

Stock Code: 6423



Yield Microelectronics Corporation

2025 Annual Report

Website for annual reports: Market Observation Post System (mops.twse.com.tw)

Prepared by Yield Microelectronics Corporation

Printed on March 28, 2026

Notice to Readers

This document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.

1. Spokesman

Name: CHEN,HSIANG-CHI

Title: Associate Manager

Tel: (03)552-6035

Email: ir@ymc.com.tw

2. Acting spokesman

Name: LAI, YING-CHUN

Title: Associate Manager

Tel: (03)552-6035

Email: ir@ymc.com.tw

3. Address and telephone number of the Company's headquarters, branch offices, and factories

Head Office: 11 F.-2, No. 12, Taiyuan 2nd St., Zhubei City, Hsinchu County 302082

Tel: (03)552-6035

Fax: (03)552-6036

4. Agency handling shares transfer

Name: Stock Affairs Agency Department of Yuanta Securities Co., Ltd.

Address: B1., No. 67, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106045

Tel: (02)2586-5859

Website: www.yuanta.com

5. Name of CPAs, name, address and phone number of the accounting firm for the financial statements of the most recent year

CPA Names: LIN,HSIN-TUNG and LIN,CHENG-CHIH

Accounting Firm: Deloitte & Touche

Address: 2F., No.6, Prosperity 1st Road, Hsinchu Science Park 30078

Website: www.deloitte.com.tw

Tel: (03)578-0899

6. Name of any exchanges where the company's securities are traded offshore: None.**7. Official Website of the Company: www.ymc.com.tw**

TABLE OF CONTENTS

	<u>Page</u>
I. LETTER TO SHAREHOLDERS	1
II. CORPORATE GOVERNANCE REPORT	4
1. Directors, Supervisors, President, Vice President, Assistant Managers and Heads of Departments and Branch Organizations.....	4
2. Remuneration Paid to Directors, Supervisors, the President, and Vice Presidents in the Most Recent Year	17
3. Implementation of Corporate Governance.....	24
4. Information Regarding the Company’s Audit Fee and Independence	51
5. Replacement of CPA	51
6. Where the company’s chairperson, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its CPAs or at an affiliated enterprise of such accounting firm	51
7. Any transfer of equity interests and pledge and change in equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than five percent. If the counterparty to the share transfer or pledge is a related party, disclose the name of the counterparty, their relationship with the Company, directors, supervisors, managers, and shareholders holding more than ten percent of the shares, and the number of shares acquired or pledged.....	52
8. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company	53
9. The number of shares held by the Company, its directors, supervisors, managers, and businesses directly or indirectly controlled by the Company in the same invested business, and the calculation of the combined shareholding percentage	53
III. CAPITAL OVERVIEW.....	54
1. Capital and Shares.....	54
2. Corporate Bonds	59
3. Preferred Shares	59
4. Global Depository Receipts	59
5. Employee Stock Options.....	60
6. Restricted Stock Awards	60
7. Status of New Shares Issuance in Connection with Mergers and Acquisitions.....	60
8. Financing Plans and Implementation.....	60
IV. OPERATIONS OVERVIEW.....	61
1. Business Activities	61
2. Market and Sales Overview	70
3. Number of Employees, Average Years of Service, Average Age, and Educational	

Background Distribution Ratio for the Last Two Years up to the Date of the Annual Report Publication	78
4. Environmental Protection	79
5. Labor Relations	79
6. IT Security Management.....	80
7. Significant Contracts.....	82
V. REVIEW OF FINANCIAL CONDITIONS, OPERATING RESULTS, AND RISK MANAGEMENT	82
1. Review and Analysis of Financial Condition.....	82
2. Review and Analysis of Financial Performance	83
3. Cash Flow	84
4. Recent Years Major Capital Expenditures and Impact on Financial and Business.....	84
5. Long-term Equity Investment Policy and Results	85
6. Risk Management	85
7. Other Important Matters.....	88
VI. SPECIAL DISCLOSURE	89
1. Summary of Associates	89
2. Private Placement Securities in the Most Recent Years.....	89
3. Other items of description which needs to be supplemented.....	89
4. Any event that had a material impact on the rights of shareholders or the prices of securities provided in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act occurred.....	89

I. Letter to Shareholders

Dear shareholders,

Thank you for your long-term support, which have enabled Yield Microelectronics to continue growing in a highly competitive environment. On behalf of the Company, we express our deepest gratitude. Herein, we report the operational status for 2025 and future outlook of the Company as follows:

A. Business Results for 2025

The Company's performance in 2025 compared to 2024 is as follows:

Unit: NT\$ thousands

Accounting Item	2025	2024	Change Percentage (%)
Net Operating Revenue	229,957	224,706	2.34%
Technical Service Revenue	55,902	50,724	10.21%
Royalty Income	174,055	173,982	0.04%
Net Operating Profit (Loss)	21,442	30,700	-30.16%
Pre-Tax Net Profit (Loss)	25,322	34,600	-26.82%
Income Tax Expense	8,179	6,824	19.86%
Net Profit (Loss) for the Period	17,143	27,776	-38.28%
Earnings Per Share After Tax	0.58	0.96	-39.58%

In 2025, the Company's operating revenue increased by 2.34% compared to 2024. The growth in revenue for the year was primarily driven by an increase in royalty income and technical service income. The Company will continue to promote its existing products and invest in the development of new product specifications as key drivers for future revenue growth. In 2025, technical service income and royalty income accounted for 24.31% and 75.69% of the Company's total operating revenue, respectively. Overall, the year-over-year growth in operating revenue was mainly due to an increase in customer wafer input volume. Please refer to the table below for the revenue figures for the year:

Unit: NT\$ thousands

Item / Year	2025	% to Total Revenue	2024	% to Total Revenue
Technical Service Revenue	55,902	24.31%	50,724	22.57%
Royalty Income	174,055	75.69%	173,982	77.43%
Total	229,957	100.00%	224,706	100.00%

Regarding budget execution, the Company set internal budget targets for 2025 but did not publicly disclose any financial forecasts. Although the Company's profit for the year was lower than the internal target, it remains committed to pursuing growth in both revenue

and profitability.

1. Research and Development:

The Company continues to advance the scaling of floating-gate memory cells. The seventh-generation floating-gate single-transistor (1T MTP) memory cell has completed its first IP-level FTP (functional test program) verification and will undergo minor revisions. Subsequently, the Company will proceed with the development of high-capacity, low-voltage, low-power, and high-speed eFlash IP, which is currently undergoing second-version verification.

The second-generation Anti-Fuse OTP IP has completed functional verification. As further area optimization is achievable, the third-generation Anti-Fuse OTP IP is scheduled to be tape-out across multiple process platforms for validation before mid-year.

The newly developed first-generation Fuse OTP IP (1T OTP) is planned to be tape-out to various process platforms for validation during the first half of 2026.

2. IP Licensing and Wafer Royalties:

The Company continued to expand its collaborations with new foundries and added new process nodes with existing partners. These efforts aim to increase IP sales volume and royalty income through the expansion of manufacturing partners and process offerings.

B. Business Plan for 2026

1. Management Policy

The Company will continue strengthening its R&D capabilities, expanding its product lines, and broadening application fields. By diversifying its IP portfolio and advancing new technologies, the Company aims to create greater value for its partners. It remains committed to fostering long-term collaborations with both customers and foundries, working closely to drive mutual growth. In addition, the Company will support its partners in improving yield rates and shipment quality, striving together to deliver world-class products.

2. Business Objectives

The Company currently holds a certain market share in the microprocessor and power management sectors and has made progress in developing the driver IC market. Going forward, it will continue expanding in these three application markets and further develop the advanced process market to sustain annual growth.

C. Future Company Development Strategy

- 1 、 Strengthen strategic collaborations with wafer foundries to establish a complete channel. Through joint efforts with strategic partners, continuously expand the Company's competitiveness.
- 2 、 Enhance R&D capabilities to improve write cycles, capacity specifications, and read/write speeds, reduce die size, and lower the voltage and current required for read/write operations. Maintain technological leadership to ensure the Company's long-

term and stable development.

- 3、Expand and diversify the OTP product portfolio to provide new types of IP to existing customers while also attracting new customer segments.

