate all employees to work together for the Company's profit goal, and the Company is also happy to share with employees of the profits. The specifics of implementing diversity policies in 2024, including nationality distribution, female representation, and employment of people with disabilities, are as follows: Ethnicity/Gender/Other Diversity Indicators: 	

Promotion items	Status of implementation									Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX	
	Yes	No	Summary Description								
			Nationality	Identity	Position	Gender	Under 30 years old	30 to 50 years old	Over 50 years old	In total	
			Local employee	Indigenous People	The management	Female	0	0	0	0	
					The management	Male	0	0	0	0	
				Non-managerial employee	Female	0	1	0	1		
					Male	2	2	0	4		
				Other Non-Indigenous Employee	The management	Female	0	10	1	11	
					The management	Male	1	17	11	29	
					Non-managerial employee	Female	43	138	3	184	
						Male	72	225	9	306	
			Foreign employee	The management	Female	0	0	0	0		
					Male	0	0	0	0		
				Non-managerial employee	Female	0	1	0	0		
					Male	0	0	0	1		
			Total						118	394	

Promotion items	Status of implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX
	Yes	No	Summary Description	
(III) Operating performance or results are also appropriately reflected in the compensation of employees (annual salary adjustment and promotion based on performance appraisal).	V		<p>(III) The Company promotes labor safety and healthy working environment as follows:</p> <ol style="list-style-type: none"> 1. The Company has a dedicated unit and personnel responsible for occupational safety and health management and implementation, for creating a safe, healthy, comfortable and friendly working environment for all employees, and for regularly planning and implementing free health examination packages for employees. In addition, orientations are conducted as required, and safety education and training and health education courses are regularly implemented, to enhance employees' awareness of hazards, reduce the occurrence of hazards, and protect the safety and health of employees. In addition, orientations are conducted as required, and safety education and training and health education courses are regularly implemented, to enhance employees' awareness of hazards, reduce the occurrence of hazards, and protect the safety and health of employees. 2. All of the Company's plants have obtained ISO 9001, IECQ 17025 and ISO 27001 certifications, which are information security certification, quality management certification and laboratory certification, respectively. It has also prescribed the code for safety and health work; through the implementation of the management system, the Company's environmental maintenance and the safety management of employee operations are enhanced. 	

Promotion items	Status of implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX																											
	Yes	No	Summary Description																												
(IV) Does the Company have established an effective career development training program planned for employees?	V		<table><tr><th>Training items</th><th>Number of people</th><th>Total training hours (Single training hours * Number of trainees)</th></tr><tr><td>Occupational safety and health education and training</td><td>586</td><td>586 hours</td></tr><tr><td>A-level business supervisor retraining</td><td>1</td><td>6 hours</td></tr><tr><td>Fire safety management personnel retraining</td><td>2 people</td><td>12 hours</td></tr><tr><td>Initial training for first aid personnel</td><td>12 people</td><td>192 hours</td></tr><tr><td>First aid personnel retraining</td><td>0 people</td><td>0 hours (This Year, no employees have completed three years of occupational safety and health education and training for first aid personnel)</td></tr><tr><td>On-the-job retraining for occupational safety and health management personnel</td><td>1</td><td>12 hours</td></tr><tr><td>Fire self-defense team training</td><td>40</td><td>8 hours</td></tr><tr><td>Total</td><td>642 people</td><td>816 hours</td></tr></table>	Training items	Number of people	Total training hours (Single training hours * Number of trainees)	Occupational safety and health education and training	586	586 hours	A-level business supervisor retraining	1	6 hours	Fire safety management personnel retraining	2 people	12 hours	Initial training for first aid personnel	12 people	192 hours	First aid personnel retraining	0 people	0 hours (This Year, no employees have completed three years of occupational safety and health education and training for first aid personnel)	On-the-job retraining for occupational safety and health management personnel	1	12 hours	Fire self-defense team training	40	8 hours	Total	642 people	816 hours	
			Training items	Number of people	Total training hours (Single training hours * Number of trainees)																										
			Occupational safety and health education and training	586	586 hours																										
			A-level business supervisor retraining	1	6 hours																										
			Fire safety management personnel retraining	2 people	12 hours																										
			Initial training for first aid personnel	12 people	192 hours																										
			First aid personnel retraining	0 people	0 hours (This Year, no employees have completed three years of occupational safety and health education and training for first aid personnel)																										
			On-the-job retraining for occupational safety and health management personnel	1	12 hours																										
			Fire self-defense team training	40	8 hours																										
			Total	642 people	816 hours																										
			In 2024, The Company and its contractors experienced no Occupational Injuries and Occupational Diseases incidents. The number of deaths caused by Occupational Injuries and Occupational Diseases was 0, and the occupational accident rate was 0%.																												
			(IV) The Company is people-oriented and values the cultivation and incubation of talents. From the new recruits on board, there is a personal education and training manual. Depending on the Company's strategic development and the needs of each department, seed instructors are set up to be responsible for the education and training of new recruits and on-the-job training. NDA is required to sign for each analysis technological method trained, to ensure that the Company's confidential working methods are not leaked, and to achieve a complete and effective career development training program for employees. Combined with the external training courses from time to time, for both the development of generalists and specialists, enabling each employee to plan his/her personal career path according to their development preference. The relevant training courses are as follows:																												

Promotion items	Status of implementation							Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX		
	Yes	No	Summary Description							
(V) Does the Company comply with relevant laws and international standards, and formulate relevant right and interest protection policies and grievance procedures to deal with customers for products and services, such as customer health and safety, customer privacy, marketing and labelling, etc.?	V			Yearly Information Security Awareness Training	ESD protection principles and protection systems	Key Training on PIP Process Management	Intellectual Property Basic Awareness Training	Basic training for new employees	Intellectual property management system training	
			Number of trainees	533	220	468	525	127	525	
			Duration of Courses	1	3	1	0.5	14	0.5	
			(V) <div>1. The Company is a professional analysis company that has obtained ISO 9001, IECQ 17025, ISO 27001, and TIPS certifications. It is regularly reviewed by external auditing institutions and regularly conducts customer satisfaction surveys, making efforts to protect customers' information and interests, ensuring the quality of commissioned projects, and removing concerns about leaking R&D secrets.</div> <div>2. The Company has established the "Personal Data Protection Management Procedures," applicable to companies, vendors, individuals, and personnel assigned by vendors who have a cooperative relationship or business dealings with the Company. These procedures govern the collection, processing, or utilization of personal data held or managed by the Company due to business needs.</div> <div>3. The Company has set up a dedicated section for stakeholders on the Company's website, and set up complaint mailboxes and dedicated contact windows for employees, customers, suppliers, and investors, for effective and direct communications with stakeholders. (https://www.msscrops.com/) (https://www.msscrops.com/).</div>							

Promotion items	Status of implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX
	Yes	No	Summary Description	
(VI) Has the Company formulated supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and monitor their implementation?	V		(VI) The Company currently has established the "Supplier Management Procedures," requiring suppliers to sign the "Supplier Code of Conduct and Ethical Standards Commitment," prohibiting any acts of dishonesty and insisting on strict compliance with relevant anti-corruption laws and confidentiality obligations. Currently, over 90% of suppliers have completed the signing process. Suppliers should comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, to achieve the goal of jointly enhancing corporate social responsibility with the Company. Except for the limitations due to market monopoly in equipment procurement, The Company continues to increase the proportion of local procurement to reduce transportation costs and minimize environmental impact.	
V. Does the Company refer to the internationally accepted reporting standards or guidelines to prepare the sustainability reports for disclosing the Company's non-financial information? Has the assurance or opinion from third-party certifying institutions been obtained for the aforementioned reports?	V		<ol style="list-style-type: none"> 1. The Company has complied with the Core option of the GRI Sustainability Reporting Standards (GRI Standards) of the Global Reporting Initiative (GRI) as the disclosure principle, and supplemented with the Sustainability Accounting Standards Board (SASB) Standard: professional and commercial services, to prepare the 2022 Sustainability Report. 2. The Sustainability Report prepared by the Company for the first time is expected to take the assurance process from a third-party verification institution in Q3, 2025, and the report will be placed at the Company's website for investors to download. (https://www.msscorps.com/). 	No difference
VI. If the Company has the sustainable development best practice principles formulated in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe the differences between its operation and the principles: the Company has established the "Sustainable Development Best Practice Principles," and will implement accordingly; there is no significant difference from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies."				

Promotion items	Status of implementation			Deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX
	Yes	No	Summary Description	
VII. Other important information that helps understand the promotion of sustainable development:				
(I) Social welfare				
Since 2013 up to now, the Company has donated materials needed by the St. Francis Children Center/Girl's Home/nursery homes				
Since 2017 up to now, the Company has donated to Kaohsiung Dreamwork Academy to assist students from underprivileged families with materials and equipment for after-school tutoring.				
Since 2018 up to now, the Company has donated funds to Kaohsiung Community Development Association for elderly care and event sponsorship.				
(II) Environmentally friendly				
In 2020, the Company and major domestic enterprises had jointly participated in the promotion of the "Do One Thing for Tamsui River" environmental protection event.				
(III) Industrial cooperation				
The Company's executives have long served in the "Industry Mentor" of the Department of Materials Science and Engineering, Tsing Hua University, to cultivate outstanding semiconductor talents by combining theoretical and practical experience. The Company has established the work-study internship system with schools, for the "employment upon graduation," to reduce the unemployment problem.				

Climate-related information of listed and OTC companies

I. Execution status of climate-related information

Item	Status of implementation
1. Explain the oversight and governance by the Board of Directors and The management regarding climate-related risks and opportunities.	<p>Msscrops Co., Ltd. adopts the Task Force on Climate-related Financial Disclosures (TCFD) framework to identify climate change risks and opportunities. We disclose potential financial impacts Msscrops Co., Ltd. may face in the future along with our response strategies. This disclosure helps to establish a comprehensive system to address climate change, mitigate negative financial impacts, and explore new business opportunities during the transition process. The TCFD requires companies to establish a framework based on four core elements: "Governance," "Strategy," "Risk Management," and "Metrics and Targets," to effectively manage the risks and opportunities associated with climate change. Our company promotes TCFD climate risk management through the following nine steps:</p> <p>(I) The process of identifying climate risks and opportunities and managing risks is as follows:</p> <p>Step 1. Convene departments within the Company and allocate tasks according to the nature of their business.</p> <p>Step 2. Define the relevance of risks and opportunities to the Company's business.</p> <p>Step 3. Assess the potential impact of climate risks and opportunities on each department.</p> <p>Step 4. Evaluate the degree and frequency of climate risk and opportunity impacts through stakeholder assessments.</p> <p>Step 5. Identify significant climate risk and opportunity issues and create a matrix diagram.</p> <p>Step 6. Analyze potential financial impacts and assess feasible response strategies.</p> <p>Step 7. Implement corresponding promotion strategies based on climate risks and opportunities, and establish qualitative or quantitative KPI indicators.</p> <p>Step 8. Regularly review strategy objectives and execution results, and adjust execution strategies planning accordingly.</p> <p>Step 9. Promptly activate response strategies when risks and opportunities occur, reducing losses from climate risk occurrences.</p>
2. Explain how the identified climate risks and opportunities affect the company's business, strategy, and finances (Short-term, Medium-term, and Long-term).	
3. Explain the impact of extreme weather events and transition acting on finances.	

4. Explain how the identification, assessment, and management processes of climate risks are integrated into the overall risk management system.	Following the first five steps of the above management process, the TCFD risk and opportunity identification results for Msscorps Co., Ltd. are as follows in the matrix chart. The Company convened relevant department heads to participate in climate change education training and fill out climate risk and opportunity questionnaires. Through statistical analysis, we obtained eight climate risks and ten climate opportunities Regarding climate risks, they can be divided into physical risks and Risk of transformation. Physical risk items are further categorized into long-term and immediate, while transition risk items are divided into four types: policy and regulation, technology, market, and reputational risks. Climate-related opportunities can be categorized into five major types: resource efficiency, energy sources, products and services, markets, and resilience. The Company first identifies risk and opportunity factors, then analyzes the financial impacts on the Company based on the forms of risk and opportunity impacts. These impacts are categorized into short, medium, and long term time scales, with short-term ranging from 1 to 3 years, medium-term from 3 to 5 years, and long-term being 5 years or more.						
5. If scenario analysis is used to assess resilience in facing climate change risks, the scenarios, parameters, assumptions, factors analyzed, and major financial impacts used should be explained.							
6. If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the metrics and targets used to identify and manage physical and transformation risks.	Physical risk	Immediate		Increased frequency of severe typhoon strikes leading to operational disruptions or downtimes, potentially endangering employee safety.	Increased operating costs. Decreased revenue.	Short-term	Coordinate with the disaster response procedures of each leasing plant. Insure owned assets to transfer risk and cover losses.
			Increased incidents of extreme rainfall	Climate change may lead to extreme weather events such as heavy rain and flooding, causing delays in customer deliveries and resulting in financial impacts.	Increased operating costs. Decreased revenue.	Short-term	Increase the laboratory scheduling capacity in different Regions to ensure production capacity.
		Long-term	Rising global average temperatures	Climate change may result in a rise in global average temperatures and sustained high temperatures, potentially leading to increased electricity usage (such as air conditioning) for the Company, thereby increasing electricity costs.	Increased operating costs. Decreased revenue.	Long-term	Insure owned assets to transfer risk and cover losses. Adopt air conditioning energy-saving measures to lower the building temperature. Implement greenhouse gas reduction.

	Categories	Item	Risk factor	Risk description	Impact form	Time scale	Countermeasure
	Risk of transformation	Policies and Regulations	Domestic government carbon fee collection	The government has implemented the "Carbon Fee Collection Method," which will levy a carbon fee on businesses with greenhouse gas emissions exceeding 25,000 metric tons CO ₂ e. If they do not promptly audit or reduce emissions, companies will face fee assessments.	Increased operating costs.	Short-term	Replacement of energy-saving and carbon-reducing equipment: All facility lighting has been replaced with LED energy-saving lamps.
			Greenhouse gas requirements and penalties	Climate change-related policies continue to evolve, with governments requiring disclosure of greenhouse gas emissions information. Non-compliance may result in penalties.	Increased operating costs.	Medium-term	Implement SBTi to prioritize carbon reduction for suppliers with high carbon emission impact and relevance. Continue to implement third-party verification for greenhouse gas emissions to enhance the credibility of information disclosure.
		Technology	Cost expenditure for low-carbon transformation	Government and customer requirements for low-carbon solutions have led to increased research and development costs as the Company promotes low-carbon transformation and develops low-carbon energy-saving technologies to reduce its operational carbon emissions.	Increased operating costs.	Long-term	Committed to developing more advanced, low-energy-consuming testing and analysis services.

	Categories	Item	Risk factor	Risk description	Impact form	Time scale	Countermeasure
		Market	Shift in customer preferences	As customer concerns about climate issues continue to rise, failure to establish carbon reduction goals may result in non-compliance with customer demands and international trends, leading to potential market elimination.	Decreased revenue.	Long-term	Continue to develop more advanced, low-energy-consuming testing and analysis technologies. Continuously researching the latest market trends. Evaluation plans to purchase green electricity.
		Reputation	Decrease in Brand Goodwill	According to international trends, the Company is integrating climate risks into its operational considerations. If the Company does not manage climate risks properly, it may reduce trust among stakeholders such as suppliers and customers, leading to negative impacts on brand goodwill. Decreased brand trust could result in decreased revenue and reputation loss.	Decreased revenue.	Long-term	Actively take specific actions to comply with policies, legal regulations, or climate-related international targets. Strengthen sustainability-related education and training to raise employees' awareness of climate change and environmental protection.

	Opportunity format	Opportunity factors	Opportunity description	Impact form	Time scale	Countermeasure
	Market	Entering the Value Chain of Green Products	Providing advanced process analysis for low-carbon IC product manufacturers, actively collaborating with members of the Semiconductor Climate Consortium (SCC) to pursue opportunities, and working with partners in the green value chain to gradually achieve carbon neutrality. This will enhance the Company's reputation and improve relationships with stakeholders.	Increased Revenue	Medium-term	Develop more advanced, low-carbon testing and analysis services not only increases Phison Technology's opportunities to enter new markets but also helps customers seize new market opportunities through new services.
		Understanding the trend and regulations of net-zero in the domestic and international semiconductor industry to expand globally.	Amid the Fourth Industrial Revolution and geopolitical tensions, the semiconductor industry is facing de-Taiwanization. Potential customers of Pan-Chyen Technology are shifting towards semiconductor industries in various countries, each with different levels of climate-related requirements for their partner companies. If Pan-Chyen Technology can achieve its sustainable transformation goals early on, it can seize the opportunity in the global market.	Increased Revenue	Medium-term	Increase the carbon reduction percentage of high electricity consumption manufacturers. Deepen supplier collaboration on carbon reduction to create a low-carbon supply chain.
	Energy Source	Purchase renewable energy	Using renewable energy can reduce the emission of greenhouse gases such as carbon dioxide produced by fossil fuels, helping to lower carbon tax levies.	Saving operating costs	Short-term	Purchase the latest energy-saving equipment and build more efficient systems to improve energy efficiency and save operating costs. Purchase green electricity/green energy certificates.

	Opportunity format	Opportunity factors	Opportunity description	Impact form	Time scale	Countermeasure
	Products and services	R&D of low-carbon services to meet customer and market demands	Establishing partnerships with upstream and downstream suppliers or collaborating with industry, government, and academia to develop innovative solutions to address climate change challenges and promote the development of a circular economy.	Increased Revenue	Long-term	In response to changes in market trends, the development of low-carbon and high-efficiency energy-saving technologies may lead to greater competitiveness, an increase in customer orders, and consequently enhanced company profitability: Implement green manufacturing via video boarding; replacing in-person attendance with a video platform allowing customers to avoid traveling to the plant, thus saving time and reducing carbon emissions. This not only optimizes the establishment of the company's own information security environment but also creates a time-zone and blind-spot-free video boarding platform for customers.
		Service process decarbonization	Optimizing the establishment of new service centers in various countries to minimize the carbon footprint associated with sample transportation and employee commuting during service provision.	Saving operating costs	Short-term	Purchase the latest energy-saving equipment and build more efficient systems to improve energy efficiency and save operating costs.

	Opportunity format	Opportunity factors	Opportunity description	Impact form	Time scale	Countermeasure
	Resource efficiency	Improve energy efficiency	Through greenhouse gas Scope 1 and Scope 2 inventory, identify energy consumption hotspots, and improve energy efficiency in these areas to reduce future carbon cost expenditures.	Saving operating costs	Short-term	The R&D center and laboratories purchase the latest energy-saving equipment and build more efficient systems; the company replaces lighting and air conditioning with more energy-efficient alternatives to improve energy efficiency and save operating costs. Reliability testing equipment uses eco-friendly refrigerants and develops low-energy and low-carbon testing services.
		Improve water resource utilization efficiency	Improving water resource utilization efficiency can reduce the occurrence of water shortages and lower water expenses.	Saving operating costs	Medium-term	Review the rationality and appropriateness of water resource usage to reduce experimental costs and minimize resource waste.
	Resilience	Regularly disclosing climate information can help access government incentive policies and attract investment funds from investors.	In response to climate change, such as the transformational risks posed by policy and regulations, regular disclosure of climate-related risks and opportunities can attract more investors and access new sources of capital.	Increased Revenue	Short-term	Continuously prioritize and allocate resources to promote ESG, comprehensively deepening the three aspects of ESG through the "Sustainability Strategy Blueprint."

	Opportunity format	Opportunity factors	Opportunity description	Impact form	Time scale	Countermeasure
		Applying intelligent systems can enhance the adaptive capacity to address physical risks.	The frequency of extreme weather events is increasing. By utilizing intelligent E-systems to monitor the process of sample collection and delivery, the probability of operational disruptions and potential losses can be reduced, thereby enhancing efficiency and resilience in addressing physical climate risks.	Saving operating costs	Long-term	Optimize the Smart E system to enhance cross-departmental efficiency.
	Opportunity format	Opportunity factors	Current strategies, indicators, and key performance indicators (KPIs)		Future action plans	
	Products and services	Service process decarbonization	<ol style="list-style-type: none"> Utilize the Smart E system to facilitate interdepartmental communication. Based on the analysis of sample distribution routes, optimize the selection and planning of new operational sites and office locations in each country to reduce transportation carbon emissions. 		<ol style="list-style-type: none"> Optimize the Smart E system to enhance cross-departmental efficiency. By calculating the carbon footprint of each service process, identifying carbon emission hotspots, and establishing carbon reduction policies. 	
	Market	Understanding the trend and regulations of net-zero in the domestic and international semiconductor industry to expand globally.	<ol style="list-style-type: none"> The strategy and execution direction discussed in the General Manager's Office are regularly reported to the Chairman of the Board. 		<ol style="list-style-type: none"> The sustainability committee tracks and revises climate-related policies for the Company's domestic and international operational sites Development of climate risk management processes 	

<p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be explained.</p>	<p>None.</p>
<p>8. If climate-related goals are set, the covered activities, scopes of greenhouse gas emissions, planning schedule, and annual progress in achieving the goals should be explained. If carbon offsets or renewable energy certificates (RECs) are used to achieve these goals, the source and quantity of the carbon offsets or the quantity of renewable energy certificates (RECs) should be specified.</p>	<p>Please refer to Annual Report 1-2 for greenhouse gas reduction goals, strategies, and specific action plans.</p>

<p>9. Greenhouse gas inventory and assurance status, and reduction goals, strategies, and specific action plans (separately completed in 1-1 and 1-2).</p>	<p>Please refer to Annual Report 1-1 for the company's greenhouse gas inventory and assurance status for the most recent two years and 1-2 for greenhouse gas reduction goals, strategies, and specific action plans.</p> <p>Action plan.</p>
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1-1 The company's greenhouse gas inventory and assurance status for the most recent two years.

1.1.1 Greenhouse gas inventory information

The recent two years' emissions of greenhouse gases (in metric tons CO₂e), intensity (in metric tons CO₂e per million dollars), and the scope of data coverage are described.

(1) Emissions (Metric tons CO₂e)

Greenhouse gas emissions	Scope 1 (Metric tons of CO ₂ e / year)	Scope 2 (Metric tons of CO ₂ e / year)	Total Emissions (Metric tons of CO ₂ e / year)
Total for 2023	175.86	2766.57	2942.43
Total for 2024	213.54	4273.72	4487.26

(2) Intensity (metric tons CO₂e per million dollars)

The Intensity for 2023 is 1.81 metric tons CO₂e per million dollars; the Intensity for 2024 is 2.78 metric tons CO₂e per million dollars.

(3) The data coverage includes the Hsinchu Operational Headquarters, Hsinchu Material Analysis Division, Zhubei Operational Site, and Tainan Science Park branch.

1.1.2 Confidence in greenhouse gas information

The confidence status for the most recent two years, as of the printing date of the annual report, includes details such as the scope of assurance, the assurance provider, the assurance standards and the assurance opinion.

In 2024, The Company prepared the greenhouse gas statement in accordance with the "GHG Protocol - Corporate Accounting and Reporting Standard" and engaged KPMG Taiwan to plan and execute Scope 1 and Scope 2 in accordance with ISAE 3410, "Assurance Engagements on Greenhouse Gas Statements," issuing a limited assurance report on the greenhouse gas statement.

In 2023, The Company prepared the greenhouse gas statement in accordance with the "GHG Protocol - Corporate Accounting and Reporting Standard" and engaged KPMG Taiwan to plan and execute Scope 1 and Scope 2 in accordance with ISAE 3410, "Assurance Engagements on Greenhouse Gas Statements," issuing a limited assurance report on the greenhouse gas statement.

1-2 Greenhouse gas reduction goals, strategies, and specific action plans.

Explain the baseline year for greenhouse gas reduction and its data, reduction goals, strategies, specific action plans, and the achievement status of these reduction goals.

Considering the construction of the plant will be completed in 2025, the baseline year for reduction is set as 2025, with a reduction target of a 5% emission cut.

(VI) The Practice of Ethical Corporate Management and Related Policies and Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies

Evaluation Items	Status of operation			Deviation from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
I. Establishment of ethical corporate management policy and proposal (I) Has the Company formulated an ethical corporate management policy approved by the Board of Directors, and are the policy and practice of ethical corporate management stated in the Company's regulations and external documents, as well as the commitment of the Board of Directors and the senior management to actively implement the policy?	V		(I) The Company has established the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" along with other relevant regulations, which are disclosed on the Company's website and the Market Observation Post System after being approved by the Board of Directors. An internal audit system, various management measures, and a "Code of Ethical Conduct" have been established. Directors and Managerial Officers must recuse themselves from decision-making if there is any conflict of interest in any decision or transaction.	No difference

Evaluation Items	Status of operation			Deviation from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
(II) Whether the Company has established a mechanism for evaluating the risk of unethical conduct, regularly analyzes and evaluates the activities in the scope of business with a higher risk of unethical conduct, and on the basis of this, has formulated a plan to prevent unethical conduct, which covers at least the preventive measures for the conduct set out in Paragraph 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	V		(II) The Company, in accordance with the "Procedures for Ethical Management and Guidelines for Conduct," specifies conflicts of interest, legal compliance, trade secrets and Company assets, participation in political activities, and related conducts as part of the plan to prevent unethical conduct.	

Evaluation Items	Status of operation			Deviation from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
(III) Whether the Company has specified operating procedures, conduct guidelines, and disciplinary and complaint systems for violations in the plan to prevent unethical conduct and implemented the plan as well as regularly reviews and amends it?	V		(III) The "Code of Ethical Conduct" and the "Procedures for Ethical Management and Guidelines for Conduct" are established to concretely regulate the matters to be paid attention to when conducting business. To prevent employees from engaging in dishonest or unethical behavior and to consider the risk of fraud, the Company has established an internal control system and ensures its effectiveness through the audit unit.	
II. Implementation of Ethical Corporate Management (I) Does the Company evaluate the ethical records of its counterparties and specify the ethical conduct clauses in the contracts signed with the counterparties?	V		(I) The Company treats customers, suppliers, competitors and employees with fairness and impartiality, and does not allow the competitive advantage derived from dishonest conduct.	No difference

Evaluation Items	Status of operation			Deviation from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
(II) Does the Company have a dedicated unit under the Board of Directors to promote ethical corporate management and regularly report (at least once a year) to the Board of Directors on its ethical management policy and plan to prevent unethical conduct and monitor their implementation?	V		(II) Ethical conduct and improvement of conduct: the "President's Office" takes charge of planning and promoting. System compliance: The internal audit unit formulates an annual audit plan based on the risk assessment results, submits the plans to the board of directors for approval, and regularly reports the implementation of audit operations to the board of directors.	

Evaluation Items	Status of operation			Deviation from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
(III) Does the Company have the policy to prevent conflict of interest, provide appropriate channels for an explanation, and implement it?	V		(III) Employees: The Company has established the policy of preventing conflicts of interest in the "Ethical Corporate Management Best Practice Principles." All employees are obliged to avoid possible conflicts of interest between individuals and the Company, and when making decisions or engaging in any conduct, the starting point must be the Company's best interests. Directors: The rules of procedure for the board of directors meetings specify the recusal system for directors to avoid conflict of interests: directors shall exercise a high degree of self-discipline. If a director or a juristic person represented by the director is an interested party with respect to any proposal for a board meeting, the director shall state the important aspects of the interested party relationship at the meeting. When the relationship is likely to prejudice the interests of the Company, the director may represent and answer questions, but not participate in discussion or voting on that proposal.	

Evaluation Items	Status of operation			Deviation from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
(IV) Whether the Company has established an effective accounting system and internal control system for the implementation of ethical corporate management, and the internal audit unit draws up relevant audit plans based on the evaluation results of risk of unethical conduct, and audits the compliance of the plan to prevent unethical conduct or entrusts a CPA to perform the audit?	V		(IV) The internal audit unit regularly reports the implementation of the audit work to the board of directors.	
(V) Does the Company regularly organize internal and external education and training on ethical corporate management?	V		(V) The Company promotes such at various meetings from time to time, to ensure its full implementation.	

Evaluation Items	Status of operation			Deviation from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
III. The operation of the Company's whistleblower reporting system (I) Has the Company set up a specific whistleblower reporting and reward system and a convenient reporting channel, and designated appropriate personnel to deal with the reported matters? (II) Has the Company formulated standard operating procedures for the investigation of the reported matters, follow-up measures to be taken after the completion of the investigation, and the relevant confidentiality mechanisms?	V		(I) The Company has established the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct," encouraging internal and external personnel to report unethical or inappropriate behavior. The business ethics complaint mailbox, report@msscorps.com, is announced on the Company's internal and external websites, and the Audit Office is responsible for handling reported matters. (II) The Company has established the "Whistleblowing System Management Procedures" for the review procedures, investigation principles, and whistleblower protection in handling reported matters. Whistleblowing Operations: 1. The principle is to report under one's real name, but anonymous reports are also allowed. Real-name reports should provide the whistleblower's true identity, the name of the person being reported, their unit and position, basic details, involved amount, etc. Anonymous reports must describe the facts of the violation or provide evidence of the violation, such as documentary evidence, physical evidence, basic details, names of the parties involved, time, location, and related persons, and, once verified, an internal investigation will be conducted by the dedicated unit.	No difference

Evaluation Items	Status of operation			Deviation from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
(III) Whether the Company takes measures to protect whistleblowers from being improperly handled due to reporting?	V		<p>2. After a preliminary review of the reported information, if any of the following situations occur, it may not be accepted or responded to:</p> <p>(1) The reported matter lacks specific description for verification.</p> <p>(2) The reported description is evidently erroneous or exaggerated, or fails to provide evidence to prove illegal misconduct, or, upon investigation, does not align with the facts or is entirely fictitious or fabricated.</p> <p>(3) If the same reported matter has been appropriately addressed and clearly answered, yet continues to be reported repeatedly.</p> <p>(4) If the whistleblower has reported the same case with the same reason through other channels of the company and it has been accepted.</p> <p>(5) If the reported case does not violate laws and regulations, and its nature pertains to labor-management disputes, customer service disputes, emotional conflicts, employee behavior management, gender equality laws, etc., it should be referred to the competent unit for handling in accordance with special regulations.</p>	

Evaluation Items	Status of operation			Deviation from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
			<p>Review procedures:</p> <ol style="list-style-type: none"> 1. The Chief Auditor is responsible for accepting and filing the case and reporting to the Manager who designates a project leader or investigation team to ascertain the relevant facts. 2. If the incident involves general employees, it should be reported to the department's highest supervisor and the Manager. If it involves directors or senior executives, it should be reported to the Independent Director or the Audit Committee. 3. Reported cases found to be substantiated should be handled according to the following procedures: <ol style="list-style-type: none"> (1) Immediately require the person being reported to cease the related behavior and implement necessary preventive or emergency measures. (2) The relevant departments should propose written review and improvement measures, and summarize the investigation results, handling methods, and subsequent review and improvement measures to report to the Board of Directors. 	