D. Impact of External Competitive Environment, Regulatory Environment, and General Business Conditions

- 1、Enhancing the Company's reputation and strengthening capabilities will significantly aid in risk reduction and development through long-term collaborations with major international partners, such as IC design houses and wafer foundries.
- 2、Leverage the capital markets to improve the equity ratio, and enhance financial management and risk control capabilities.
- 3、Invest in R&D personnel for process and product development to boost profitability.
- 4、Improve service and brand image, expand into international markets, and increase the flexibility of sales division to manage the risks of compressed profits when there are changes in the general economic environment.

Looking forward to 2026, the Company will continue to strengthen the advantages of new products, improve internal efficiencies, and explore new markets. The Company will adhere to principles of stability and practicality in management to further enhance business operations and profitability, striving to provide the best possible returns for shareholders through effective operational management.

II. Corporate Governance Report

1. Directors, Supervisors, President, Vice President, Assistant Managers and Heads of Departments and Branch Organizations

(1) Directors

1. Information of the directors

Mar. 28, 2026; Unit: shares

Title	Nationality / Country of Origin	Name	Sex Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position(s)	Other officers, directors or supervisors who are spouses or within two degrees of kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairperson	ROC	HUANG, WEN-CHIEH	Male 61-70	2025.05.13	3	2004.03.29	1,060,425	3.60	1,085,997	3.50	-	-	-	-	Bachelor's degree, Department of Physics, National Tsing Hua University Sales and Marketing Manager, Winbond Electronics Corporation Director of Sales and Marketing Department, Giantplus Technology Co., Ltd.	1. President, Yield Microelectronics Corporation 2. Director, Favepc Inc. 3. Director, Erised Semiconductor (Shenzhen) Co., Ltd.	-	-	-	Note 1
Director	ROC	CHEN, HUNG-WEN	Male 61-70	2025.05.13	3	2010.06.23	909,575	3.09	928,009	2.99	-	-	-	-	Master's degree, Graduate Institute of Electrical Engineering, National Tsing Hua University Engineer, Taiwan Semiconductor Manufacturing Company Limited Engineer, Syntek Semiconductor Co., Ltd.	1. Chairperson, GemTek Technology Co., Ltd. 2. Chairperson, BROWAN COMMUNICATIONS INCORPORATION 3. Chairperson, ANTEK NETWORKS INC. 4. Director, G-Technology Investment Co., Ltd 5. Director, Witek Investment Co.,Ltd 6. Director, Ampak International Holdings Ltd 7. Director, Primax Communication (B.V.I.)Inc. 8. Director, Free PP Worldwide Co.,Ltd 9. Chairperson, Apollomics Inc. 10. Representative of juristic person director, INTOWELL BIOMEDICAL TECHNOLOGY, INC.	-	-	-	-

Title	Nationality / Country of Origin	Name	Sex Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position(s)	Other officers, directors or supervisors who are spouses or within two degrees of kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	ROC	CHEN, YUNG-HUA	Male 61-70	2025.05.13	3	2010.06.23	1,775,685	6.03	2,004,503	6.46	-	-	-	-	Bachelor's degree, Department of Physics, National Tsing Hua University Master's degree, Graduate Institute of Business Management, Tatung University President, ECS Industrial Computer Co., Ltd.	1. Chairperson, Favite Inc. 2. Chairperson, Favetec Inc.	-	-	-	-
Director	ROC	WEL, YA-AN	Male 61-70	2025.05.13	3	2019.05.23	569,040	1.93	718,275	2.32	-	-	-	-	Bachelor's degree, Department of Civil Engineering, Nanya Institute of Technology Chairperson, the Association of Chairpersons of Enterprises in Northern Region Industrial Park of R.O.C.	1. Administrative Advisor, Executive Yuan 2. Advisor, Council for Economic Planning and Development, Executive Yuan 3. Vice Chairperson, The Manufactures United General Association of Industrial Park of R.O.C. 4. Chairman, Stone and Resource Industry Research and Development Center 5. Member, Regional Workforce Development Policy Consultation Committee 6. Member, Cross-Border Workforce Affairs Center, Workforce Development Agency, Ministry of Labor 7. Municipal Advisor, Keelung City Government	-	-	-	-
Director	ROC	CHENG, YUEH-SHU	Female 51-60	2025.05.13	3	2022.06.23	680,000	2.31	693,781	2.24	-	-	-	-	Graduated from National Open College of Commerce Senior Accountant, Microelectronics Technology Inc. Manager, Yield Microelectronics Corporation	None.	-	-	-	-
Independent Director	ROC	PAN, YEN-MIN	Male 51-60	2025.05.13	3	2018.05.30	-	-	-	-	-	-	-	-	Master's degree, Graduate Institute of Economics, Chinese Culture University Deputy Manager, Department of Investment, RITEK Corporation	1. Member, Compensation Committee, Yield Microelectronics Corporation 2. Member, Audit Committee, Yield Microelectronics Corporation 3. Vice President, RITEK Corporation 4. Representative of juristic person director, U-Tech	-	-	-	-

Title	Nationality / Country of Origin	Name	Sex Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position(s)	Other officers, directors or supervisors who are spouses or within two degrees of kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
															Media Corporation 5. Representative of juristic person director, O-View Technology Co., Ltd. 6. Supervisor, Finesil Technology Inc. 7. Representative of juristic person director, AimCore Technology Co., Ltd. 8. Representative of juristic person director, PlexBio Co., Ltd. 9. Representative of juristic person director, Formosa Sun Energy Corporation 10. Representative of juristic person director, Jhen Jhuan Co., Ltd. 11. Supervisor, Ricare Corporation 12. Supervisor, PVNEXT CORPORATION 13. Director, Ritek Foundation 14. Representative of Juristic Person Director, Lilai Photoelectric Technology (Yangzhou) Co., Ltd. 15. Representative of Juristic Person Director, Kunshan Hutek Corporation 16. Representative of Juristic Person Director, Kunshan Shulishi Co., Ltd.					
Independent Director	ROC	WU, CHING-YI	Male 61-70	2025.05.13	3	2018.08.03	-	-	-	-	-	-	-	-	Doctoral degree, Graduate Institute of Electrical Engineering, National Tsing Hua University Independent Director, Career Technology (MFG.) Co., Ltd. 1. Member, Compensation Committee, Yield Microelectronics Corporation 2. Member, Audit Committee, Yield Microelectronics Corporation 3. Independent Director, Career Technology (MFG.) Co., Ltd. 4. Member, Compensation Committee, Career Technology (MFG.) Co., Ltd. 5. Member, Audit Committee, Career Technology (MFG.) Co., Ltd. 6. Consultant, Novascope Diagnostics Inc.	-	-	-	-	

Title	Nationality / Country of Origin	Name	Sex Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position(s)	Other officers, directors or supervisors who are spouses or within two degrees of kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	ROC	LIN, YUEH-HSIA	Female 61-70	2025.05.13	3	2018.08.03	-	-	-	-	-	-	-	-	Bachelor's degree, Department of Accounting, Tunghai University CPA, Grant Thornton Taiwan	1. Member, Compensation Committee, Yield Microelectronics Corporation 2. Member, Audit Committee, Yield Microelectronics Corporation 3. Managing Partner and Certified Public Accountant, PKF International Limited	-	-	-	-
Independent Director	ROC	LI, CHAN-NAN	Male 61-70	2025.05.13	3	2023.10.23	5,000	0.02	5,101	0.02	-	-	-	-	Master's degree, Graduate Institute of Business Administration, National Chung Hsing University Clerk, Taiwan Stock Exchange (TWSE) Deputy Section Director, Taiwan Futures Exchange (TAIFEX)	1. Member, Audit Committee, Yield Microelectronics Corporation 2. Member, Compensation Committee, Yield Microelectronics Corporation 3. Vice President, Firich Enterprises Co., Ltd. 4. Representative of juristic person director, Aqualab Inc.	-	-	-	-

Note 1: The Chairperson of the Company's Board of Directors concurrently serves as the President of the Company in order to enhance operational efficiency and decision-making capability, and at the same time, to discuss and exchange views with each director (including the independent directors) on relevant major operating decisions at any time and to fully discuss the same at the Board of Directors' meetings in order to implement corporate governance. The Company has established an Audit Committee to enhance the functions of the Board of Directors and to strengthen the monitoring function, and more than half of the directors of the Company do not concurrently serve as employees or managers.