Evaluation Items	Status of operation			Deviation from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
			<p>(3) If it involves major violations or there is a risk of causing significant damage to the Company, the investigation unit should immediately prepare a report and notify the Independent Director or the Audit Committee in writing.</p> <p>investigation principles</p> <ol style="list-style-type: none"> 1. The dedicated unit for handling reports should promptly process each reporting case if it does not fall within the scope of item two of the reporting operations. The whistleblower should be appropriately notified in writing or through other means after acceptance. 2. If the personnel of the investigation unit are direct or collateral blood relatives, in-laws within the third degree of kinship of the whistleblower or the person being reported, or have potential conflicts of interest with the person being reported, they should immediately declare and recuse themselves, upholding the principles of fairness and impartiality during the investigation process. If personnel of the investigation unit believe that there is a potential conflict of interest or bias in the execution of duties by certain individuals participating in the procedure, they may, with the approval of the head of the audit office, be excluded. 	

Evaluation Items	Status of operation			Deviation from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
			<p>3. The investigation unit should record and retain the investigation process results and related documents in written form, electronic files, or system sign-off and storage methods for at least five Years. If litigation related to the reported Description occurs before the preservation Term expires, the relevant data should continue to be retained until the conclusion of the litigation.</p> <p>Whistleblower protection</p> <p>1. The Company should handle reporting cases confidentially and process them swiftly, fairly, and objectively. The personal data and reporting information provided by the whistleblower will be kept confidential by The Company in accordance with the law, and appropriate protective measures will be taken as prescribed by law.</p> <p>2. The Company should take appropriate protective measures for whistleblowers or participants in the investigation, including but not limited to: unless agreed by the whistleblower, not recording the whistleblower's name or any fact sufficient to identify their identity in public documents. The whistleblower's name, work unit, address, phone number, etc., must be kept strictly confidential. Verification of facts with the whistleblower should be conducted without revealing their identity.</p>	

Evaluation Items	Status of operation			Deviation from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies" and the reasons:
	Yes	No	Summary Description	
			3. Whistleblowers who knowingly disclose false information or do so with the intention of obtaining undue benefits will not be protected under this principle.	
IV. Intensification of Disclosure Does the Company disclose the content and effectiveness of its Ethical Corporate Management Principles on its website and the Market Observation Post System?	V		By setting up website, MOPS and disclosure in the shareholders' meeting annual report, the Company discloses the actions of fulfilling ethical corporate management and the effects of promotion.	No difference
V. If the Company has the ethical corporate management best practice principles formulated in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," please describe the differences between its operation and the principles: None				
VI. Other key information helpful for understanding the operation of the Company's ethical corporate management: To upstream and downstream suppliers and customers, the Company insists on the business philosophy of ethics; by strengthening internal and external legal promotion, and monitoring the development of relevant regulations of domestic and international ethical management, the review and improvements are made from time to time, to enhance the effectiveness of ethical management. The website has set up an "Investor Section," including financial information and corporate governance, to improve the transparency of information.				

(VII) Other key information helpful for understanding the operation of the corporate governance may also be disclosed: Please refer to the Corporate Governance at MOPS (<https://mops.twse.com.tw>)

(VIII) Implementation of the internal control system:

1. A Statement on Internal Control: Please refer to the Internal Control section at MOPS <https://mops.twse.com.tw> for the Announcements of Internal Control Statements (<https://mopsov.twse.com.tw/mops/web/t06sg20>).
2. The review report of the CPAs should be disclosed if the internal control system is reviewed by the CPAs: Not applicable.

(IX) Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

1. Shareholders' Meeting:

Date	Material resolutions	Status of implementation
June 26, 2024	Approval on 2023 business plan	The resolution to approve the financial statements and business report for 2023 has been duly executed by the shareholders' meeting. The financial statements have been disclosed on the Public Information Observation Platform.
	Approval on earning distribution proposal for Year 2023	The resolution to approve the distribution of profits for 2023 has been duly executed by the shareholders' meeting. Additionally, shareholders were distributed cash dividends totaling NT\$261,279,270 (NT\$4.5 per share). The ex-dividend date was July 17, 2024, and the cash dividends were disbursed on July 31, 2024.
	Resolution for the comprehensive election of directors.	The resolution has been duly executed in accordance with the shareholders' meeting decision. On July 12, 2024, it has been placed in the internal and external webpages of the Company per requirement.
	The resolution to lift the non-compete restrictions for directors has been approved.	The resolution has been duly executed in accordance with the shareholders' meeting decision.

2. Board of Directors

Time	Nature	Description
March 1, 2024	Board of Directors	<ol style="list-style-type: none"> 2023 Business Report 2023 Financial Statements and Consolidated Report 2023 Employees' remunerations and directors' and supervisors' remuneration 2023 earning distribution Resolution for the comprehensive election of directors. Nomination and review of director candidates resolution Resolution to non-compete restriction on newly appointed directors Resolution to discontinue private placement of common shares approved at the 2023 Annual Shareholders' Meeting Commission KPMG Taiwan for 2023 corporate social responsibility report consultancy service and service fee. 2023 appraisal of the effectiveness of the internal control system, and the Statement of the internal control system Proposal to changes in accounting executives and agents, financial executives, spokespersons, and deputy spokespersons Amended the "Rules of Procedure for Shareholders' Meetings" Revision of Board Meeting Agenda Matters related to the convening of the 2024 general shareholders' meeting of The Company
May 3, 2024	Board of Directors	<ol style="list-style-type: none"> 2024 Q1 financial report Employee bonuses for the year 2023 - Manager's Distribution Bank credit line financing proposal Amendment to authorization chart Shareholder nominations and proposals for the 2024 General Shareholders' Meeting. Sale to Subsidiary - Nanjing MSSCORPS Equipment Proposal of the establishment of a subsidiary company in the United States The issuance of new shares for the cash capital increase and the issuance of the first domestic unsecured convertible bonds.
June 26, 2024	Board of Directors	<ol style="list-style-type: none"> The Chairman's Term of Office shall be re-elected upon resignation following the election in accordance with the law.
August 9, 2024	Board of Directors	<ol style="list-style-type: none"> Appointment of members for the 2nd Term Remuneration Committee proposal 2024 Q2 financial report Changes in Acting Spokesperson MSS USA Corp plans to acquire factory office cases. Lease Improvement Plan for MSS Japan Company Directors authorized to review the audit report

Time	Nature	Description
November 8, 2024	Board of Directors	<ol style="list-style-type: none"> 2024 Q3 financial report Appointment of the Chief Auditor Intend to apply for credit lines from various financial institutions. Proposal to commission Deloitte Taiwan for 2025 taxation audit and certification, and the service fee.
December 20, 2024	Board of Directors	<ol style="list-style-type: none"> Proposal of 2025 operation budget Proposal of the establishment of a subsidiary company in Germany Establishment of operating regulations for sustainable information management Amend the internal control system and the implementation details of internal auditing. 2025 audit plan
March 6, 2025	Board of Directors	<ol style="list-style-type: none"> 2024 business report proposal 2024 Financial Statements and Consolidated Report. 2024 Employees' remunerations and directors' and supervisors' remuneration Proposal of 2024 earning distribution Amendment to the Articles of Incorporation 2024 appraisal of the effectiveness of the internal control system, and the Statement of the internal control system Case of Cash Capital Increase for the U.S. Subsidiary - MSS USA Corp. Case of Cash Capital Increase for the Japanese Subsidiary - MSS Japan Company. Commission KPMG Taiwan for 2024 sustainability report consultancy service and service fee. The Company's Managerial Officer remuneration and performance evaluation for the year 2024. Amendment to the Remuneration Payment Plan for Directors and Managerial Officers The scope of the Company's grassroots employees. The Company issued convertible bonds, and set the capital increase base date for the shares already converted. Sale of machinery and equipment to Nanjing MSSCORPS. Sale of machinery and equipment to the Japanese Subsidiary, MSS Japan Company. Sale of machinery and equipment to the U.S. subsidiary, MSS USA Corp. Convening of the 2025 General Shareholders' Meeting of The Company.

- (X) During the most recent year up to the date of publication of the annual report, if board directors or supervisors had different opinions on important resolutions approved by the Board of Directors with records or written statements, the main content of the opinions: No such situation.

IV. Information on CPA Professional Fees

(I) Information of service fees

Unit: NT\$ Thousand

CPA firm	CPA name	Audit period	Audit fee	Non-audit fee	Total	Remarks
Deloitte Taiwan	Chung-Cheng Chen, Li-Wei Liu	January 1, 2024 ~ December 31, 2024	3,620	—	3,620	
KPMG Taiwan	Yu-Ting Huang, Yan-Hui Chen	January 1, 2024 ~ December 31, 2024	—	600	600	Sustainability report consultancy.

- (II) If the non-audit fees are paid to the attesting CPA, the CPA firm and its affiliates account for at least one-fourth of the audit fees, the amount of audit and non-audit fees and the content of non-audit services shall be disclosed: Not applicable.
- (III) If the accounting firm for audit service is changed and the audit fee paid in the year of change is lower than the audit fee of the year before the change, please disclose the audit fee paid before and after the change and the reasons: Not applicable.
- (IV) If the audit service fee is reduced by more than 10% from the year before, please disclose the amount, proportion, and reason for the reduction of the audit service: None.

V. Information on the Replacement of CPAs: None.

VI. The chairman, president, or officer in charge of financial or accounting matters of the Company, who has worked in the firm of the CPAs or its affiliated companies within the last year: None.

VII. Changes in the transfer of shares by directors, supervisors, managerial officers, and shareholders with more than 10% shareholding, and changes in the shares pledged during the recent years up to the publication date of annual report:

- (I) Changes in the transfer of shares by directors, supervisors, managerial officers, and shareholders with more than 10% shareholding, and changes in the shares pledged:

Please refer to <https://mops.twse.com.tw/Basic capital/the Directors, Supervisors, and Major Shareholders' Shareholding, Pledge, and Transfer Information section at MOPS> (<https://mops.twse.com.tw/Basic capital/>)/Announcements of insider setup and release pledges (https://mopsov.twse.com.tw/mops/web/STAMAK03_q1)

- (II) The counterparty to whom the shares are transferred is a related party:

Please refer to <https://mops.twse.com.tw/Basic capital/the Directors, Supervisors, and Major Shareholders' Shareholding, Pledge, and Transfer Information section at MOPS> (<https://mops.twse.com.tw/Basic capital/>)/Announcements of insider setup and release pledges (https://mopsov.twse.com.tw/mops/web/STAMAK03_q1)

- (III) The counterparty to whom the shares are pledged is a related party:

Please refer to the Directors, Supervisors, and Major Shareholders' Shareholding, Pledge, and Transfer Information section at MOPS <https://mops.twse.com.tw/Basic capital/Announcements of insider setup and release pledges> (https://mopsov.twse.com.tw/mops/web/STAMAK03_q1)

VIII. Information on the top ten shareholders who are related to each other or as spouses or relatives within the second degree of kinship

Unit: shares; %

Name	Shareholdings of the Principal		Shareholding of spouse and minor children now		Shareholding in the name of others		The title or names and relationships of the top-ten shareholders who are related parties, spouse, and relatives within the second-degree of kinship.		Remarks
	Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding	Name	Relationship with the endorser/guarantor	
Zhong Hua Development Advantageous Venture Capital Limited Partnership	3,575,481	6.90%	-	0.00%	-	0.00%	-	-	-
Representative of CDIB Capital Management Advisory Corporation	-	-	-	-	-	-	-	-	-
Shun Shun Investment Co., Ltd.	2,776,815	5.36%	-	0.00%	-	0.00%	Chi-Lun Liu	Chairman	-
Representative: Chi-Lun Liu	1,520,237	2.94%	865,000	1.67%	3,051,633	5.89%	-	-	-
Mu-Bo Investment Co., Ltd.	1,706,903	3.30%	-	0.00%	-	0.00%	-	-	-
Representative: Hsin-Tsai Lin	846,609	1.63	588,989	1.14	1,905,914	3.68	-	-	-
Chi-Lun Liu	1,520,237	2.94%	865,000	1.67%	3,051,633	5.89%	Shun Shun Investment Co., Ltd.	-	-
							MSS Investment Co., Ltd.	-	-
MSS Investment Co., Ltd.	1,374,089	2.65%	-	0.00%	-	0.00%	Chi-Lun Liu	Chairman	-
Representative: Chi-Lun Liu	1,520,237	2.94%	865,000	1.67%	3,051,633	5.89%	-	-	-
Jia Cheng Investment Co., Ltd.	1,185,523	2.29%	-	0.00%	0	0.00%	-	-	-

Name	Shareholdings of the Principal		Shareholding of spouse and minor children now		Shareholding in the name of others		The title or names and relationships of the top-ten shareholders who are related parties, spouse, and relatives within the second-degree of kinship.		Remarks
	Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding	Name	Relationship with the endorser/guarantor	
Representative: Jung-Chin Chen	52,000	0.1%	-	-	1,353,284	2.61%	-		
E.Sun Venture Capital Co., Ltd.	900,000	1.74%	-	0.00%	-	0.00%	-	-	-
Representative: Mao-Chin Chen	-	-	-	-	-	-	-		
Hua Nan Venture Capital Co. Ltd.	897,500	1.73%	-	0.00%	-	0.00%	-	-	-
Representative: Yao-Ching Lee	-	-	-	-	-	-	-	-	-
Mei-Yu Fang	865,000	1.67%	1,520,237	2.94%	-	0.00%	Chi-Lun Liu	Shareholding of spouse and minor children now	-
Qiao ZanInvestment Co.,Ltd.	857,091	1.66%	-	0.00%	-	0.00%	-	-	-
Representative: Yung-Shun Liao	62,649	0.12%	9,837	0.02%	980,759	1.89%	-	-	-

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

March 31, 2025; Unit: thousand shares

Invested company (Note)	The Company's Investment		Investment of the Directors, Supervisors, Managers and business under direct or indirect control		Total Investments	
	Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding
TRISTATE INTERNATIONAL CO., LTD	16,415	100%	—	—	16,415	100%
GOOD ACTION INT'L CORP.	16,400	100%	—	—	16,400	100%
MSS Japan Company	105	100%	—	—	105	100%
MSS USA CORP.	20,000	100%	—	—	20,000	100%
Nanjing MSS Electronic Technology Limited	—	100%	—	—	—	100%

Note: investment to which the equity method is applied.

Three. Capital Raising

I. Capital and Shares

(I) Source of capital:

1. Capital formation:

Unit: Thousand NT\$; shares

Year Month	Issue Price (NT\$)	Authorized capital		Paid-in capital		Remarks		
		Number of Shares (Share)	Amount (NT\$)	Number of Shares (Share)	Amount (NT\$)	Source of Capital	Using property other than cash as payment of shares	Others
May 2015	10	30,000,000	300,000,000	22,415,262	224,152,620	Employee subscription warrant NT\$3,997 thousand	None	Note 1
September 2015	10	30,000,000	300,000,000	22,846,662	228,466,620	Employee subscription warrant NT\$4,314 thousand	None	Note 2
September 2015	10	30,000,000	300,000,000	23,190,952	231,909,520	Employees' remunerations NT\$3,443 thousand	None	Note 3
May 2016	10	30,000,000	300,000,000	23,612,252	236,122,520	Employee subscription warrant NT\$4,213 thousand	None	Note 4
August 2016	10	30,000,000	300,000,000	23,742,252	237,422,520	Employee subscription warrant NT\$1,300 thousand	None	Note 5
September 2016	10	45,000,000	450,000,000	24,558,472	245,584,720	Employees' remunerations NT\$8,162 thousand	None	Note 6
August 2017	10	45,000,000	450,000,000	24,578,472	245,784,720	Employee subscription warrant NT\$200 thousand	None	Note 7
August 2017	10	45,000,000	450,000,000	25,223,977	252,239,770	Employees' remunerations NT\$6,455 thousand	None	Note 8
December 2017	15	45,000,000	450,000,000	31,223,977	312,239,770	NT\$60,000 thousand of cash capital increase	None	Note 9

Year Month	Issue Price (NT\$)	Authorized capital		Paid-in capital		Remarks		
		Number of Shares (Share)	Amount (NT\$)	Number of Shares (Share)	Amount (NT\$)	Source of Capital	Using property other than cash as payment of shares	Others
May 2018	10	45,000,000	450,000,000	12,489,591	124,895,910	Share payment refunded from capital decrease NT\$187,344 thousand	None	Note 10
August 2018	14.5	45,000,000	450,000,000	17,489,591	174,895,910	Employee subscription warrant NT\$50,000 thousand	None	Note 11
September 2018	23.4	45,000,000	450,000,000	17,906,833	179,068,330	Employees' remunerations NT\$4,172 thousand	None	Note 12
November 2018	20	45,000,000	450,000,000	23,906,833	239,068,330	NT\$60,000 thousand of cash capital increase	None	Note 13
March 2019	53	45,000,000	450,000,000	33,906,833	339,068,330	Cash capital increase for NT\$100,000 thousand	None	Note 14
April 2019	30	45,000,000	450,000,000	37,406,833	374,068,330	Employee subscription warrant NT\$35,000 thousand	None	Note 15
August 2019	10	45,000,000	450,000,000	39,277,175	392,771,750	Capital increase out of earnings for NT\$18,704 thousand	None	Note 16
May 2021	80	60,000,000	600,000,000	41,277,175	412,771,750	Cash capital increase for NT\$20,000	None	Note 17
August 2022	100	60,000,000	600,000,000	46,781,175	467,811,750	NT\$55,040 thousand of cash capital increase	None	Note 18
October 2024	120	80,000,000	800,000,000	51, 781,175	517,811,750	NT\$50,000 thousand of cash capital increase	None	Note 19
March 2025	149	80,000,000	800,000,000	51, 781,846	517,818,460	Convertible bond conversion	-	Note 20

- Note 1: Approved with Jing-Shou-Zhong-Zi No. 10433334500 on May 6, 2015.
- Note 2: Approved with Jing-Shou-Zhong-Zi No. 10433712400 on September 9, 2015.
- Note 3: Approved with Jing-Shou-Zhong-Zi No. 10433770570 on September 25, 2015.
- Note 4: Approved with Jing-Shou-Zhong-Zi No. 10533560450 on May 5, 2016.
- Note 5: Approved with Jing-Shou-Zhong-Zi No. 10534277090 on August 23, 2016.
- Note 6: Approved with Jing-Shou-Zhong-Zi No. 10534338430 on September 22, 2016.
- Note 7: Approved with Jing-Shou-Zhong-Zi No. 10633455810 on August 2, 2017.
- Note 8: Approved with Jing-Shou-Zhong-Zi No. 10633501830 on August 23, 2017.
- Note 9: Approved with Jing-Shou-Zhong-Zi No. 10633718820 on December 8, 2017.
- Note 10: Approved with Jing-Shou-Zhong-Zi No. 10733297780 on May 29, 2018.
- Note 11: Approved with Jing-Shou-Zhong-Zi No. 10733489620 on August 22, 2018.
- Note 12: Approved with Jing-Shou-Zhong-Zi No. 10733522470 on September 4, 2018.
- Note 13: Approved with Jing-Shou-Zhong-Zi No. 10733652060 on November 6, 2018.
- Note 14: Approved with Jing-Shou-Zhong-Zi No. 10833195600 on March 29, 2019.
- Note 15: Approved with Jing-Shou-Zhong-Zi No. 10833248360 on April 25, 2019.
- Note 16: Approved with Jing-Shou-Zhong-Zi No. 10833506290 on August 15, 2019.
- Note 17: Approved with Jing-Shou-Zhong-Zi No. 11033294000 on May 19, 2021.
- Note 18: Approved with Jing-Shou-Zhong-Zi No. 11133567850 on September 13, 2022.
- Note 19: Approved with Jing-Shou-Shang-Zi No. 11330179260 on October 7, 2024.
- Note 20: Approved with Jing-Shou-Shang-Zi No. 11430037550 on March 26, 2025.

2. Type of share:

April 12, 2025; Unit: shares

Type of share	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common stock	51,781,846	28,218,154	80,000,000	Listed stocks

3. Information related to shelf registration: None.

- (II) List of the major shareholders, including name, amount, and percentage of shareholding of the top ten shareholders or shareholders holding 5% or more shares.

April 12, 2025; Unit: shares; %

Names of major shareholders \ Shares	Number of Shares Held	Shareholding
Zhong Hua Development Advantageous Venture Capital Limited Partnership	3,575,481	6.90%
Shun Shun Investment Co., Ltd.	2,776,815	5.36%
Mu-Bo Investment Co., Ltd.	1,706,903	3.30%
Chi-Lun Liu	1,520,237	2.94%
MSS Investment Co., Ltd.	1,374,089	2.65%
Jia Cheng Investment Co., Ltd.	1,185,523	2.29%
E.Sun Venture Capital Co., Ltd.	900,000	1.74%
Hua Nan Venture Capital Co. Ltd.	897,500	1.73%
Mei-Yu Fang	865,000	1.67%
Qiao ZanInvestment Co.,Ltd.	857,091	1.66%

- (III) Company dividend policy and implementation:

1. Company dividend policy:

The principle of the Company's dividend policy is robust and balance, while taking account of profit, financial structure, and the future development of the Company. When distributing dividends, the major considerations are the current industry conditions and the operation planning and cash flows based on the future expansions. Every year, no less than 5% of the distributable earnings are provided to distribute the dividend bonus, in cash or in shares, and no less than 10% of dividends shall be paid in cash. Provided, when the accumulated earnings available for distribution is less than 5% of the paid-in capital, the distribution is not required. However, the board of directors may adjust such ratio within the extent prescribed above based on the overall operation and funds, and submit the proposal to the shareholders' meeting for resolution.

2. The distribution of shareholders' dividends intended/ proposed:

The 2024 earning distribution proposal was approved by the Board of Directors on March 6, 2025, and to be resolved by the general shareholders' meeting on June 10, 2025.

3. Expected significant changes in dividend policy: No such situation.

- (IV) The effect of the proposed stock dividends of shares at the shareholders' meeting on the Company's operating results and earnings per share: this distribution is fully paid with cash dividends, so this is not applicable.

(V) Remuneration for employees, directors and supervisors:

1. The percentage and extent of remuneration for employees, directors and supervisors in the Articles of Incorporation: In case of making an annual profit, the Company shall distribute no lower than 10% as remuneration to employees and no more than 5% as remuneration to directors and supervisors. However, the amount to offset the Company's accumulated losses shall be set aside in advance. The employees are entitled to receive the remunerations, in share or in cash, including the employees of parents or subsidiaries of the Company meeting certain specific requirements.
2. The accounting treatment for any variances between the estimated basis and the actual distribution amounts of the provision for employee, director, and supervisor remuneration, based on the number of shares allocated for employee remuneration through stock distribution, is as follows: For 2024, the provision for employee remuneration amounted to NT\$10,797 thousand, and the provision for director remuneration amounted to NT\$4,050 thousand. These estimations were calculated based on the stipulated ranges in the Company's articles of incorporation, at 10% and 3.75% of pre-tax net profit, respectively. No stock-based remuneration was distributed during this period. However, any variances between the resolution amount and the estimated figures will be treated according to accounting estimate adjustments and recorded in the resolution year.

3. Distribution of remuneration as approved by the Board of Directors:

- (1) The amount of employees' remuneration and directors' and supervisors' remuneration distributed in cash or stock. If the amount differs from the amount estimated in the year in which the expense is recognized, the difference, the reasons for the difference, and the circumstances under which the difference was handled should be disclosed:

The proposal of 2024 remunerations to directors and employees was approved by the Board of Directors on March 6, 2025; NT\$4,050 thousand would be distributed to directors and supervisors, and NT\$10,797 thousand to employees; there was no variance from the estimation in the book.

- (2) Proportions of the employees' remunerations distributed in shares to the net profit after tax and the total employees' remunerations:

In the proposal of 2023 remuneration to employees resolved by the board of directors on March 6, 2025, no remuneration distributed in shares was resolved, so no such situation.

4. Earnings used to distribute employees, directors, and supervisors' remunerations in the previous year:

The 2023 employees' remunerations, and directors and supervisors' remunerations of the Company were reported in the general shareholders' meeting on June 26, 2024; NT\$10,666 thousand was distributed as the directors and supervisors' remunerations (cash), and NT\$35,552 thousand as the employees' remunerations (cash), consistent with the resolution of the Board of Directors.

(VI) Repurchase of the Company's shares: None.

II. Issuance of corporate bonds (overseas corporate bonds included):

(I) Issuance of Corporate Bonds (Overseas Corporate Bonds Included)

Types of corporate bonds	The first unsecured convertible bonds.
Issuance (Conduct) Date	August 15, 2024
Par value	NT\$100,000
Place of issuance and trading	Not Applicable
Issue Price	Issued at 110.28% of the par value.
Total	NT\$551,379,620
Interest rate	The nominal annual interest rate is 0%.
Term	Maturity date of the 3-year term: August 15, 2027
Guarantee institutions	Not Applicable
Trustee	Taishin International Bank Co., Ltd.
Underwriting institutions	Taishin Securities Co., Ltd. phone
Attesting lawyer	Lawyer Yawen Qiu, Hancan Attorneys-at-Law
Attesting CPA	Deloitte Taiwan CPA Name: Chung-Cheng Chen and Li-Wei Liu.
Repayment method	Bondholders may convert to the Company's common stock in accordance with Article 10 of these regulations, exercise the put option according to Article 19, be redeemed early by the Company as per Article 18, or be repurchased and canceled by the Company through the securities firm's place of business. Otherwise, the Company will repay the convertible bonds in cash at their par value within ten business days from the date of maturity. If the aforementioned date falls on a day when the Taipei Stock Exchange is not in operation, it will be postponed to the next business day.
Outstanding principal	NT\$500 million

Types of corporate bonds	The first unsecured convertible bonds.
Redemption or prepayment terms of repayment	<p>Call option</p> <p>From the day following the three-month mark after the issuance of these convertible bonds (November 16, 2024), until forty days before the end of the issuance period (July 6, 2027), if the closing price of the Company's common stock exceeds the then current conversion price by 30 percent or more for thirty consecutive business days, the Company may, within the subsequent thirty business days, send a registered "Bond Redemption Notice" effective after thirty days (this period starts from the date the Company sends the notice, with the expiration date of the period being the bond redemption base date, and this period must not coincide with the conversion suspension period under Article 9) to the bondholders (based on the bondholders' register as of the fifth business day before the dispatch of the "Bond Redemption Notice"; for those who acquire the convertible bonds thereafter due to trading or other reasons, the notice will be made by public announcement). The redemption price will be set at the par value of the bonds, and the Company will repurchase all bonds in cash, while also requesting the over-the-counter trading center to make an announcement. The Company shall exercise the call request by redeeming the outstanding convertible bonds in cash at their par value within five business days after the bond redemption base date.</p> <p>From the day following the three-month mark after the issuance of these convertible bonds (November 16, 2024) until forty days before the expiration of the issuance period (July 6, 2027), if the outstanding balance of these convertible bonds is less than 10% of the original total issuance, the Company may, at any time thereafter, send a registered "Bond Redemption Notice" effective after thirty days (this period starts from the date the Company sends the notice, with the expiration date of the period being the bond redemption base date, and this period must not coincide with the conversion suspension period under Article 9) to the bondholders (based on the bondholders' register as of the fifth business day before the dispatch of the "Bond Redemption Notice"; for those who acquire the convertible bonds thereafter due to trading or other reasons, the notice will be made by public announcement). The redemption price will be set at the par value of the bonds, and the Company will repurchase all bonds in cash, while also requesting the over-the-counter trading center to announce the exercise of the Company's call option. The Company shall exercise the call request by redeeming the outstanding convertible bonds in cash at their par value within five business days after the bond redemption base date.</p>

Types of corporate bonds		The first unsecured convertible bonds.
		<p>Put option</p> <p>The Company sets the base date for bondholders to exercise the put option on these convertible bonds as the day marking the two-year anniversary of issuance (August 15, 2026). By thirty days prior to the base date (July 16, 2026), the Company must send a registered "Notice of Put Option Exercise" to the bondholders (based on the creditor register as of the fifth business day before the dispatch of the "Notice of Put Option Exercise"; for investors who acquire the convertible bonds thereafter due to trading or other reasons, the notice will be made by public announcement) and request the over-the-counter trading center to announce the exercise of the put option by the bondholders. Bondholders may notify the Company's stock affairs agent in writing within thirty days after the announcement (effective upon delivery, using the end date of the period as the base date; for mailed notifications, the postmark will serve as proof) to request the Company to redeem their held convertible bonds at par value plus interest compensation [for two years at 100% of the bond par value (effective yield of 0%)]. The Company shall accept the put request and redeem the convertible bonds in cash within five business days after the put base date. If the aforementioned date falls on a day when the Taipei Stock Exchange is not in operation, it will be postponed to the next business day.</p>
Restricted clauses		None
Credit rating agency Name, rating Date, corporate bond Evaluation result		None
Attached Other Rights	The amount of Common stock, Global Depository Receipts, or other securities converted (exchanged or subscribed) up to the date of publication of the annual report.	NT\$100,000
	Methods for Issuance and Conversion (Exchange or Subscription)	Detailed methods for issuance and conversion of the first domestic unsecured convertible bonds.
Methods for issuance and conversion, exchange or subscription, the conditions for issuance, possible dilution of equity, and impact on existing shareholders' rights and interests.		None
Name of the entrusted custodian institution for the exchange subject		Not Applicable

(II) Convertible bond data

Convertible bond data

Types of corporate bonds		The first unsecured convertible bonds.	
Item	Year	2024	Up to March 31, 2025 of the Year.
Market price of convertible bonds	Highest	152	127.5
	Lowest	110.2	110
	Average	124.02	116.596
Conversion price		149(Note)	
Issuance (Conduct) Date and conversion price at the time of issuance.		August 15, 2024, NT\$110 per share	
Method of fulfilling conversion obligations		Pay by issuing new shares	

Note: In 2024, the cash capital increase was adjusted according to the conversion price of the first domestic unsecured convertible bonds issuance and conversion methods.

- 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: No new restricted employee share has been issued.
- VII. Issuance of new shares in connection with merger and acquisition of shares of other companies: None.
- VIII. Status of implementation of capital utilization plans: Please refer to the Investment section at MOPS ([https://mops.twse.com.tw/Investment section/Fundraising plans execution section](https://mops.twse.com.tw/Investment%20section/Fundraising%20plans%20execution%20section)).