2. Professional qualifications and independence analysis of directors and supervisors:

Name	Criteria	Professional Qualification and Experience (Note 1)	Independence Status	Number of Other Public Companies Concurrently Serving as an Independent Director
Chairperson HUANG, WEN- CHIE	Possesses over five years of work experience relevant to the company's business. Has previously held positions at Winbond Electronics Corporation and Giantplus Technology Co., Ltd., and currently serves as the Chairman and President of the Company. Does not have any of the disqualifications specified under Article 30 of the Company Act.	<p>(1) Not a director, supervisor, or employee of another company where more than half of the directors or voting shares are controlled by the same person (except if they are independent directors appointed under the Company Act or relevant local laws in the parent, subsidiaries, or companies under the same parent company).</p> <p>(2) Not a professional in business, legal, financial, accounting, or similar services who has received compensation totaling over NT\$500,000 from the Company or associates within the past two years, nor a sole proprietor, partner, director, supervisor, or manager of such a professional entity, including their spouses, except members of the Compensation Committee, Public Takeover Review Committee, or M&A Special Committee who perform their duties according to the Securities and Exchange Act or Business Mergers and Acquisitions Act.</p> <p>(3) Does not have a spouse or relative within the second degree of kinship among other directors.</p> <p>(4) Not elected as a director under Article 27 of the Company Act by the government, a legal entity, or their representatives.</p>	None	
Director CHEN, HUNG- WEN	Possesses over five years of work experience necessary for the company's operations. Currently serves as the Chairman of Gemtek Technology Co., Ltd., and does not have any of the disqualifications specified under Article 30 of the Company Act.	<p>(1) Not an employee of the Company or its associates.</p> <p>(2) Not a manager listed under item (1).</p> <p>(3) Not a director, supervisor, or employee of another company where more than half of the directors or voting shares are controlled by the same person (except if they are independent directors appointed under the Company Act or relevant local laws in the parent, subsidiaries, or companies under the same parent company).</p> <p>(4) Not a director, supervisor, or employee of another company or institution where the chairman, president, or equivalent position of the Company is the same person or their spouse (except if serving as an independent director concurrently for the Company and its parent, subsidiaries, or companies under the same parent company as stipulated by the Company Act or relevant local laws).</p> <p>(5) Not a professional in business, legal, financial, accounting, or similar services who has received compensation totaling over NT\$500,000 from the Company or associates within the past two years, nor a sole proprietor, partner, director, supervisor, or manager of such a professional entity, including</p>	None	

		<p>their spouses, except members of the Compensation Committee, Public Takeover Review Committee, or M&A Special Committee who perform their duties according to the Securities and Exchange Act or Business Mergers and Acquisitions Act.</p> <p>(6) Does not have a spouse or relative within the second degree of kinship among other directors.</p> <p>(7) Not elected as a director under Article 27 of the Company Act by the government, a legal entity, or their representatives.</p>	
Director CHEN, YUNG-HUA	<p>Has over five years of work experience necessary for the company's operations. Currently serves as the Chairman of Favite Inc. and Favipc Inc., and does not have any of the disqualifications specified under Article 30 of the Company Act.</p>	<p>(1) Not an employee of the Company or its associates.</p> <p>(2) Not a manager listed under item (1).</p> <p>(3) Not a director, supervisor, or employee of another company where more than half of the directors or voting shares are controlled by the same person (except if they are independent directors appointed under the Company Act or relevant local laws in the parent, subsidiaries, or companies under the same parent company).</p> <p>(4) Not a director, supervisor, or employee of another company or institution where the chairman, president, or equivalent position of the Company is the same person or their spouse (except if serving as an independent director concurrently for the Company and its parent, subsidiaries, or companies under the same parent company as stipulated by the Company Act or relevant local laws).</p> <p>(5) Not a professional in business, legal, financial, accounting, or similar services who has received compensation totaling over NT\$500,000 from the Company or associates within the past two years, nor a sole proprietor, partner, director, supervisor, or manager of such a professional entity, including their spouses, except members of the Compensation Committee, Public Takeover Review Committee, or M&A Special Committee who perform their duties according to the Securities and Exchange Act or Business Mergers and Acquisitions Act.</p> <p>(6) Does not have a spouse or relative within the second degree of kinship among other directors.</p> <p>(7) Not elected as a director under Article 27 of the Company Act by the government, a legal entity, or their representatives.</p>	None
Director WEI, YA-AN	<p>Has over five years of work experience necessary for the company's operations. Currently serves as the Vice Chairman of The Manufactures United General Association of Industrial Park of R.O.C., Chairman of the Keelung City Dawulun Association of Industrial Park, and does not have any of the disqualifications specified under Article 30 of the Company Act.</p>	<p>(1) Not an employee of the Company or its associates.</p> <p>(2) Not a manager listed under item (1).</p> <p>(3) Not a director, supervisor, or employee of a corporate shareholder that directly holds over 5% of the total issued shares of the Company, is among the top five shareholders, or is appointed as a director or supervisor of the Company under paragraphs 1 or 2 of Article 27 of the Company Act (except if serving as an independent director concurrently for the Company and its parent, subsidiaries, or companies under the same parent company as stipulated by the Company Act or</p>	None

		<p>relevant local laws).</p> <p>(4) Not a director, supervisor, or employee of another company where more than half of the directors or voting shares are controlled by the same person (except if they are independent directors appointed under the Company Act or relevant local laws in the parent, subsidiaries, or companies under the same parent company).</p> <p>(5) Not a director, supervisor, or employee of another company or institution where the chairman, president, or equivalent position of the Company is the same person or their spouse (except if serving as an independent director concurrently for the Company and its parent, subsidiaries, or companies under the same parent company as stipulated by the Company Act or relevant local laws).</p> <p>(6) Not a director, supervisor, manager, or shareholder holding more than 5% of shares in any specific company or institution that has financial or business transactions with the Company (except if the specific company or institution holds over 20% but not more than 50% of the total issued shares of the Company and is serving as an independent director concurrently for the Company and its parent, subsidiaries, or companies under the same parent company as stipulated by the Company Act or relevant local laws).</p> <p>(7) Not a professional in business, legal, financial, accounting, or similar services who has received compensation totaling over NT\$500,000 from the Company or associates within the past two years, nor a sole proprietor, partner, director, supervisor, or manager of such a professional entity, including their spouses, except members of the Compensation Committee, Public Takeover Review Committee, or M&A Special Committee who perform their duties according to the Securities and Exchange Act or Business Mergers and Acquisitions Act.</p> <p>(8) Does not have a spouse or relative within the second degree of kinship among other directors.</p> <p>(9) Not elected as a director under Article 27 of the Company Act by the government, a legal entity, or their representatives.</p>	
<p>Director CHENG, YUEH-SHU</p>	<p>Has over five years of work experience necessary for the company's operations and has previously worked at Microelectronics Technology Inc. Does not have any of the disqualifications specified under Article 30 of the Company Act.</p>	<p>(1) Not an employee of the Company or its associates.</p> <p>(2) Not a manager listed under item (1).</p> <p>(3) Not a director, supervisor, or employee of a corporate shareholder that directly holds over 5% of the total issued shares of the Company, is among the top five shareholders, or is appointed as a director or supervisor of the Company under paragraphs 1 or 2 of Article 27 of the Company Act (except if serving as an independent director concurrently for the Company and its parent, subsidiaries, or companies under the same parent company as stipulated by the Company Act or relevant local laws).</p>	<p>None</p>

		<p>(4) Not a director, supervisor, or employee of another company where more than half of the directors or voting shares are controlled by the same person (except if they are independent directors appointed under the Company Act or relevant local laws in the parent, subsidiaries, or companies under the same parent company).</p> <p>(5) Not a director, supervisor, or employee of another company or institution where the chairman, president, or equivalent position of the Company is the same person or their spouse (except if serving as an independent director concurrently for the Company and its parent, subsidiaries, or companies under the same parent company as stipulated by the Company Act or relevant local laws).</p> <p>(6) Not a director, supervisor, manager, or shareholder holding more than 5% of shares in any specific company or institution that has financial or business transactions with the Company (except if the specific company or institution holds over 20% but not more than 50% of the total issued shares of the Company and is serving as an independent director concurrently for the Company and its parent, subsidiaries, or companies under the same parent company as stipulated by the Company Act or relevant local laws).</p> <p>(7) Not a professional in business, legal, financial, accounting, or similar services who has received compensation totaling over NT\$500,000 from the Company or associates within the past two years, nor a sole proprietor, partner, director, supervisor, or manager of such a professional entity, including their spouses, except members of the Compensation Committee, Public Takeover Review Committee, or M&A Special Committee who perform their duties according to the Securities and Exchange Act or Business Mergers and Acquisitions Act.</p> <p>(8) Does not have a spouse or relative within the second degree of kinship among other directors.</p> <p>(9) Not elected as a director under Article 27 of the Company Act by the government, a legal entity, or their representatives.</p>	
<p>Independent Director PAN, YEN-MIN</p>	<p>Has over five years of work experience necessary for the company's operations, holds a master's degree from the Graduate Institute of Economics at Chinese Culture University, and currently serves as the Vice President at RITEK Corporation. Does not have any of the disqualifications specified under Article 30 of the Company Act.</p>	<p>(1) Not an employee of the Company or its associates.</p> <p>(2) Not a director or supervisor of the Company or any of its associates.</p> <p>(3) Not a natural person shareholder who, either by oneself or one's spouse, underage children, or in another person's name, holds over 1% of the total issued shares of the Company or is among the top ten shareholders.</p> <p>(4) Not a manager listed under (1), or a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of</p>	<p>None</p>

Independent Director WU, CHING-YI	Has over five years of work experience necessary for the company's operations, holds a Doctoral degree from the Graduate Institute of Electrical Engineering at National Tsing Hua University, and currently serves as an Independent Director at Career Technology (MFG.) Co., Ltd. Does not have any of the disqualifications specified under Article 30 of the Company Act.	the persons listed in (2) or (3). (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds over 5% of the total issued shares of the Company, is among the top five shareholders, or is appointed as a director or supervisor of the Company under Article 27, paragraphs 1 or 2 of the Company Act. (6) Not a director, supervisor, or employee of any other company where more than half of the shares with voting rights are controlled by the same person who controls the Company. (7) Not a director, supervisor, or employee of another company or institution where the chairman, president, or equivalent position of the Company is the same person or their spouse.	1
Independent Director LIN, YUEH-HSIA	Has over five years of work experience necessary for the company's operations, has previously worked as an accountant at Grant Thornton Taiwan, and currently serves as Managing Partner and Certified Public Accountant at PKF Taiwan. Does not have any of the disqualifications specified under Article 30 of the Company Act.	(8) Not a director, supervisor, manager, or shareholder holding more than 5% of shares in any specific company or institution that has financial or business transactions with the Company. (9) Not a professional who has provided audit, legal, financial, or accounting services to the Company or its associates for compensation within the last two years, nor an owner, partner, director, supervisor, manager, or their spouse of a sole proprietorship, partnership, company, or institution that has provided such services.	None
Independent Director LI, CHAN-NAN	Has over five years of work experience necessary for the company's operations, holds a master's degree from the Graduate Institute of Business Administration at National Chung Hsing University, and currently serves as the Vice President at Firich Enterprises Co., Ltd. Does not have any of the disqualifications specified under Article 30 of the Company Act.	(10) Does not have a spouse or relative within the second degree of kinship among other directors. (11) Not elected as a director under Article 27 of the Company Act by the government, a legal entity, or their representatives.	None

Note 1: In accordance with the Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings and Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, our company has obtained independent director declarations confirming compliance with legal independence requirements.

3. Board Diversity and Independence:

(1) Board Diversity:

To promote sound corporate governance and enhance the structure and development of the Board, the Company has adopted a candidate nomination system for director appointments in accordance with the Articles of Incorporation. Candidates are evaluated based on their academic and professional qualifications, integrity, and relevant expertise. Upon approval by the Board of Directors, the list of nominees is submitted to the shareholders' meeting for election. In addition to ensuring that the number of directors concurrently serving as company managers does not exceed one-third of the total board seats, the Company also establishes appropriate diversity policies based on its operations and development needs. These include, but are not limited to:

- A. Basic Attributes and Values: Gender, age, nationality, and cultural background.
- B. Professional Knowledge and Skills: Business judgment, accounting and financial analysis, management experience, crisis response capabilities, industry expertise, international market perspective, leadership, and decision-making

ability.

The current Board is composed of 9 directors. The Company's specific diversity management goals and their achievement status are as follows:

Management Goals	Achievement Status
Independent directors to constitute more than one-third of the board.	Achieved
Directors who are also company managers should not exceed one-third of the board.	Achieved
At least one-third of the directors shall be of a different gender.	Not Achieved
Independent directors' terms not exceeding three terms.	Achieved
Adequate diversity of professional knowledge and skills.	Achieved

Explanation for not achieving the gender diversity goal and measures to improve:

- Reason: In accordance with the Articles of Incorporation, the Company has appointed 9 directors as of the shareholders' meeting on May 13, 2025. Two of them are female, which, although compliant with the relevant laws at that time, does not reach the one-third target due to industry characteristics and the difficulty of sourcing suitable talent in the short term.
- Measures: The Company will seek talent recommendations through various channels, including from industry and academia, to enhance corporate governance and implement its board diversity policy.

Implementation status of the diversification policy for Board members:

Diversity Core Name		Basic Composition					Professional Background				Professional Knowledge and Skills						
		Nationality	Gender	Employee of the Company	Age		Length of Service of Independent Directors	Accounting	Industry	Finance	Technology	Ability to make operational judgments	Ability to conduct management administration	Ability to lead and make policy decisions	Ability to conduct crisis management	Knowledge of the industry	International market perspective
				51-60	61-70												
Director	HUANG, WEN-CHIEH	ROC	M	V		V			V		V	V	V	V	V	V	
	CHEN, HUNG-WEN		M			V			V	V	V	V	V	V	V	V	
	CHEN, YUNG-HUA		M			V			V		V	V	V	V	V	V	V
	WEI, YA-AN		M			V			V		V	V	V	V	V	V	V
	CHENG, YUEH-SHU		F			V		V		V		V	V	V	V	V	V
Independent Director	PAN, YEN-MIN		M		V		6-9 years		V	V	V	V	V	V	V	V	
	WU, CHING-YI		M			V	6-9 years		V		V	V	V	V	V	V	
	LIN, YUEH-HSIA		F			V	6-9 years	V	V	V	V	V	V	V	V	V	
	LI, CHAN-NAN		M			V	3-6 years		V	V	V	V	V	V	V	V	

(2) Board Independence:

The current Board consists of 9 members, including 5 directors (one of whom is also an employee) and 4 independent directors, accounting for 55.56% and 44.44% of the board respectively. The number of independent directors exceeds one-third of the board. As of March 2026, all independent directors meet the requirements stipulated by the Securities and Futures Bureau of the Financial Supervisory Commission. There are no familial relationships between any of the directors and independent directors, in compliance with Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.

(2) Supervisors: Not applicable.

(3) President, Vice President, Associate Managers, Heads of Departments and Branches

Record Date: Mar. 28, 2026

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Stock Option Grants to Managers	Remark
					Shares	%	Shares	%	Shares	%			Title	Name	Relation		
President	ROC	HUANG, WEN-CHIEN	Male	2001.08.01	1,085,997	3.50	-	-	-	-	Bachelor's degree, Department of Physics, National Tsing Hua University Winbond Electronics Corporation Sales and Marketing Manager Head of Marketing Department, Giantplus Technology Co., Ltd.	1. Director, Favepc Inc. 2. Director, Erised Semiconductor (Shenzhen) Co., Ltd.	-	-	-	-	Note 1
Vice President	ROC	WU, QI-PEI	Male	2022.12.20	30,506	0.10	-	-	-	-	Master's in Electronic Engineering, National Tsing Hua University	-	-	-	-	-	
Associate Managers	ROC	CHEN, YING-TANG	Male	2019.09.11	228,164	0.74	-	-	-	-	Master's in Environmental Engineering, National Central University Layout Engineer, Danei Technology Co., Ltd. Deputy Manager of Engineering, HsinHsin Technology Co., Ltd.	-	-	-	-	-	
Associate Managers	ROC	JIANG, ZHENG-ZHANG	Male	2019.09.11	19,304	0.06	-	-	-	-	Bachelor's in Electronic Engineering, National United University Test Engineer, ProMOS Technologies Inc.	-	-	-	-	-	
Associate Managers	ROC	CHEN, ZHENG-YANG	Male	2019.09.11	34,608	0.11	-	-	-	-	Master's in Electronics, Minghsin University of Science and Technology Senior Process Integration Engineer, Episil Technologies Inc.	-	-	-	-	-	
Associate Managers	ROC	CHEN, HSIANG-CHI	Female	2022.12.20	22,364	0.07	-	-	-	-	Bachelor's in Spanish Literature, Providence University Business Development Manager, Ruby Tech Corporation	-	-	-	-	-	