Four. Operation Overview

I. Business Activities

(I) Scope of business

1. Description of the business:

The Company is mainly engaged in the semiconductor technology services, and focuses on providing customers with the highest quality professional analysis reports during the development of advanced processes for semiconductor customers, through the Company's high-end electron microscopes and other analysis equipment, with the special analysis technologies developed by the Company in-house, including material analysis and failure analysis of various electronic components in the semiconductor industry, optoelectronics industry and network communication industry. The Company is an essential key R&D partner of major semiconductor manufacturers around the world. The business scope include the following:

- A. CC01080 Electronics Components Manufacturing
- B. F119010 Wholesale of Electronic Materials C.
- C. F219010 Retail Sale of Electronic Materials
- D. F401010 International trade
- E. I501010 Product Designing
- F. I301020 Data Processing Services
- G. CB0101 Mechanical Equipment Manufacturing
- H. F113030 Wholesale of Precision Instruments
- I. F213040 Retail Sale of Precision Instruments
- J. IG02010 Research and Development Service
- K. IG03010 Energy Technical Services
- L. IF02010 Electricity Equipment Checking and Maintenance
- M. IF04010 Non-destructive Testing
- N. IZ09010 Management System Certification
- O. IZ99990 Other Industrial and Commercial Services
- P. ZZ99999 All businesses that are not prohibited or restricted by law, except those that are subject to special approval

2. Weights of business:

Unit: NT\$ Thousand

Year Product Item	2023		2024		2025 up to Q1	
	Net Operating Revenue	Proportion (%)	Net Operating Revenue	Proportion (%)	Net Operating Revenue	Proportion (%)
Analysis of Service Revenue	1,880,575	100.00%	1,966,669	100.00%	464,693	100.00
Total	1,880,575	100.00%	1,966,669	100.00%	464,693	100.00

3. Current service items:

The Company's current services cover the up-, mid- and downstream semiconductor industries, optoelectronics industry and network communication industry. The services are mainly the process R&D of various industries and product ingredient analysis, structure analysis, process defect analysis, image comparison analysis, circuit irregularity positioning analysis, elemental analysis, coating thickness microstructure analysis, depth analysis, cross-sectional analysis and surface analysis. The highest quality professional analysis reports are provided to customers, through the Company's high-end electron microscopes and other analysis equipment, with the special analysis technologies developed by the Company in-house.

A. The major equipment and tools used are as follows:

Material analysis (MA) By using the material structure analytic instruments, such as transmission electron microscopy (TEM), focus ion beam (FIB), plasma focused ion beam (PFIB), scanning electron microscopy (SEM), secondary ion mass spectrometer (SIMS), the material analysis services are provided for the product or components of semiconductor wafer fab manufacturers, LED optoelectronic industry, IC design houses, and traditional industries.

B. Failure analysis (FA)

By using advanced equipment such as electrical failure analysis instruments and IC circuit repair instruments, including optical beam induced resistance change (OBIRCH), InGaAs, Thermal EMMI, and 3D X-ray, the FA services are provided to the IC-design related industries.

4. New product (service) development project

The Company's R&D direction mainly focuses on the development of application analysis services and provides customers with various analysis solutions. To ensure that the Company is leading in terms of technology, since the incorporation, the Company has continuously developed special technical service methods to ensure that the analysis reports issued are very competitive. Therefore, the Company's future investment in R&D plans are as follows:

- A. Silicon photonics co-packaging integrated analysis service
- B. Second generation Gate-all-around (GAA) analysis service
- C. Artificial intelligence (AI) assisted semiconductor measurement technology

(II) Industry Overview

1. Industry current status and development

The year 2024 marks a period of robust growth for the semiconductor industry. The rapid proliferation of artificial intelligence (AI), the extreme challenges of advanced process technologies, innovations in advanced packaging technologies, and the rise of silicon photonics technologies are driving the industry into a dual transformation of technology and market demand. Meanwhile, the demand for material analysis and failure analysis has significantly increased due to the advancement of these technologies, becoming an important element supporting the development of the semiconductor industry. Breakthroughs in these fields have not only accelerated the application of high-performance computing (HPC) and generative AI but also brought new challenges and opportunities to the global supply chain and technology competition.

The explosive growth of AI is the greatest driving force for the semiconductor industry. From generative AI to edge AI applications, the demand for high-performance, low-power chips has surged. Market analysis shows that AI chip sales in 2024 are expected to exceed \$50 billion, accounting for 8.5% of total chip sales, and are expected to reach \$400 billion in 2027. This trend has prompted NVIDIA, AMD, and Intel to accelerate the development of specialized chips such as GPUs and ASICs to meet the computational demands of AI training and inference. AI not only drives innovations in chip design but also changes the structure of manufacturing demands. High Bandwidth Memory (HBM) and heterogeneous integration have become the focus, while AI in manufacturing further enhances efficiency by optimizing design, predicting failures, and improving yield through machine learning. These advancements also place higher demands on material analysis and failure analysis to ensure chip quality and performance.

Apart from the traditional Moore's Law path, advanced packaging technology has become another key approach to enhance system performance in the industry. 2.5D and 3D packaging technologies (such as TSMC's CoWoS and Intel's Foveros) achieve high computational density and bandwidth through heterogeneous integration, providing more efficient hardware solutions for AI computing. Chiplet technology in AMD's MI300 series demonstrates strong potential, becoming an important trend in future system design. The complexity of these advanced packaging techniques involves various materials (such as silicon, glass substrates, and organic dielectric materials) and precise structures (such as micro-bumps and through-silicon vias, TSV). Their interface quality and thermal stress directly impact the performance and reliability of AI chips.

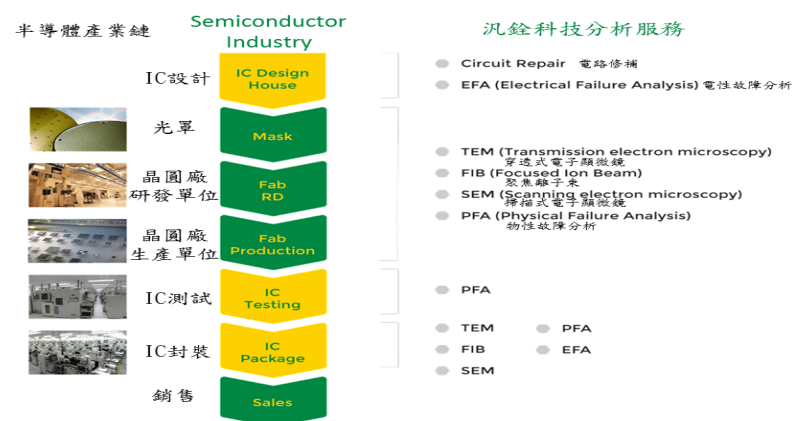
Silicon Photonics technology in 2024 becomes a new highlight in the industry, with its low-latency and high-bandwidth characteristics particularly suitable for AI data centers and high-speed communication applications. At the same time, due to AI's demand for high bandwidth, the low-latency and high-bandwidth characteristics of Silicon Photonics technology have become the solution, particularly suitable for AI data centers and high-speed communication. As traditional electronic interconnects face physical limits, the advantages of optical interconnects are becoming increasingly evident. The integration of silicon photonic optical components, such as waveguides and modulators, with silicon substrates requires precise control over refractive indices and optical losses, paving the way for their commercialization.

In summary, in 2024, breakthroughs in the semiconductor industry in the fields of AI, advanced processes, advanced packaging, and silicon photonics not only accelerated the application of high-performance computing and generative AI but also brought new challenges and opportunities to the global supply chain and technology competition, showcasing the strong innovative drive and market potential of the semiconductor industry looking towards the future.

2. Link between industry upstream, middle, and downstream

In the entire semiconductor industry chain, from the upstream IC design companies to the downstream packaging and testing industry, the Company plays the role of the best R&D analysis partner; in the upstream of the industry, providing IC design companies with the circuit repair services, greatly accelerating speed of circuit verification for the IC design industry, and save the expensive cost of mask expensed for wrong order releasing; IC design companies are provided with electrical failure analysis, to quickly finds error points and debug. In the R&D and production units of midstream wafer fabs, the Company assists customers to find product design defects and causes of failures via advanced electron microscopes, including TEM, FIB, and SEM, as well as the analysis methods developed in-house. The Company is an essential key R&D partner for major semiconductor manufacturers around the world. In addition, packaging at downstream of the semiconductor industry is advancing with Moore's Law, from 3nm, 2nm...and so on. Advanced packaging has also become a key technology to continue Moore's Law. In particular, the transistors are getting closer to the atomic physical constraints, and the electric and physical restrictions also make it increasingly difficult to continuously shrink and upgrade advanced processes, highlighting the growing importance of the future development for heterogeneous integration. Therefore, regardless of the up-, mid- and downstream manufacturers in the overall semiconductor industry, the demand for analysis services will increase day by day.

Position of Msscorps Co., Ltd. in the semiconductor industrial chain



Source: MSSCorps.

3. Various product development trends

Since its incorporation, the Company has been deeply cultivated in the field of semiconductor-related material analysis, actively responding to the demands of advanced process development, especially facing the technical challenges of process size scaling down to several nanometer grades. With the rapid advancement of artificial intelligence (AI) technology, the semiconductor industry is undergoing an unprecedented technological transformation, driving continued high growth in various product applications. The Company has prepared the relevant MA (material analysis) technologies, providing customers with one-stop services from FA (failure analysis) to material surface analysis, becoming one of the leading providers of professional material analysis in the world as an essential link in the semiconductor industry chain.

Advanced process and material analysis

Advanced process technology has become a key driver for enhancing computational capability. As process nodes continue to advance towards 3 nanometers and even 2 nanometers, semiconductor manufacturers significantly enhance the computational performance and energy efficiency of AI chips through more precise process technology. In 2024, TSMC and Samsung have achieved mass production at the 3-nanometer node and are deploying 2-nanometer technology, which is expected to be commercialized in 2025. These advanced process technologies not only reduce transistor sizes but also optimize transistor architecture. The adoption of Gate-all-around (GAA) technology, for instance, enhances current control and power efficiency, making it particularly suitable for AI and high-performance computing chips. However, the high costs and technical challenges brought by process miniaturization make material analysis a critical element in ensuring the stability and yield of these complex processes. As nodes shrink below 3 nanometers, the impact of material defects and atomic-level structures becomes increasingly significant, driving the demand for transmission electron microscopy (TEM). TEM, with its high resolution, is capable of observing the critical dimensions and defects in advanced process technologies, helping engineers optimize processes and improve yield.

Advanced packaging and Failure Analysis technology

Apart from the process miniaturization following Moore's Law, advanced packaging technology has become another key breakthrough for the development of AI chips. 2.5D and 3D packaging technologies (such as TSMC's CoWoS and Intel's Foveros) achieve high computational density and bandwidth through heterogeneous integration, providing more efficient hardware solutions for AI computing. Chiplet technology in AMD's MI300 series demonstrates strong potential.

The complexity of these advanced packaging technologies brings about the demand for analysis at the micro-nano scale. Heterogeneous integration involves various materials (such as silicon, glass substrates, and organic dielectric materials) and precise structures (such as micro-bumps and through-silicon vias, TSV). Their interface quality and thermal stress directly impact the performance and reliability of AI chips. Failure Analysis Technology is particularly important in this segment, and Scanning Electron Microscopy (SEM) and Focused Ion Beam (FIB) technology are widely used to detect micro-nano level cracks or joint failures. In addition, X-ray computed tomography (X-ray CT), due to its non-destructive advantages, has become a mainstream tool for analyzing internal defects in 3D packaging. The advancement of these analysis technologies not only enhances packaging yield but also reduces development costs, driving the industry towards higher integration.

Silicon photonics technology and analysis services

The rise of Silicon Photonics technology has provided revolutionary solutions for AI computing. Amid the growing demand for high-speed AI computing, Silicon Photonics technology achieves ultra-high bandwidth and low-latency communication through optical interconnects, becoming a key technology for AI data centers and high-performance computing. The Company has successfully obtained the invention patent for the "Silicon Photonics Optical Loss Detection Device," specifically providing comprehensive testing and analysis services for the AI chip supply chain.

4. Product competition

The Company is a professional semiconductor material analysis and failure analysis technical service provider. There is no professional analysis company that is identical to the Company in the market. The analysis industry peers, both domestic and international, have different product mixes and are good at different areas of analysis. Since its incorporation, the Company has focused on material analysis with the highest technical level. Compared to its domestic peers, it is in a leading position in terms of material analysis quality, delivery time, and even market share. The Company has the following product competitiveness in the field of material analysis:

A. An excellent R&D team develops new working methods and applies for patent portfolio

The Company focuses on its core material analyses. Over the years, the R&D team has developed special analysis methods required for various advanced processes and applied for patents. Among which, the low temperature atomic layer deposition (LT-ALD) is one of the key technology that is conducive to maintaining the original appearance of the sample during the sample preparation process, to reduce the probability of misjudgment by the R&D personnel of the wafer fabs

- B. The production scheduling system developed in-house effectively shortens the report delivery time

The Company has developed the production scheduling system in-house to control customer commissioned projects, to optimize the overall production process, which is conducive to the promise to deliver reports on schedule when pitching. The Company has been trusted by customers for a long time and increased its own competitiveness.

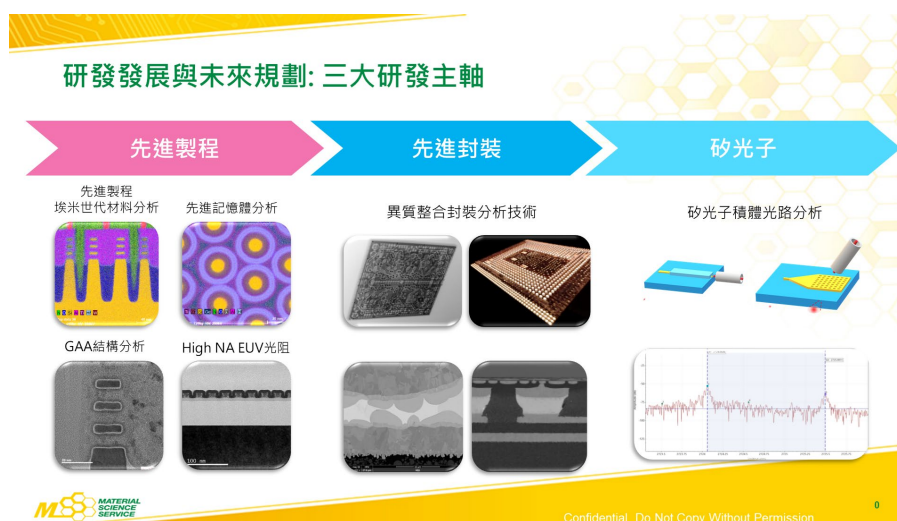
- C. Leading the industry to introduce the latest analysis equipment

Other than developing analysis methods for new items to cope with customers' needs, the Company has also cooperated with equipment manufacturers for a long-term to introduce the latest models of precision analysis equipment, to meet the different analysis patterns of customers, and for enhancing the competitiveness of the overall analysis energy.

(III) Technology and R&D overview

Description of R&D Direction:

Develop material analysis and failure analysis technologies with three main focuses, in line with the development of customer technologies to meet industry needs, to enhance competitiveness.



Technologies or products successfully developed in the recent five year:

During the recent five years up to the publication date of the annual report, the major projects are summarized as below:

Year	Developed product
2019	Low destructive extreme ultraviolet photoresist (EUV PR) solution
	Low destructive low k analysis
	Vertical-Cavity Surface-Emitting Laser (VCSEL) diffusion layer analysis technology
	3D NAND analysis technology
	3 nm process semiconductor analysis technology
2020	New generation transistor analysis technology: Gate-all-around (GAA) analysis technology
	Precision measuring technology
	Second generation low destructive extreme ultraviolet photoresist (EUV PR) low destructive analysis technology
	Low destructive plasma focused ion beam (PFIB) analysis technology
2021	Second generation low destructive photoresist analysis
	Å generation of ultra-thin testing specimen preparation technology
	Non-destructive dielectric analysis technology
2022	Analysis technologies for atomic-graded ingredients
	Protection technologies for preparing intact test specimen
	Solutions for integrated analysis of 5G antenna
2023	Advanced packaging integration analysis services
	Integrated analysis technology for wide bandgap power semiconductors
	Analysis technology for 2D semiconductor process
	Gate-all-around (GAA) Failure Analysis technology
2024	Material analysis of the advanced process in the Angstrom generation
	Silicon photonic integrated circuits analysis
	Heterogeneous integration packaging analysis technology for chiplets

(IV) Long-term and short-term business development plans 1.