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Stock Option Grants to Managers	Remark
					Shares	%	Shares	%	Shares	%			Title	Name	Relation		
Administrative Manager also acting as Finance and Accounting Supervisor, and Corporate Governance Officer	ROC	LAI, YING-CHUN	Female	2012.10.01	33,625	0.11	-	-	-	-	Bachelor's in Financial Management, Chung Hua University Senior Manager, Gemtek Technology Co., Ltd.	Independent Director, Member of the Compensation Committee, and Member of the Audit Committee, WELLYSUN INC.	-	-	-	-	-
Audit Supervisor	ROC	WANG, CHENG-YONG	Male	2021.11.15	3,040	0.01	-	-	-	-	Executive Master of Business Administration, National Cheng Kung University Senior Audit Manager, Elitegroup Computer Systems Co., Ltd. Manager of Administrative Department, National Aerospace Fasteners Corporation Deputy Audit Manager, Mitac Digital Technology Corp.	-	-	-	-	-	-
Information Security Supervisor	ROC	LAI, XIN-GE	Male	2023.08.02	2,000	0.01	1,472	0.00	-	-	Master's in Technology Management, College of Management, National Chiao Tung University Deputy Manager of Information Management Department, Giantplus Technology Co., Ltd.	-	-	-	-	-	-

Note 1: The Chairman of the Company also serves as the President to enhance operational efficiency and decision-making effectiveness. The Chairman actively discusses significant management decisions with all directors (including independent directors) and ensures thorough deliberation within the board to implement corporate governance. The Company has established an Audit Committee to enhance the functions of the Board and strengthen oversight, with more than half of the directors not holding concurrent positions as employees or managers.

2. Remuneration Paid to Directors, Supervisors, the President, and Vice Presidents in the Most Recent Year

(1) Compensation of Directors and Independent Directors (Disclosure of Names in Accordance with Compensation Tiers)

Dec. 31, 2025

Unit: NT\$ thousands

Title	Name	Compensation to Directors								Ratio of Total Compensation (A+B+C+D) to Net Income (%) (Note 10)		Relevant Compensation Received by Directors Who are Also Employees						Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%) (Note 10)		Compensation from ventures other than subsidiaries or from the parent company (Note 11)
		Compensation (A) (Note 2)		Severance Pay (B)		Directors Compensation (C) (Note 3)		Professional Practice (D) (Note 4)				Salary, Bonus, and Special Allowance (E) (Note 5)		Severance Pay (F)		Employee Compensation (G) (Note 6)				
		The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)	The Company		All companies in the financial statements (Note 7)	The Company	All companies in the financial statements (Note 7)

Compensation Scale

Range of Compensation	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company (Note 8)	Companies in the financial statements (H) (Note 9)	The Company (Note 8)	Companies in the financial statements (I) (Note 9)
Less than NT\$1,000,000	HUANG, WEN-CHIEN, CHEN, HUNG-WEN, CHEN, YUNG-HUA, WEI, YA-AN, CHENG, YUEH-SHU, PAN, YEN-MIN, WU, CHING-YI, LIN, YUEH-HSIA, LI, CHAN-NAN	HUANG, WEN-CHIEN, CHEN, HUNG-WEN, CHEN, YUNG-HUA, WEI, YA-AN, CHENG, YUEH-SHU, PAN, YEN-MIN, WU, CHING-YI, LIN, YUEH-HSIA, LI, CHAN-NAN	CHEN, HUNG-WEN, CHEN, YUNG-HUA, WEI, YA-AN, CHENG, YUEH-SHU, PAN, YEN-MIN, WU, CHING-YI, LIN, YUEH-HSIA, LI, CHAN-NAN	CHEN, HUNG-WEN, CHEN, YUNG-HUA, WEI, YA-AN, CHENG, YUEH-SHU, PAN, YEN-MIN, WU, CHING-YI, LIN, YUEH-HSIA, LI, CHAN-NAN
NT\$1,000,000~NT\$1,999,999	-	-	-	-
NT\$2,000,000~NT\$3,499,999	-	-	-	-
NT\$3,500,000~NT\$4,999,999	-	-	HUANG, WEN-CHIEN	HUANG, WEN-CHIEN
NT\$5,000,000~NT\$9,999,999	-	-	-	-
NT\$10,000,000~NT\$14,999,999	-	-	-	-
NT\$15,000,000~NT\$29,999,999	-	-	-	-
NT\$30,000,000~NT\$49,999,999	-	-	-	-
NT\$50,000,000~NT\$99,999,999	-	-	-	-
More than NT\$100,000,000	-	-	-	-
Total	9	9	9	9

■ The compensation distribution for directors and employees of the Company was approved by the Board of Directors on March 4, 2026.

Note 2: Refers to the most recent fiscal year's compensation for directors (including salaries, position allowances, severance payments, various bonuses, incentive payments, etc.).

Note 3: Indicates the amount of director compensation approved by the Board of Directors for distribution in the most recent fiscal year.

Note 4: Refers to the most recent fiscal year's business execution expenses for directors (including transportation and special expenses, various allowances, provision of housing, company cars, etc.). If housing, cars, and other transportation or personal expenditures are provided, the nature and cost of the assets provided, as well as the actual or fair market rental value, fuel costs, and other benefits should be disclosed. Additionally, if a driver is provided, note the compensation paid to the driver, which is not included in the total compensation.

Note 5: Refers to the most recent fiscal year's compensation received by directors who also serve as employees (including those serving as president, vice presidents, other managers, and employees), which includes salaries, position allowances, severance payments, various bonuses, incentive payments, transportation and

special expenses, various allowances, provision of housing, company cars, etc. If housing, cars, and other transportation or personal expenditures are provided, the nature and cost of the assets provided, as well as the actual or fair market rental value, fuel costs, and other benefits should be disclosed. Additionally, if a driver is provided, note the compensation paid to the driver, which is not included in the total compensation. Also, salary expenses recognized under IFRS 2 “Share-based Payment”, including acquisition of employee stock options, restricted stock units for employees, and participation in cash capital increases to purchase shares, should also be included in the compensation.

Note 6: Refers to the most recent fiscal year’s compensation received by directors who also serve as employees (including those serving as president, vice presidents, other managers, and employees), which includes both stock and cash. It should disclose the amount of employee compensation approved by the Board of Directors for distribution for the most recent fiscal year. If the amount cannot be estimated, it should be calculated based on the actual distribution amount of the previous year and proposed for this year, and should also be recorded in Table 1-3.

The Company’s employee compensation distribution was approved by the Board of Directors on February 25, 2025.

Note 7: The total amount of compensation paid to the Company’s directors by all companies (including the Company) in the consolidated report should be disclosed.

Note 8: The total amount of compensation paid to each director by the Company is disclosed under the relevant tier in which the director’s name is listed.

Note 9: The total amount of compensation paid to each director of the Company by all companies (including the Company) in the consolidated report should be disclosed under the relevant tier in which the director’s name is listed.

Note 10: Net profit after tax refers to the net profit after tax for the most recent fiscal year; for those adopting International Financial Reporting Standards, it refers to the net profit after tax in the parent company only or separate financial statements for the most recent fiscal year.

Note 11:

- a. This column should list the amount of compensation received by the Company’s directors from ventures other than subsidiaries or from the parent company (if none, then please fill in “none”).
- b. If the Company’s directors receive compensation from ventures other than subsidiaries or from the parent company, the compensation received should be included in the compensation tier table under Column I, and the column name should be changed to “Parent Company and All Ventures “.
- c. Compensation refers to the remuneration, compensation (including employee, director, and supervisor compensation), and business execution expenses received by the Company’s directors in their roles as directors, supervisors, or managers of ventures other than subsidiaries or the parent company.

* The concept of compensation disclosed in this table differs from the income concept under the Income Tax Act, hence this table is intended for disclosure of information and is not used for taxation purposes.

(2) Compensation to Supervisor: Not applicable.

(3) Compensation to Presidents and Vice Presidents (Disclosure of Names in Accordance with Compensation Tiers)

Dec. 31, 2025

Unit: NT\$ thousands

Title	Name	Salary (A) (Note 2)		Severance Pay (B)		Bonus and Special Allowance (C) (Note 3)		Employee Compensation (D) (Note 4)				Ratio of total compensation (A+B+C+D) to net income (%) (Note 8)		Compensation from ventures other than subsidiaries or from the parent company (Note 9)
		The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company	All companies in the financial statements (Note 5)	The Company		All companies in the financial statements (Note 5)		The Company	All companies in the financial statements (Note 5)	
								Cash	Stock	Cash	Stock			
President	HUANG, WEN- CHIEN	7,020	7,020	-	-	1,202	1,202	632	-	632	-	8,854 51.65%	8,854 51.65%	None
Vice President	WU, QI-PEI													

Compensation Scale

Range of Compensation	Names of Presidents and Vice Presidents	
	The Company (Note 6)	Companies in the financial statements (E) (Note 7)
Less than NT\$1,000,000	-	-
NT\$1,000,000~NT\$1,999,999	-	-
NT\$2,000,000~NT\$3,499,999	-	-
NT\$3,500,000~NT\$4,999,999	HUANG, WEN-CHIEN, WU, QI-PEI	HUANG, WEN-CHIEN, WU, QI-PEI
NT\$5,000,000~NT\$9,999,999	-	-
NT\$10,000,000~NT\$14,999,999	-	-
NT\$15,000,000~NT\$29,999,999	-	-
NT\$30,000,000~NT\$49,999,999	-	-
NT\$50,000,000~NT\$99,999,999	-	-
More than NT\$100,000,000	-	-
Total	2	2

■The Company’s employee compensation distribution was approved by the Board of Directors on March 4, 2026.

Note 1: The Company’s net profits after taxes over the past three years have been disclosed in aggregate within respective compensation tiers.

Note 2: Refers to the most recent fiscal year’s president and vice president salaries, position allowances, and severance pay.

Note 3: Refers to the recent fiscal year’s various bonuses, incentive payments, travel allowances, special allowances, various other allowances, provisions of housing, vehicles, and other compensation for the president and vice presidents. When providing housing, vehicles, or other personal expenditures, the nature and cost of the assets provided, the actual or fair market value rental, fuel costs, and other benefits should be disclosed. If a driver is provided, please note the compensation paid to the driver, but it is not included in the compensation. Also, salary expenses recognized under IFRS 2 “Share-based Payment”, including the acquisition of employee stock options, restricted stock units, and participation in cash capital increases, should be included in the compensation.

Note 4: Refers to the compensation amount for the president and vice presidents (including stock and cash) distributed as approved by the Board of Directors for the most recent fiscal year. If it cannot be estimated, it is calculated based on the actual distribution amount from the previous year and proposed for this year, also to be listed in Table 1-3. Net profit after tax refers to the net profit after tax of the most recent fiscal year; for adopters of International Financial Reporting Standards, it refers to the net profit after tax of the individual or separate financial statements.

Note 5: Should disclose the total amount of compensation paid to the Company’s president and vice presidents by all companies (including the Company) in the consolidated report.

Note 6: The Company discloses the total amount of compensation paid to each president and vice president under the corresponding tier where the names of the president and vice presidents are listed.

Note 7: Should disclose the total amount of compensation paid to each of the Company’s president and vice presidents by all companies (including the Company) in the consolidated report under the corresponding tier where their names are listed.

Note 8: Net profit after tax refers to the net profit after tax for the most recent fiscal year; for adopters of International Financial Reporting Standards, it refers to the net profit after tax of the parent company only or separate financial statements.

Note 9:

- a. This column should clearly list the amount of compensation received by the Company’s president and vice presidents from ventures other than subsidiaries or the parent company (if none, then please fill in “none”).
- b. If the Company’s president and vice presidents receive compensation from ventures other than subsidiaries or from the parent company, the compensation received should be included in the compensation tier table under Column E, and the column name should be changed to “Parent Company and All Ventures”.
- c. Compensation refers to the remuneration, compensation (including employee, director, and supervisor compensation), and business execution expenses received by the Company’s president and vice presidents in their roles as directors, supervisors, or managers of investment enterprises or the parent company outside of subsidiaries.

*The concept of compensation disclosed in this table differs from the income concept under the Income Tax Act, hence this table is intended for disclosure of information and is not used for taxation purposes.

(4) Name of the manager who distributes the employee's compensation and the distribution status:

Dec. 31, 2025

Unit: NT\$ thousands

	Title	Name	Stock	Cash	Total	Ratio of Total Amount to Net Income (%)
Manager	President	HUANG, WEN-CHIEH	-	1,551	1,551	9.05%
	Vice President	WU, QI-PEI				
	Associate Manager	CHEN, YING-TANG				
	Associate Manager	JIANG, ZHENG-ZHANG				
	Associate Manager	CHEN, ZHENG-YANG				
	Associate Manager	CHEN, HSIANG-CHI				
	Associate Manager	LAI, YING-CHUN				

■ The Company's Employee Compensation Distribution Proposal was approved by the Board meeting on March 4, 2026.

(5) Comparative analysis of the total remuneration paid to the Company's directors, supervisors, President, and Vice Presidents over the past two years, expressed as a percentage of net income after tax in the parent company only and consolidated financial statements, and explanation of the Company's remuneration policies, standards, composition, determination procedures, and the correlation between remuneration, business performance, and future risks:

1. Percentage of the total remuneration paid to the Company's directors, supervisors, President, and Vice Presidents over the past two years against the net income after tax:

	2025		2024	
	The Company	Parent Company Only Financial Statements	The Company	Parent Company Only Financial Statements
Directors' remuneration	21.76%	21.76%	14.57%	14.57%
Remuneration of President and Deputy President	51.65%	51.65%	35.66%	35.66%

Note: The Company established the Audit Committee in 2018, hence there is no remuneration for supervisors.

2. Policies, standards, and composition of remuneration, procedures for determining remuneration, and its correlation with business performance

(1) The Company's director remuneration policy is stipulated in the Articles of Incorporation and approved by the shareholders' meeting. Directors' compensation for fulfilling their duties is determined by the Board of Directors

based on the compensation levels of domestic and international peers. If there is a profit in the annual financial results, remuneration will be allocated in accordance with the Articles of Incorporation.

- (2) The remuneration of the Company's President and Vice Presidents includes salary, bonuses, and employee remuneration. The Company's policy on remuneration is based on academic and professional background, benchmarking against industry salary standards, and assessed according to job responsibilities, performance, contributions, and the Company's operating results for the year, to ensure reasonable compensation.
- (3) The Company has established a Compensation Committee. The performance evaluation and the reasonableness of the remuneration of directors and managerial officers are reviewed and assessed regularly by the Committee, and adjustments are made according to operating conditions and relevant regulations. The remuneration distribution for directors and managerial officers in 2025 was submitted to and resolved by the Board of Directors after review by the Compensation Committee.
- (4) The Company's remuneration policy for directors, President, and Vice Presidents takes into account operational performance, future industry fluctuations, and potential operational, transactional, and financial risks that the Company may face.

3. Implementation of Corporate Governance

(1) Operation of the Board of Directors

The Board meeting in 2025 were held 10 times (A) and the attendance of the directors was as follows.

Title	Name (Note 1)	Attendance in Person (B)	By Proxy	Attendance Rate (%) [B/A] (Note 2)	Remarks
Chairperson	HUANG, WEN-CHIEN	10	0	100%	Re-elected on May 13, 2025.
Director	CHEN, HUNG-WEN	8	1	80%	Re-elected on May 13, 2025.
Director	CHEN, YUNG-HUA	10	0	100%	Re-elected on May 13, 2025.
Director	WEI, YA-AN	10	0	100%	Re-elected on May 13, 2025.
Director	CHENG, YUEH-SHU	10	0	100%	Re-elected on May 13, 2025.
Independent Director	PAN, YEN-MIN	10	0	100%	Re-elected on May 13, 2025.
Independent Director	WU, CHING-YI	10	0	100%	Re-elected on May 13, 2025.
Independent Director	LIN, YUEH-HSIA	10	0	100%	Re-elected on May 13, 2025.
Independent Director	LI, CHAN-NAN	10	0	100%	Re-elected on May 13, 2025.