1. Short-term development plans

(1) Short-term development plans

- A. Accelerate the mass production of the various analysis equipment to provide customers with a full range of integral services
- B. Continue to conduct employee education and training, so that the analysis technologies and methods are consistent with the report quality
- C. Insist on investing in R&D, and build analysis technology barriers, to widen the gap of technical level from competitors

- D. Become a R&D analysis partner of customers, and provide customers with complete analysis service solutions
- E. Accelerate the expansion of overseas business markets
- (2) Long-term development plans
 - A. Increase overseas analysis operation presences to serve customers nearby, and enhance overseas reputation
 - B. Enter the capital market, leverage various financing tools, to effectively reduce the cost of capital
 - C. Consolidate enterprises and strategic partnership alliances for resource integration, to expand the overall analysis market

II. Market, Production and Sales Overview

(I) Market analysis

1. Regions of major product sales

Unit: NT\$ Thousand

Item Region		2023		2024		2025 up to Q1	
		Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Domestic Sales		1,453,283	77.28%	1,531,356	77.87%	341,510	73.49%
Export Sales	Asia	393,044	20.90%	390,883	19.87	104,810	22.56%
	America	31,676	1.68%	40,258	2.05	12,984	2.79%
	Others	2,572	0.14%	4,172	0.21	5,389	1.16%
Total		1,880,575	100.00%	1,966,669	100.00%	464,693	100.00%

The Company is a professional semiconductor material analysis and failure analysis technology service provider. Since domestic and international semiconductor manufacturers and academic institutions also have established laboratories of the same nature, currently there are no domestic and international professional research institutions to count and analyze industry market data, nor the market share information of individual professional laboratories. Provided, since its incorporation, the Company has deeply cultivated the semiconductor material analysis market and is one of the leading manufacturers in the domestic material analysis field. The high-quality analysis reports issued by the Company are deeply trusted by customers and have become long-term R&D partners of domestic and international semiconductor manufacturers, and established interdependent relationships with customers.

2. Future supply and demand in the market, and growth

The global semiconductor industry has steadily recovered from the supply chain challenges of recent years, demonstrating strong growth momentum. Driven by the rapid development of artificial intelligence, high-performance computing, autonomous driving, and Internet of Things technologies, the Market demand for advanced process chips continues to rise. In particular, the research and development and mass production preparations for process technologies below 2 nanometers have fully commenced, marking the official entry of the industry into a new phase of technological challenges.

In terms of process technology, 2024 witnessed several significant breakthroughs. TSMC and Samsung have made key advancements in the 2-nanometer process and are simultaneously accelerating the research and development deployment of the 1.8-nanometer and 1.6-nanometer processes. These advanced process technologies not only significantly increase transistor density, with the number of transistors on a single chip reaching hundreds of billions, but also bring the advantages of lower power consumption and higher performance systems. However, the quantum effects and leakage problems caused by transistor miniaturization have also elevated the importance of process control and material analysis to an unprecedented level. As the difficulty of advanced processes increases sharply, material analysis has become a critical element in technological development, and the demand in this area is expected to continue to grow strongly.

Material analysis and failure analysis technology will become the industry focus in 2024. As processes continue to shrink, traditional analytical methods are no longer able to meet the precise demands at the nanometer level. The application of advanced equipment such as new types of electron microscopy, spectroscopic analysis, and Atomic Force Microscopy (AFM) analysis provides chip manufacturers with the ability to observe at the nano and even atomic level. Especially in environments with low voltage and high-density transistors, the technology to accurately identify fault points becomes a key factor in yield improvement. Taking the 3nm process as an example, the number of transistors has significantly increased, and the operating voltage of a single transistor is extremely low. Therefore, the biggest challenge of modern failure analysis technology is to accurately find the possible failure points among these vast numbers of low-voltage transistors. In 2024, the continuous innovation of heterogeneous integration and advanced packaging technology becomes another important development direction for the industry. The mature application of technologies such as chip stacking, through-silicon vias (TSV), and fan-out packaging has enabled the integration of chips with different functions to be more cohesive and efficient. These technologies provide higher computational performance and lower latency for applications such as artificial intelligence and high-performance computing, while also introducing new challenges in material compatibility and failure analysis. Advanced semiconductor packaging adopts heterogeneous integration of chips with different materials and new types of materials. These innovative developments require the support of professional failure analysis technology, and it can be foreseen that the market demand in this area will continue to grow.

In the field of analysis services, the company continuously invests a significant amount of capital to acquire the latest analysis equipment and consistently strengthens its technology R&D capabilities. And by starting with solving the most challenging problems, leveraging the technical energy accumulated over a long period, the Company has successfully resolved the complex analysis issues that customers have faced for a long time. Notably, a complete analysis service is taking shape, including the material analysis in the front end and the failure analysis in the back end. The former is mainly used to observe the structure and composition of materials to identify variables affecting product performance, while the latter is responsible for identifying the failure causes of IC operation to help improve process yield. This comprehensive analytical capability provides semiconductor manufacturers with full-process technical support from R&D to mass production.

Looking forward to 2025 and beyond, as semiconductor processes continue to advance, analysis demands will become more complex and specialized. The development of emerging technologies such as quantum computing and neuromorphic computing will also bring new opportunities and challenges to analysis services. Service providers with the latest analysis equipment and professional technology will play an increasingly important role in the industry chain, providing a solid foundation for continuous innovation in semiconductor technology. Driven by technological development and industrial transformation, the Market prospects for semiconductor analysis services will remain promising, exhibiting steady growth.

3. Competitive advantages

(1) Excellent R&D team, dedicated to assisting customers in solving analysis needs

Excellent R&D team, dedicated to assisting customers in solving analysis needs. The R&D team will continue to develop analysis technologies and methods, write patents to bind the analysis technologies, and continue to submit articles to international journals to demonstrate R&D strength and widen the gap with competitors. Leverage the R&D advantages to dominate the status of advanced process analysis technology, and continue to expand the scope of advanced process analysis services.

- (2) Customer information are kept confidential to ensure the security of customer analysis information

The Company is a professional technical service provider, and for the information entrusted by customers, we take the most rigorous attitude to ensure that customers have no concern about secret leakage. We have been recognized by customers for a long time. The foundation of mutual trust is the accumulation of Company reputation. The Company has established a "Trade Secret Management System" linked to ESG, which not only enhances the protection of customer and Msscorps Co., Ltd.'s technical capabilities but also aligns with international trends by incorporating intellectual property management into sustainable development. The Company has introduced the Taiwan Intellectual Property Management System (TIPS) A-level and formulated related intellectual property management measures to strengthen the Company's leading position in the industry's technology and maintain the hard-won advanced technological achievements.

- (3) The production management system, "Smart e-System," developed in-house, effectively shortens the report delivery time

The Company has developed a set of "Smart e-System," to optimize and visualize the overall production system process, which is the first in the laboratory type industry. It is used in the management of customer commission scheduling, by exerting the advantages of artificial intelligence, the equipment operation efficiency is greatly improved, the delivery time is shortened, and enables MSSCorps to undertake numerous difficult cases. More commissioned projects with higher difficulties demonstrate the optimization with the matches of personnel with machine and production system, thereby enhancing the competitiveness of the Company, and effectively shortening the delivery time of customer reports.

- (4) Leading the industry to introduce the most advanced analysis equipment

With the evolution of Moore's Law, the advanced manufacturing process has entered below 3 nanometers or even to the Angstrom level. In order to meet the analysis needs of customers, the Company invests a large amount of capital expenditure every year to purchase the latest grade of equipment from equipment manufacturers, with analysis working methods developed in-house, to meet various material analysis needs of different semiconductor generations.

- (5) Possessing the low temperature atomic layer deposition (LT-ALD) technology and the patent is obtained.

The Company focuses on material analysis and failure analysis of advanced semiconductor manufacturing processes, and has invested a lot of R&D manpower to develop the latest analysis working methods. Of which, the low temperature atomic layer deposition (LT-ALD) technology is the key link in analyzing samples. It is used for the preparation of material analysis samples in processes below 7 nanometers, ensuring that samples do not deform and collapse due to electron beam exposure during the preparation process, preventing misjudgment by the client's R&D personnel. The technology is applied in the material analysis sample preparation for processes below 7 nanometers, to ensure that the sample will not be deformed and collapsed under the electron beam irradiation during the preparation process, resulting in misjudgment by customer R&D personnel. Taking ultra-low dielectric materials (Low K) and the introduction of EUV photoresist for processes below 5 nm as examples, the biggest challenge is how to keep the sample in its original shape under the electron beam irradiation, and prevent the sample from deforming and collapsing. This is a great challenge for the R&D of the new generation advanced process technology, as well as a very difficult barrier to be overcome for the analysis industry. The Company's R&D team has applied the low temperature atomic layer deposition (LT-ALD) technology in the field of material analysis for many years. As the advanced semiconductor process moves forward to 3nm and below 2nm, the more the process shrinks, the more the Company's leading position in the field of material analysis is highlighted.

4. Favorable factors

- (1) The industry has high barriers to entry, and it is not easy for competitors to enter

The Company is one of the few professional material analysis technology service providers in the world. Other than the expensive analysis equipment, talents are the Company's most important asset. The Company fulfills its corporate responsibility and takes care of its employees for a long time so that the turnover rate of personnel is extremely low, so that the technical working methods may be passed by. How to deliver a large number of analysis reports with consistent quality to customers in the shortest delivery period is the key to blocking the competitors from entering the analysis industry, so that the industry to which the Company belongs is still a quasi-oligopolistic market.

- (2) The complete up-, mid- and downstream supply chain of the semiconductor industry

Taiwan currently occupies a pivotal position in the global semiconductor industry supply chain. With the world's second largest total production value of upstream IC design, more than 50% market share of the midstream foundry market as the first place in the world, and the world's largest market share by the downstream IC professional packaging and testing industry, the overall semiconductor industry supply chain is complete. From the front-end wafer manufacturing R&D material analysis service to the back-end wafer failure analysis service, the Company plays the role of the pilot for the advanced semiconductor R&D process and becomes the most reliable R&D partner of semiconductor manufacturers. A strong R&D team specializes in solving customers' difficult problems

- (3) The Company is a professional technical service provider.

In order to meet customer needs and provide customers with various solutions in material analysis, we have recruited more than ten talents with master's and doctoral degrees from large academic R&D institutions locally and internationally at all costs, focusing on providing the analysis working method developed in-house during the R&D of advanced processes with the customers, and transfers the working method developed in-house to the engineering team, for them to massively produce and provide analysis reports with the shortest delivery time and the best quality. In addition, the Company is an R&D partner of well-known foreign semiconductor research institutions, jointly developing the most advanced semiconductor process technologies and material analyses. The Company's R&D team only focuses on R&D of analysis methods rather than mass production, a pioneering approach in the industry.

5. Unfavorable factors and countermeasures

- (1) Price competition

The Company is mainly engaged in material analysis services for advanced processes with more difficult operations in the analysis and testing industry, to provide customers with the best quality analysis reports and accurate report delivery times. The product mixes are different from the competing peers, and thus less vulnerable to the price competition.

Countermeasure:

The Company is one of the few companies in the industry that has established an R&D team dedicated to providing customers with various analysis solutions; the R&D team has timely launched new offerings of analysis services leading the industry, and constantly introduced new analysis technologies to meet the needs of customers in various analysis and testing. In addition, the Company has established long-term interdependent relationships with customers, deeply cultivated key customers, and established long-term R&D collaborative development experience in response to the needs of key customers. Once the Company is listed as an important R&D partner to these customers, the orders are not shifted away easily, and the Company becomes an integral link or department in the customers' in-house laboratories; therefore, the competitive disadvantage of the industry due to price competition is overcome.

- (2) Subject to limited resources, there is still room for equipment investment

Countermeasure:

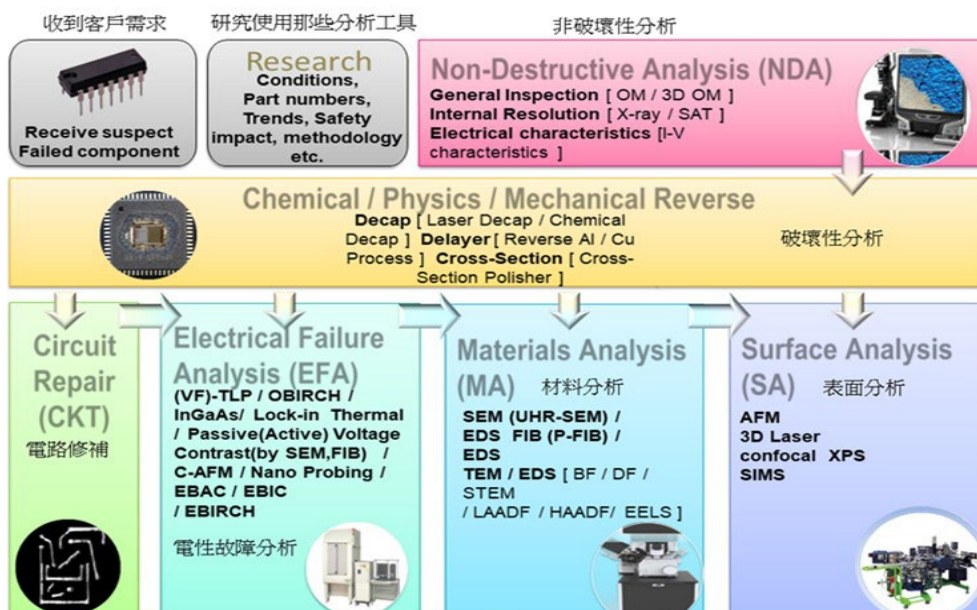
At the beginning of its incorporation, the Company opted for the material analysis and failure analysis market with higher level of technology. Over the years, it has invested in the intensively competitive analysis industry with its own funds and financing from financial institutions. The Company's operating scale has grown steadily with the evolution of advanced processes; provided, the Company is subjected to limited funds and site resources; furthermore, the high-end electron microscope analysis equipment is expensive. The Company only relies on its own profits to reinvest in capital expenditures on equipment. Now, it has achieved good results. In addition, the Company has begun to raise funds in recent years, and looked for suitable sites for expansion gradually to serve customers nearby, the benefits have gradually emerged. After securing external funds and suitable sites successively recently, the Company will be more active than before in terms of equipment investment and recruitment of outstanding talents.

(II) Usage and manufacturing processes for the main products

1. Usage of main products: analysis service.

Analysis item	Usage and function
Material analysis	<ol style="list-style-type: none"> 1. Preparation of testing specimen 2. Scanning electron microscopy analysis 3. Transmission electron microscopy analysis 4. Focused ion beam analysis 5. High-resolution energy dispersive spectroscopy ingredient analysis 6. Micro-area energy, energy loss, energy spectrum bonding analysis 7. Low destructive photoresist analysis 8. Low destructive low k material analysis 9. Material structure analysis
Failure Analysis	<ol style="list-style-type: none"> 1. Strip IC packaging 2. Fully flat IC single-layer de-layering 3. 2D X-ray detector 4. 3D X-ray detector 5. EMMI analysis 6. OBIRCH analysis 7. Analysis of current and voltage characteristics 8. Circuit cutting/bonding 9. Circuit cutting/bonding 10. Low impedance material connections 11. IC signal lead out
Surface analysis	Secondary Ion Mass Spectrometry (SIMS) analysis X-ray Photoelectron Spectroscopy (XPS) analysis Atomic Force Microscopy (AFM) analysis 3D profilometry analysis Fourier Transform Infrared Spectroscopy (FTIR) analysis
Reliability analysis	Chip ESD testing Chip high/low temperature life testing Chip packaging quality and stress testing Chip weather resistance testing Third-generation semiconductor life testing Board-level conductivity testing Printed Circuit Board (PCB) ion migration testing Product life expectancy estimation
Silicon photonic integrated circuits analysis	Silicon photonics measurement Silicon photonics positioning

2. Production process:



(III) Supply of major raw materials: The Company engages analysis services, so it is not applicable.

(IV) List the name and the share of purchase (sales) amount of any customer who accounted for 10% or more of the total purchase (sales) amount in any year of the recent two years, and the reason for changes:

- Suppliers accounted for 10% or more of the total net purchase amount in the recent two years: The Company is a professional technology service provider and thus no such situation.
- Customers accounted for 10% or more of the total net sales amount in the recent two years:

Item	2023				2024				2025 up to Q1			
	Name	Amount	As a percentage of net sales for the whole Year (%)	Relationship with the Issuer	Name	Amount	As a percentage of net sales for the whole Year (%)	Relationship with the Issuer	Name	Amount	As a percentage of net sales for the whole Year (%)	Relationship with the Issuer
1	A	434,475	23.10	None	A	437,532	22.25	None	A	99,056	21.32	None
2	B	377,185	20.06	None	B	434,844	22.11	None	B	87,199	18.76	None
3	Others	1,068,915	56.84	-	Others	1,094,293	55.64	-	Others	278,438	59.92	-
Net Sales		1,880,575	100.00		Net Sales	1,966,669	100.00		Net Sales	464,693	100.00	

Explanation of changes: Customers A and B, who each accounted for more than 10% of the Company's total sales, increased their orders leading to a rise in demand for the Company's analytical services, resulting in increased sales amounts. However, the change in proportion for each year shows no significant difference.

III. Information of Employees

Year		2023	2024	March 31, 2025	Up to the date of publication of the annual report.
Number of employees (person)	Managerial Officer:	6	8	8	8
	General clerks	509	528	552	558
	Total	515	536	560	566
Average age (age)		34.8	35.92	35.74	35.68
Average service years (year)		4.3	5.43	5.21	5.39
Education distribution percentage (%)	PhD	1.19%	1.12%	1.07%	1.06%
	Master's	12.59%	13.62%	13.93%	13.78%
	University or college	74.49%	75.74%	75.53%	75.62%
	Senior high school	11.73%	9.33%	9.29%	9.36%
	Under Senior high school	0.00%	0.19%	0.18%	0.18%

IV. Information on Environmental Protection Expenditure

- (I) Information on Environmental Protection Expenditure Pursuant to laws and regulations, the companies that are required to apply for the permits for pollution facility installation or pollution emission, pay the pollution control fees, or establish the dedicated environment unit or personnel, the application, payment and establishment shall be specified: No such situation.
- (II) Investment in major equipment for the prevention and control of environmental pollution, the usage, and the possible benefits: No such situation.
- (III) In the recent two years and up to the date of publication of the annual report, if there is a pollution dispute occurred during the Company's process of improving environmental pollution, its handling process shall be explained: No such situation.
- (IV) Any losses suffered by the Company in the most recent year and up to the date of publication of the annual report due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in the environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: No such situation.

- (V) Current pollution situation, and the effect on the Company's earnings, competitive position, and capital expenditures, as well as the expected key environmental capex in the next two years: No such situation.

V. Labor Relations

- (I) The Company's employee welfare programs, continuing education, training, retirement systems and their implementation, as well as labor-management agreements and various employee rights protection measures

1. Employee benefits and implementation

The Company's various welfare measures are handled pursuant to the Labor Standards Act, the Labor Insurance Act, the National Health Insurance Act and other relevant laws and regulations; the Company also particularly insures the employees with group insurance, including term life insurance, critical illness insurance, casualty insurance, casualty medical insurance, hospitalization medical insurance and cancer medical insurance. In addition, in order to improve employees' benefits, the Company has established the Employee Welfare Committee to coordinate and handle various employee benefit matters, including birthday gift money, festival gift vouchers, trips and club subsidies, while organizing various activities from time to time to take care of employees' lives.

2. Continuing education and trainings for employees

The Company has always valued the cultivation of professional knowledge and skills of employees, enabling them to perform their functions, increase work efficiency, and ensure work quality, to achieve the goal of sustainable operation and development of the Company. The Company provides diversified training courses and various professional on-the-job education and training, including orientations, on-the-job training courses, labor safety and health education and training, professional courses and various job-related external training courses, to enhance the professional abilities of employees and the core competitiveness, while strengthening employees' complete training and continuing education channels.

3. Retirement system and implementation status.

For the employees applicable to the "Labor Pension Act," the Company contributes 6% of their monthly salaries to their personal pension account every month.

4. Agreements between labors and management

All regulations of the Company comply with the Labor Standards Act. The Company values the opinions of employees, and communicates with employees in a two-way and open manner, with smooth internal communication channels, seeking to maintain a good and harmonious interactive relationship between labor and management.

5. Employee rights protection measures.

The Company has established complete regulations to protect the interests of employees, and regularly reviews and enhances various benefit measures, to ensure the highest protection of employees' interests.

- (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 (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

In the recent two years up to the date of publication of the annual report, the labor and management have been able to get along with each other, and jointly contribute to the development of the business without disputes or losses occurring. In the future, we will continue to strengthen the communication between labor and management to promote labor-management relations and jointly create a good business performance.

VI. Cyber Security Management

- (I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management:
1. The Company has set up the Information System Division, responsible for customer information security and maintenance of information confidentiality.
 2. The Company's cyber security policy, specific management plan, and resources invested in the information security management are described below:
 - (1) Obtained ISO 27001 (Information Security Certification), and is regularly reviewed by external auditing and certification agencies.
 - (2) Regularly and irregularly accept customers' onsite inspections, to check if the case process and content of commissioned projects have any concern about information leakage, to obtain the recognition of important customers for commissioning projects to the Company comfortably.
 - (3) Key customers are given independent servers and independent network wires, to avoid information confusion or wrong information sent by personnel.
 - (4) The 24-hour CCTV surveillance in the plant area, with extremely high coverage.
 - (5) The mobile phones with cameras in the plants are subject to PIP control; the lenses need to be covered with sealing tape. Other devices with cameras are prohibited from being brought in.

- (6) In the Plant, the USB, CD-ROM, and card reader services are prohibited from using through physical or software means.
 - (7) Computers involving confidential customer information cannot access the Internet.
 - (8) Notebooks cannot access internal NAS shared folders.
 - (9) The Company's dedicated vehicles are used for delivery, with the internal and external driving recorders and GPS to monitor the whole process.
 - (10) The printers are under the information security control; once used, the record is retained.
 - (11) Conduct the information control operations through a variety of information equipment, firewalls, domain control stations, mail hosts, and information security software.
 - (12) Respond to the pandemic, the AI face recognition access control system has been introduced. Unauthorized personnel, those whose body temperature exceeds the limit, and those who do not wear masks will not be granted access.
- (II) List any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: In 2024, the number of information security incidents reported at level 3 or above was 0. Measures taken include conducting vulnerability scans of various servers at least once a year, company-wide phishing email tests, penetration tests of external information equipment, and annual internal and external audits in compliance with ISO27001, which involve office security operation inspections, personal computer operation checks, and legal software usage checks.

VII. Important Contracts

Contract nature	Parties Involved	Contract starting and ending date	Main content	Restricted clauses
Leasing contract	Southern Taiwan Science Park Bureau, MOST	January 1, 2025 to December 31, 2025	Plant-office leasing (Tainan)	None
Leasing contract	Tai Yuen Textile Co., Ltd.	February 1, 2021 ~ January 31, 2026	Plant-office leasing (Zhubei)	None
Leasing contract	Tai Yuen Textile Co., Ltd.	February 1, 2021 ~ January 31, 2026	Plant-office leasing (Zhubei)	None
Leasing contract	Tai Yuen Textile Co., Ltd.	August 1, 2021 to January 31, 2026	Plant-office leasing (Zhubei)	None
Leasing contract	Nan Shan Life Insurance Co., Ltd.	May 1, 2018 to April 30, 2028	Plant-office leasing (Headquarter)	None
Leasing contract	Nan Shan Life Insurance Co., Ltd.	June 1, 2024 to September 30, 2029	Plant-office leasing (Headquarter)	None
Leasing contract	Nan Shan Life Insurance Co., Ltd.	February 1, 2018 to April 30, 2028	Plant-office leasing (Hsinchu Science Park)	None
Leasing contract	Nan Shan Life Insurance Co., Ltd.	April 1, 2024 to September 30, 2029	Plant-office leasing (Hsinchu Science Park)	None
Leasing contract	Nan Shan Life Insurance Co., Ltd.	September 1, 2019 to August 31, 2024	Plant-office leasing (Hsinchu Science Park)	None
Leasing contract	Nan Shan Life Insurance Co., Ltd.	October 1, 2019 to September 30, 2024	Plant-office leasing (Hsinchu Science Park)	None
Leasing contract	Nan Shan Life Insurance Co., Ltd.	October 1, 2019 to September 30, 2024	Plant-office leasing (Hsinchu Science Park)	None
Financing agreement	Hua Nan Commercial Bank	May 29, 2020 to May 15, 2027	Mid- and long-term loans (Note 1)	The principles of "Rooted in Taiwan" Project shall be complied with; not to be used in purposes other than purchasing machinery equipment
Financing agreement	Chang Hwa Bank	September 29, 2020 to September 15, 2027	Mid- and long-term loans (Note 1)	The principles of "Rooted in Taiwan" Project shall be complied with; not to be used in purposes other than purchasing machinery equipment

Contract nature	Parties Involved	Contract starting and ending date	Main content	Restricted clauses
Financing agreement	Mega International Commercial Bank	November 20, 2020 to November 20, 2027	Mid- and long-term loans (Note 1)	The principles of "Rooted in Taiwan" Project shall be complied with; not to be used in purposes other than purchasing machinery equipment
Financing agreement	E. Sun Bank	October 21, 2020 to October 15, 2025	Mid- and long-term loans (Note 1)	The principles of "Rooted in Taiwan" Project shall be complied with; not to be used in purposes other than purchasing machinery equipment
Financing limit	Cathay United Bank	October 16, 2024 to October 16, 2025	Total credit line	None
Financing limit	Bank of Taiwan	July 30, 2024 to July 30, 2025	Total credit line	None
Financing limit	Land Bank of Taiwan	November 8, 2024 to November 8, 2025	Total credit line	None

Note 1: The Company's investment project under the MOEA's "Accelerated Enterprise Investment Program for Rooting in Taiwan."

Five. Review and analysis of the financial status and financial performance and risks management

I. Financial Status

Unit: Thousand NT\$; %

Item \ Year	2024	2023	Difference	
			Amount	%
Current Assets	2,014,615	1,447,802	566,813	39.15
Property, Plant And Equipment	3,336,764	2,154,045	1,182,719	54.91
Intangible Assets	13,450	7,869	5,581	70.92
Other Assets	562,532	646,704	(84,172)	(13.02)
Total Assets	5,927,361	4,256,420	1,670,941	39.26
Current liabilities	616,123	706,163	(90,040)	(12.75)
Non-Current Liabilities	2,162,826	983,854	1,178,972	119.83
Total liabilities	2,778,949	1,690,017	1,088,932	64.43
Share Capital	517,819	467,812	50,007	10.69
Capital Surplus	2,033,709	1,385,494	648,215	46.79
Retained earnings	584,517	730,069	(145,552)	(19.94)
Other Equity Interests	12,367	(16,972)	29,339	(172.87)
Non-Controlling Interest	—	—	—	—
Total Equity	3,148,412	2,566,403	582,009	22.68
Explanation for significant changes in the percentage of increase or decrease (For changes of 20% or more in the preceding and following periods, and changes amounting to \$10 million):				
1. Current assets: The increase in the cash balance at the end of the period compared to the previous year is due to the Company's cash capital increase and the issuance of convertible bonds.				
2. Property, plant and equipment: To increase capacity, the machinery equipment was added.				
3. Other assets: Because the equipment gradually arrived and was accepted, the advanced equipment payments decreased.				
4. Total assets: The increase is due to the Company's scale expansion, cash capital increase, and the issuance of convertible bonds, as well as the purchase of property, plant and equipment, and an increase in cash and cash equivalents.				
5. Current liabilities: Due to the early repayment of long-term loans maturing within one year and the reduction in estimated payables for employees and directors' remuneration due to lower-than-expected profits.				
6. Non-current liabilities: The increase is due to the issuance of convertible bonds by the Company and financing from banks for the purchase of machinery and equipment.				
7. Total liabilities: The increase is due to the issuance of convertible bonds by the Company and financing from banks for the purchase of machinery and equipment.				
8. Share Capital: Due to the cash capital increase and the issuance of convertible bonds.				
9. Other equity interests: Due to the increase in exchange differences resulting from the translation of financial statements of overseas operating entities.				

II. Financial Performance

(I) Analysis of the operating results for the recent two years:

Unit: Thousand NT\$; %

Item \ Year	2024	2023	Amount of increase or decrease	Change (%)
Net Operating Revenue	1,966,669	1,880,575	86,094	4.58
Gross profit before unrealized gross profit on sales to subsidiaries	524,262	696,999	(172,737)	(24.78)
Net operating profits	134,628	344,237	(209,609)	(60.89)
Non-operating income and expenses	(22,138)	(5,465)	(16,673)	305.09
Net profits before tax from continuing operations	112,490	338,772	(226,282)	(66.79)
Income tax expenses	(47,527)	(77,492)	29,965	(38.67)
Profit for the year	64,963	261,280	(196,317)	(75.14)
Other comprehensive income for the period (net after tax)	29,339	(11,301)	40,640	(359.61)
Total comprehensive income for the year	94,302	249,979	(155,677)	(62.28)
Net profits attributable to shareholders of owners of the parent	64,963	261,280	(196,317)	(75.14)
Net profits attributable to non-controlling interests	—	—	—	—
Total comprehensive income attributable to shareholders of owners of the parent	94,302	249,979	(155,677)	(62.28)
Total comprehensive income attributable to non-controlling interests	—	—	—	—

Explanation for significant changes in the percentage of increase or decrease (For changes of 20% or more in the preceding and following periods, and changes amounting to \$10 million):

1. Gross profit before unrealized gross profit on sales to subsidiaries: The increase in machinery and equipment, as well as depreciation and personnel expenses, led to a decline in profit.
2. Net operating profits: The increase in machinery and equipment, as well as depreciation and personnel expenses, led to a decline in profit.
3. Non-operating income and expenses: The interest expense is due to the issuance of convertible bonds by the Company and financing from banks for the purchase of machinery and equipment, resulting in an increase in interest expense.
4. Net profits before tax from continuing operations: This is due to an increase in depreciation and personnel expenses; the issuance of convertible bonds and financing from banks for the purchase of machinery and equipment. Bank financing led to an increase in interest expenses, resulting in a decrease in net profits before tax from continuing operations.
5. Income tax: Due to lower-than-expected profits, the estimated tax expenses decreased.
6. Profit for the year: This is due to an increase in depreciation and personnel expenses, leading to a decline in profit.
7. Other comprehensive income for the period: Due to the exchange differences resulting from the translation of financial statements of overseas operating entities.
8. Total comprehensive income for the year: This is due to an increase in depreciation and personnel expenses, leading to a decline in profit.
9. Net profits attributable to shareholders of owners of the parent: This is due to an increase in depreciation and personnel expenses, leading to a decline in profit.
10. Total comprehensive income attributable to shareholders of owners of the parent: This is due to an increase in depreciation and personnel expenses, leading to a decline in profit.

(II) Estimated sales quantity in the coming year and its basis, possible impact on the Company's future financial and business matters and countermeasures:

1. Estimated sales quantity and its basis: The Company's estimated basis is the industrial conditions, external supply and demands in the market, while considering the business development, current operating status, and it is estimated the operating revenue of 2025 will grow steadily.
2. Possible impact on the Company's future financial and business matters and countermeasures: The Company will be committed to the effective utilization of capacity and financial funds, to cope with the needs for business growth.