Other mentionable items:

- A. The operation of the Board of Directors' Meeting shall state the date and period of the Board of Directors' Meeting, the content of the motion, the opinions of all independent directors and the Company's handling of the opinions of the independent directors, if any of the following circumstances apply.
- (1) Matters listed in Article 14-3 of the Securities and Exchange Act: Not applicable, as the Company has established an Audit Committee and is exempt from the provisions of Article 14-3 of the Securities and Exchange Act. For details, please refer to the operation of the Audit Committee in the annual report.
 - (2) Other than the matters listed above, other matters resolved by the Board of Directors at meetings of the Board of Directors at which the independent directors objected to or reserved their opinions and for which records or written statements are available: None.
- B. Execution of directors' recusal from conflict of interest matters, including the name of the director, content of the matter, reasons for recusal, and participation in the vote:
1. The 13th Meeting of the 7th Board of Directors on February 25, 2025
 - (1) Proposal: Distribution of the 2024 Directors' and Employees' Remuneration of the Company.
Reason for Recusal: Chairperson HUANG, WEN-CHIEN also serves as the President of the Company.
Resolution: Except for Chairperson HUANG, WEN-CHIEN, who recused himself from discussion and voting in accordance with regulations, the proposal was approved without objection upon consultation by Acting Chairperson Director CHEN, YUNG-HUA with the remaining directors present.
 - (2) Proposal: Distribution of the 2024 Directors' and Managerial Officers' Remuneration of the Company.
Reason for Recusal: Chairperson HUANG, WEN-CHIEN also serves as the President of the Company.
Resolution: Except for Chairperson HUANG, WEN-CHIEN, who recused himself from discussion and voting in accordance with regulations, the proposal was approved without objection upon consultation by Acting Chairperson Director CHEN, YUNG-HUA with the remaining directors present.
 2. The 4th Meeting of the 8th Board of Directors on August 5, 2025
 - (1) Proposal: 2025 Salary Adjustment for the Company's Managerial Officers.
Reason for Recusal: Chairperson HUANG, WEN-CHIEN also serves as the President of the Company.
Resolution: Except for Chairperson HUANG, WEN-CHIEN, who recused himself from discussion and voting in accordance with regulations, the proposal was approved without objection upon consultation by Acting Chairperson Director CHEN, YUNG-HUA with the remaining

directors present.

3. The 8th Meeting of the 8th Board of Directors on December 1, 2025

(1) Subscription status of shares by managerial officers in the pre-IPO cash capital increase.

Reason for Recusal: Chairperson HUANG, WEN-CHIEN also serves as the President of the Company.

Resolution: Except for Chairperson HUANG, WEN-CHIEN, who recused himself from discussion and voting in accordance with regulations, the proposal was approved without objection upon consultation by Acting Chairperson Director CHEN, YUNG-HUA with the remaining directors present.

C. TWSE/TPEX Listed Companies shall disclose information regarding the Board of Directors' self (or peer) evaluation, including evaluation cycle and period, evaluation scope, method, and content. The Board performance evaluation was conducted as follows:

Evaluation Frequency	Evaluation Period	Scope of Evaluation	Evaluation Method	Content of Evaluation
Once per year	2025/1/1~2025/12/31	Board of Directors	Internal self-evaluation	The performance evaluation of the Board of Directors is divided into 5 main dimensions with a total of 45 items, including: Participation in company operations, enhancement of decision-making quality, composition and structure, director appointments and continuous learning, and internal controls.
		Audit Committee Compensation Committee	Internal self-evaluation	The performance evaluation of functional committees is divided into 5 main dimensions, varying from 19 to 22 items depending on the committee, including: Participation in company operations, awareness of responsibilities, enhancement of decision-making quality, composition and member appointments, and internal controls.
		Board members	Peer evaluation	Individual director performance evaluation is divided into 6 main dimensions with a total of 23 items, including Mastery of company goals and tasks, awareness of responsibilities, participation in company operations, management and communication of internal relationships, professionalism and continuous learning, and internal controls.

Evaluation Methods and Results Summary:

The evaluation is conducted by the Board's administrative unit at the Company. At the end of the year, internal questionnaires are used to evaluate the Board's operations, director participation, Audit Committee operations, and Compensation Committee operations. The evaluation includes directors assessing the Board's operations, directors evaluating their own participation, Audit Committee members assessing the committee's operations, and Compensation Committee members assessing the committee's operations.

The evaluation adopts a five-point rating scale: 5 points for excellent, 4 points for good, 3 points for average, 2 points for fair, and 1 point for poor. The scoring is quantified, calculated using a weighted proportion for each metric, and the average score serves as the benchmark for evaluation results. These performance evaluation outcomes are used as references for nominating or selecting directors and formulating individual compensation for directors and committee members.

After collecting all the questionnaires at the beginning of the year, the Company's Corporate Governance Officer analyzes the results according to the aforementioned methods and reports to the Board, proposing improvements based on directors' suggestions.

In January 2026, the Company completed performance evaluations for the Board of Directors, individual directors, the Audit Committee, and the Compensation Committee. The results and proposed improvements were submitted to the most recent Board meeting. The overall results for the year were rated as excellent.

1. Board of Directors

The Board self-evaluation questionnaire covered five main dimensions and 45 indicators.

The Board maintained good interaction with the management team, regularly reviewed management performance, and invited accountants to attend meetings to explain significant accounting and financial issues when necessary, facilitating sufficient communication.

Evaluation Result: Good.

2. Audit Committee

The self-evaluation questionnaire for functional committees covered five main dimensions and 22 indicators for the Audit Committee.

The members positively evaluated the efficiency and effectiveness of the committee's operations and fulfilled their fiduciary duties. Further improvement in operational effectiveness will continue.

Evaluation Result: Good.

3. Compensation Committee

The self-evaluation questionnaire for functional committees covered five main dimensions and 19 indicators for the Compensation Committee.

Members affirmed the communication between the management team and the committee. Benchmarking industry standards and considering individual performance, company operational results, and risk relevance, the committee assisted the Board in reviewing the policies, systems, standards, and structure of performance evaluation and remuneration of directors and managers.

Evaluation Result: Good.

4. Individual Directors

The self-evaluation questionnaire for directors covered six main dimensions and 23 indicators.

All directors possess the professional expertise required for financial institutions, actively participate in company operations, and demonstrate strong commitment to strategic development. Their performance was affirmed with positive evaluations.

Evaluation Result: Good.

D. Objectives for Strengthening Board Functions in the Current and Recent Years (e.g., establishing an Audit Committee, enhancing information transparency) and Evaluation of Implementation.

1. Enhancing Information Transparency: The Company operates transparently and prioritizes shareholder rights. Significant board resolutions are promptly announced on the public information website following board meetings.

2. The Company has established a Compensation Committee and an Audit Committee to enhance the supervisory functions of the Board and strengthen its management capabilities.

3. To implement corporate governance and enhance Board effectiveness, the Company engaged an independent external professional institution, "Taiwan Investor Relations Institute," in 2025 to conduct a performance evaluation of the Board of Directors. The evaluation results have been disclosed on the Company's corporate website.

Note 1: If a director or supervisor is a legal entity, the name of the corporate shareholder and its representative must be disclosed.

Note 2:

(1) If a director or supervisor resigns before the end of the fiscal year, the resignation date should be noted in the remarks column. The actual attendance rate (%) is calculated based on the number of board meetings held during their tenure and their actual attendance.

(2) If there is a re-election of directors or supervisors before the end of the fiscal year, both the outgoing and incoming directors or supervisors should be listed, with remarks indicating whether the individual is the outgoing, incoming, or re-elected director or supervisor, along with the re-election date. The actual attendance rate (%) is calculated based on the number of board meetings during their tenure and their actual attendance.

(2) Operations of Audit Committee:

Audit Committee Meeting Status

The Audit Committee held a total of 8 meetings (A) in 2025. The attendance of independent directors is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) [B/A] (Note)	Remarks
Independent Director	PAN, YEN-MIN	8	0	100.00%	Re-elected on May 13, 2025.
Independent Director	WU, CHING-YI	8	0	100.00%	Re-elected on May 13, 2025.
Independent Director	LIN, YUEH-HSIA	8	0	100.00%	Re-elected on May 13, 2025.
Independent Director	LI, CHAN-NAN	8	0	100.00%	Re-elected on May 13, 2025.

Annual Focus and Operation of the Audit Committee:

The Company's Audit Committee consists of four Independent Directors and is established to assist the Board of Directors in overseeing the quality and integrity of the Company's accounting, auditing, financial reporting processes, and financial controls. The main duties and responsibilities of the Audit Committee are as follows:

- (1) Establish or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
- (2) Evaluate the effectiveness of the internal control system.
- (3) Establish or amend procedures for major financial operations such as the acquisition or disposal of assets, derivative transactions, lending of funds to others, and endorsements or guarantees, as required under Article 36-1 of the Securities and Exchange Act.
- (4) Review matters involving directors' conflicts of interest.
- (5) Review major asset or derivative transactions.
- (6) Review major lending of funds, endorsements, or guarantees.
- (7) Review the offering, issuance, or private placement of equity-type securities.
- (8) Review the appointment, dismissal, or compensation of the attesting CPAs.
- (9) Review the appointment or dismissal of financial, accounting, or internal audit officers.
- (10) Review annual financial reports signed or sealed by the Chairperson, President, and accounting officer, as well as second quarter financial reports that require CPA attestation.
- (11) Review other major matters as stipulated by the Company or competent authorities.