III. Cash Flow

(I) Analysis of changes in cash flows for the most recent year (2024)

Unit: NT\$ Thousand

Item \ Year	2024	2023	Increased (decreased) amount
Inflow from operating activities	694,879	657,653	37,226
Outflow from investing activities	(1,667,908)	(1,032,190)	(635,718)
Inflow (outflow) from financing activities	1,520,226	(115,448)	1,635,674
The effect of changes in exchange rates.	11,893	(1,176)	13,069
Net cash inflow (outflow)	559,090	(491,161)	1,050,251
Analysis of changes in cash flow:			
1. Decreased net cash inflow from operating activities: Because of the decrease in pre-tax net profit for the year			
2. Increased net cash outflow from financing activities: Because the increase in prepaid equipment and prepaid construction contract payments was attributable to the expansion of the Company's operations.			
3. Increased net cash inflow from financing activities: Because of the cash capital increase in 2024 and the issuance of convertible bonds.			
In conclusion, the net cash flow for the year 2024 was positive overall, due to financing activities - the Company's cash capital increase and the issuance of convertible bonds.			

(II) Improvement plan for illiquidity: the Company did not have insufficient cash so no concern of illiquidity.

(III) Cash liquidity analysis for the coming year (2025):

Unit: NT\$ Thousand

Cash balance at the beginning of the period (1)	Net cash inflow from operating activities for the whole year (2)	Net cash outflow (inflow) from investing and financing activities for the whole year (3)	Estimated cash balance (shortfall) (1)+(2)+(3)	Remedies for cash shortfall	
				Investment plan	Financing plan
1,181,200	840,033	(1,564,138)	457,095	—	—
Analysis: 1. Analysis of changes in cash flow for the coming year: (1) Operating activities: Collected accounts remitted for NT\$2,462,120 thousand and operating expenditure of NT\$1,622,087 thousand (2) Investing activities: The capex increased NT\$1,814,968 thousand (3) Financing activities: Distribution of NT\$51,781 thousand for 2024 cash dividends, and the net increase in bank borrowings was NT\$302,611 thousand. 2. Remedies for expected insufficient cash and analysis of liquidity: The Company has no illiquidity.					

IV. Significant Capital Expenditures in the Most Recent Year and the Impact on Finance and Business Matters

Applications of material capital expenditure and fund flows: purchasing the machinery equipment and the advanced equipment payments resulted in net cash outflow from investing activities for about NT\$578 million; the sources of funds are mainly the Company's own funds, without material impact on the finance and business.

V. Investment policy for the most recent year, the main reasons for profit or loss, improvement plan and investment plan for the coming year

Name of investee	Shareholding	Recognized investment profit and loss in 2024	Main reasons for profit or loss	Improvement plan
TRISTATE INTERNATIONAL CO., LTD.	100%	150,546	Recognized the profits of the investee	Not Applicable
MSS Japan Company	100%	(13,435)	Established in August 2023, the laboratory is currently under renovation. The losses are due to rent and related expenses.	It is expected to officially launch operations in Q3 of 2025.
MSS USA CORP.	100%	(906)	Established in May 2024, the laboratory is currently under renovation. The losses are due to salaries and related expenses.	It is expected to officially launch operations in May 2025.
GOODACTION INT'L CORP.	100%	150,546	Recognized the profits of the investee	Not Applicable
Nanjing MSS Electronic Technology Limited	100%	151,535	Profit has been made as the operation has been stabilized	Not Applicable

VI. Analysis and assessment of risks

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

1. The effect upon the Company's profits (losses) of changes in interest rates, and response measures to be taken in the future

The net interest income (expense) of the Company in 2023 and 2024 was NT\$(10,859) thousand and NT\$(27,283) thousand respectively; these are mainly the interest income from bank deposits and the finance cost of borrowings. Since the amounts were insignificant, the impact on the overall operation of the Company was also minimal. Therefore, the impact of changes in interest rates on the profit and loss of the Company is limited. In the future, the Company will still monitor changes in the domestic and international economic environment and take necessary measures timely to reduce the risk of interest rate changes on the profit and loss of the Company.

2. The effect upon the Company's profits (losses) of changes in exchange rates, and response measures to be taken in the future

The net exchange benefits of the Company in 2023 and 2024 were NT\$(17,889) thousand and NT\$(7,296) thousand, respectively. Overall, these only accounted for insignificant proportions in the Company's operating revenue and operating profit. Therefore, fluctuations in exchange rates had no significant impact on the Company. For the payables denominated in foreign currency held by the Company, these arise from the purchase of machinery and equipment from foreign suppliers. Although exchange rate fluctuations were significant during the years 2023-2024, the exchange losses generated had a minimal impact on operations. The Company will maintain close contact with various financial institutions depending on the situation, and requests financial institutions to provide professional consulting services, to grasp the international exchange rate trend in real time, for minimizing the impact of exchange rate changes on the Company's profit and loss.

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

The Company is not significantly affected by inflations, and the Company monitors market price fluctuations all the time, while maintaining good interactive relationships with suppliers and customers, to avoid the adverse impact of inflation on the Company's profit and loss.

(II) Policies on high-risk, high-leverage investments, lending funds to others, endorsement and guarantee, and derivatives transactions, main reasons for gain or loss, and future countermeasures:

1. Based on the principle of being robust and the business philosophy of being pragmatic, the Company focuses on the core business and does not engage in high-risk and high-leverage investments.
2. Based on the principle of prudence and pragmatic business philosophy, the Company focuses on core business. Moreover, the Company has established the "Operational Procedures for Loaning of Funds" and "Operational Procedures for Making Endorsement/Guarantee." The related operations shall comply with the related regulations.
3. The derivative trading engaged by the Company are non-trading exchange rates for hedging purposes, mainly for the procurement of imported equipment, by engaging forward foreign currency transactions with financial institutions, to avoid the risk of exchange rate market fluctuations. The derivative trading is engaged pursuant to the "Operational Procedures for Acquisitions and Disposal of Assets," to achieve effective risk control.

(III) Research and development work to be carried out in the future, and further expenditures expected for research and development work:

1. Artificial intelligence (AI) assisted semiconductor measurement technology
2. Integrated analysis technology for wide bandgap power semiconductors
3. Analysis technology for 2D semiconductor process

The Company is an R&D partner of major semiconductor manufacturers around the world. With the high-end electron microscope equipment and in-house developed analytical techniques, the Company provides customers with solutions for various material analyses and failure analyses. It is one of the most advanced professional material analysis companies in the world, and in recent years, the annual investment in R&D expenses accounted for more than 3% of the turnover.

(IV) Effect on the Company's finance and business of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

The Company's daily operations are handled pursuant to the relevant domestic and international laws and regulations, while monitoring the domestic and international policy development trends and changes in regulations, to fully grasp the changes in the market environment, and take the initiative to propose countermeasures timely. For the recent year up to the publication date of the annual report, the Company's finance and business have not been affected due to the changes in important domestic and international policies and laws.

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

If the Company or its service providers are unable to promptly resolve the technical issues caused by these cyber attacks and ensure the integrity and availability of the data belonging to the Company and its customers, it may severely damage the Company's commitments to its customers and other stakeholders. Consequently, the Company's operations, financial status, prospects, and reputation could be significantly adversely affected. The Company values information security management very much. In order to control information security risks and prevent information security incidents from causing harm to service quality and corporate reputation, the Company has established information security policies and related standard operating procedures, with implementation of information security risk handling, information security training for all employees; other than confirming the implementation of overall information security and the controllability of risks, it also reviews and responses timely to various emerging information security risks. In addition, the Company has also established various information security defense and control solutions, including network firewalls, web application firewalls, anti-virus systems, endpoint intrusion and response systems, to ensure that the Company keeps information security risks in check within acceptable levels, while maintaining the high quality and stability of the professional services provided by the Company, to guarantee the service level and customer interests.

The Company monitors the development and evolution of the industrial environment all the time, and grasps the market vibes and industry information, to develop and launch new offerings timely to meet customer analysis needs and maintain the Company's competitiveness. For the recent year up to the publication date of the annual report, there has been no material effect on the finance and business of the Company from any important technological changes and industrial changes.

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

The Company focuses on operating the core business, complies with the relevant laws and regulations, takes care of employees and actively reinforces the internal management performance, to maintain a good corporate image continuously, and increase customers' trust in the Company. For the recent year up to the publication date of the annual report, the Company's operation was not endangered due to changes of the corporate image. However, the occurrence of corporate crisis may cause considerable damage to the Company, so the Company will continue to implement various corporate governance requirements to reduce the occurrence of corporate risks and the impact of such on the Company.

- (VII) Expected benefits and possible risks associated with any merger and acquisitions:

For the recent year up to the publication date of annual report, the Company had no plan of M&A. Provided, for any possible M&A plan in the future, the Company will comply with the "Operational Process for Acquisition and Disposal of Assets" and related laws and regulations, with the attitude of prudential assessing, to thoroughly protect the Company's and shareholders' interests.

- (VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: for the recent year up to the publication date of the annual report, the Company had no plan to expand the number of plants.

- (IX) Risks associated with any consolidation of sales or purchasing operations

1. Purchasing:

The Company mainly engages in analysis technology services. Through various high-end analysis equipment and the analysis method developed by the Company in-house, customers are provided with various high-quality analysis reports. The Company has no need to purchase raw materials, and the sources of various analysis equipment cover European, the U.S. and Japanese equipment manufacturers for selection. For the recent year up to the publication date of the annual report, there was no issue of consolidation of purchase.

2. Sales:

The Company has been cultivating in the field of semiconductor-related material analysis and failure analysis for many years, and is an R&D partner of renowned domestic and international semiconductor manufacturers. The clientele covers famous semiconductor equipment manufacturers, wafer OEM manufacturers, optoelectronics manufacturers, and various IC design companies, with more than hundreds of long-term and stable customers, and thousands of cases proceeding every month. The Company has become the pioneer in the high-end process for the semiconductor and other businesses. For the recent year up to the publication date of the annual report, there was no issue of consolidated sales.

- (X) Risk to and effects on the Company of any transfer of equity interests and/or pledge of or change in equity interests in large quantity by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent: there was no transfer of equity interests and/or pledge of or change in equity interests by a director, 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; the Company fully re-elected the directors in the general shareholders' meeting on June 26, 2024; as of the publication date of the annual report, no replacement of any director, or shareholders with a stake of more than 10 percent.
- (XI) Risk to and effects on the Company due to change of control: None
- (XII) For the litigious and non-litigious matters, list major litigious, non-litigious or administrative disputes that: involve the Company and/or any company director, the president, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the Company; and have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the Company's securities, the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report shall be disclosed:
 - 1. For the litigious and non-litigious matters have been concluded by means of a final and unappealable judgment, or are still under litigation that may materially affect shareholders' equity or the prices of the Company's securities, the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute in the most recent two years up to the publication date of the annual report:

The litigation between the Company and Materials Analysis Technology Inc. (hereafter "MA-tek"), is that MA-tek brought the criminal litigation for infringement of trade secrets against the Company, the person in charge, and three employees in November 2019. Provided, the case was ruled not prosecuted by Taiwan Hsinchu District Prosecutors Office with written rulings 2020 Zhen-Zi No. 830 and No. 7035 on October 14, 2020. The Company learned that MA-tek filed a reconsideration, and the Taiwan High Prosecutors Office return the case for further investigation on January 5, 2021; the Company received the written ruling of no prosecution 2021 Zhen-Xu-Zi No. 10 from Taiwan Hsinchu District Prosecutors Office on June 10, 2021. It was learned that MA-tek filed a reconsideration on July 1, 2021. On July 22, 2021, the Taiwan High Prosecutors Office rejected the appeal under the ruling 2021 Shang-Zhen-Yi-Zi No. 300, and brought the petition to Taiwan Hsinchu District Court for setting for trial on August 5, 2021. Provided, on December 21, 2021, Taiwan Hsinchu District Court ruled to reject the petition of MA-tek with ruling 2021 Sheng-Pan-Zi No. 32. For the civil claim, on January 8, 2021, MA-tek filed a civil suit against the Company and its person in charge Chi-Lun Liu for infringement of trade secrets, seeking damages of NT\$20,000 thousand. The case was ruled against MA-tek by the Intellectual Property and Commercial Court on February 15, 2022, under the ruling number 2021 Min-Ying-Su-Zi No. 1. However, MA-tek contested the ruling and appealed on March 11, 2022. On July 26, 2022, it applied for an expansion of the claim to NT\$50,000 thousand. The case was ruled against MA-tek by the Intellectual Property and Commercial Court under the ruling number 2022 Min-Ying-Shang-Zi No. 4. Additionally, in January 2023, the Company became aware that MA-tek filed another civil suit against it, claiming NT\$1,200 thousand for infringement of trade secrets (this case appears to be related to the previous one). The case was ruled against MA-tek by the Intellectual Property and Commercial Court on March 12, 2024, under the ruling number 2023 Min-Ying-Su-Zi No. 1. However, MA-tek contested the ruling and appealed on April 2, 2024, and applied for an expansion of the claim to NT\$3,000 thousand on July 2, 2024. Based on the current information, legal experts within the Company observe that there is a higher likelihood of the Company prevailing in the aforementioned two cases. However, the final outcome depends on future litigation procedures, and it is not expected to materially affect the Group's operation.

2. For the most recent two years and the current year up to the date of publication of the annual report, if the Company's directors, supervisors, presidents, persons in charge of the Company, substantial shareholders holding more than 10 percent of the shares, and affiliated companies have been convicted by final and binding judgments or is still bound by litigation, non-litigation or administrative disputes, the results of which may have a significant impact on shareholder interests or securities prices:

- (1) For the litigation between the Company's person in charge and Materials Analysis Technology Inc., please refer to the description of 1. of Litigation and non-litigation.

(XIII) Other key risks and countermeasures: None.

VII. Other important matters: None.

Six. Special Matters

I. Information on Affiliates

(I) The Consolidated Business Report of the Affiliates in the Recent Year:

Please refer to the Market Observation Post System > Single Company > Electronic Document Download > Financial Reports.

(https://mopsov.twse.com.tw/mops/web/t57sb01_q10) and enter the company code: 6830 and Year in the query criteria.

(II) The consolidated financial statement of affiliates in the recent year:

Please refer to the Market Observation Post System > Single Company > Electronic Document Download > Financial Reports.

(https://mops.twse.com.tw/mops/#/web/t57sb01_q1) and enter the company code: 6830 and Year in the query criteria.

(III) Relationship report: please refer to page **.

Please refer to the Market Observation Post System > Single Company > Electronic Document Download > Financial Reports.

(https://mopsov.twse.com.tw/mops/web/t57sb01_q10) and enter the company code: 6830 and Year in the query criteria.

II. Implementation of private placement of securities:

On June 6, 2023, the shareholders' meeting of the Company approved a plan to enhance operational capital, repay company debt, or meet other funding needs for the Company's future development. The plan involved a private placement of common shares, not exceeding 10 million shares, with a par value of NT\$10 per share. According to Article 43-6 of the Securities and Exchange Act, the private placement of securities can be conducted in one or multiple tranches (up to a maximum of two) from the date of the shareholders' resolution. As the deadline for this private placement is approaching and the Company has not yet selected qualified subscribers, the Board of Directors resolved on March 1, 2024, to discontinue the private placement of common shares approved at the 2023 Annual Shareholders' Meeting.

III. Other Matters that Require Additional Explanation: None.

IV. Matters set forth in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act:

Any of the situations listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholder equity or the price of the Company's securities, which has occurred during the most recent year or the current year up to the date of publication of the annual report: None.

MSSCORPS CO., Ltd.

Chairman and President Chi-Lun Liu