● **Review of Financial Reports**

The Board of Directors prepared the 2025 business report, financial statements, and earnings distribution proposal, with the financial statements audited and certified by Deloitte & Touche. After review by the Audit Committee, no discrepancies were found in the business report and financial statements.

● **Assessment of CPA Independence**

To ensure the independence of the attesting CPAs, the Audit Committee, at its 7th meeting of the 4th term held on March 4, 2026, reviewed the "Declaration of Independence of CPA" and confirmed that Deloitte & Touche CPAs LIN, HSIN-TUNG and LIN, ZHENG-ZHI met the independence criteria.

To strengthen corporate governance, the Company established the Audit Committee in 2018. It consists of four independent directors, with Mr. PAN, YEN-MIN serving as the convener. The committee is responsible for reviewing the appropriateness of the financial statements, the appointment and independence of the auditors, the effective implementation of internal controls, compliance with relevant laws and regulations, and managing existing or potential risks.

Other mentionable items:

A. If the operations of the Audit Committee include any of the following situations, the date of the board meeting, the session, the content of the resolution, the decision of the Audit Committee, and how the Company addressed the Committee’s opinions should be stated:

- (1) Matters listed in Article 14-5 of the Securities and Exchange Act: Refer to note 3.
- (2) Other matters not approved by the Audit Committee but passed by a two-thirds majority of the directors: None.

B. The implementation of conflict of interest recusals by independent directors should detail the names of the independent directors, the content of the proposal, reasons for recusal, and their participation in voting: None.

C. Communication between independent directors and the internal audit chief and auditors (should include significant matters regarding the Company’s finances and business conditions, methods, and results of communication):

(1) Communication with the Audit Committee by the internal audit supervisor:

- 1. Regular: Reports on audit findings and improvements in irregular items, responds to questions raised by independent directors, and strengthens audit work as directed to ensure the effectiveness of internal controls.
- 2. Non-regular: Uses telephone, email, or face-to-face methods to communicate audit findings and how to continuously enhance audit value. If any significant violations are found, independent directors are immediately notified.
- 3. Key communications in 2025 are summarized in the table below:

Date	Contents of Communication	Communication Status
2025.02.25	1. Execution of audit plan for October–December 2024 2. 2024 “Statement on Internal Control System”	The independent directors of the Company maintained effective communication regarding the results of the Company’s self-assessment of internal controls, as well as the execution and effectiveness of audit operations for 2024.
2025.05.07	Execution of audit plan for January–March 2025	The independent directors of the Company maintained effective communication regarding the execution and effectiveness of audit operations.
2025.06.03	Proposal to issue the “Statement on Internal Control System” in connection with the OTC listing application	The independent directors of the Company maintained effective communication regarding the implementation and effectiveness of the internal control self-assessment.
2025.08.05	Execution of audit plan for April–June 2025	The independent directors of the Company maintained effective communication regarding the execution and effectiveness of audit operations.
2025.10.08	Proposal to issue the “Statement on Internal Control System” in connection with the OTC listing application	The independent directors of the Company maintained effective communication regarding the implementation and effectiveness of the internal control self-assessment.
2025.11.06	Execution of audit plan for July–September 2025	The independent directors of the Company maintained effective communication regarding the execution and effectiveness of audit operations.
2025.12.01	Audit plan for 2026	The independent directors of the Company maintained effective communication regarding the review of the 2026 audit plan.

(2) Communication between the Auditors and the Audit Committee:

- 1. Regular: The auditors communicate with the Audit Committee about the audit (or review) plan, execution, and results before and after reviewing quarterly reports and auditing annual reports.
- 2. Non-regular: If there are other operational or internal control-related cases that require

immediate communication and discussion, meetings are arranged as needed.

3. Key communications for the year 2025 are summarized in the table below:

Date	Contents of Communication	Communication Status
2025.02.25	1. Audit of the 2024 financial statements 2. Review of audit fees for 2025 and evaluation of the independence and qualifications of the signing auditors	The independent directors of the Company maintained effective communication regarding the audit of financial statements and the evaluation of the independence and qualifications of the signing auditors.
2025.05.07	Review of the financial statements for Q1 2025	Independent directors of the Company had good communication regarding the audit of financial statements.
2025.08.05	Review of the financial statements for Q2 2025	Independent directors of the Company had good communication regarding the audit of financial statements.
2025.11.06	Review of the financial statements for Q3 2025	Independent directors of the Company had good communication regarding the audit of financial statements.

Note 3: Matters referred to in Article 14-5 of the Securities and Exchange Act:

Audit Committee Term/Date	Motion Content	Independent Directors' Objections, Reservations or Major Suggestions	Audit Committee Resolution Result	The Company's handling of the Audit Committee's opinion
2025.02.25 3rd Session, 12th Meeting	<ol style="list-style-type: none"> (1) Approved the review of the execution of the internal audit plan for Q4 2024. (2) Approved the Company's 2024 Business Report and Financial Statements. (3) Approved the Company's 2024 earnings distribution proposal. (4) Approved the review of audit fees for 2025 and the evaluation of the independence and qualifications of the signing auditors. (5) Approved the assessment of the effectiveness of the Company's internal control system for 2024 and the issuance of the Statement on Internal Control System. (6) Approved the issuance of new shares through capitalization of capital surplus. (7) Approved the Company's plan to apply for listing on the Main Board / OTC market. (8) Approved the proposed cash capital increase for the issuance of new shares prior to listing on the Main Board / OTC market, including public underwriting and the waiver by existing shareholders of their preemptive subscription 	None	All attending committee members agreed unanimously upon inquiry by the chairman.	Submitted to the 13th meeting of the 7th Board of Directors for resolution and handled in accordance with the board's decision.

	rights. (9) Approved the establishment of the Company's policy defining the scope of base-level employees in accordance with Article 14-6 of the Securities and Exchange Act.			
2025.05.07 3rd Session, 13th Meeting	(1) Approved the review of the execution of the internal audit plan for Q1 2025. (2) Approved the financial report for Q1 2025. (3) Approved the adoption of the Company's "Procedures for Treasury Stock Repurchase." (4) Approved amendments to the Company's "Labor and Wage Cycle– Attendance, Leave, and Annual Performance Evaluation Procedures." (5) Approved amendments to the Company's "Employee Handbook." (6) Approved amendments to the Company's "Regulations Governing Employee Performance Evaluation." (7) Approved amendments to the Company's "Implementation Rules for Internal Audit." (8) Approved the Company's share repurchase plan.	None	All attending committee members agreed unanimously upon inquiry by the chairman.	Submitted to the 14th meeting of the 7th Board of Directors for resolution and handled in accordance with the board's decision.
2025.06.03 4th Session, 1st Meeting	(1) Approved the issuance of the "Statement on Internal Control System" in connection with the OTC listing application. (2) Approved the preparation of financial forecast information for the review period in connection with the OTC listing application.	None	All attending committee members agreed unanimously upon inquiry by the chairman.	Submitted to the 3rd meeting of the 8th Board of Directors for resolution and handled in accordance with the board's decision.
2025.08.05 4th Session, 2nd Meeting	(1) Approved the review of the execution of the internal audit plan for Q2 2025. (2) Approved the financial report for Q2 2025. (3) Approved the completion of the Company's 2024 Sustainability Report. (4) Approved the review of audit fees for 2025.	None	All attending committee members agreed unanimously upon inquiry by the chairman.	Submitted to the 4th meeting of the 8th Board of Directors for resolution and handled in accordance with the board's decision.
2025.08.21 4th Session, 3rd Meeting	(1) Approved the proposed acquisition of real estate. (2) Approved the application for credit facilities.	None	All attending committee members agreed unanimously upon inquiry by the chairman.	Submitted to the 5th meeting of the 8th Board of Directors for resolution and handled in accordance with the board's

				decision.
2025.10.08 4th Session, 4th Meeting	(1) Approved the issuance of the “Statement on Internal Control System” in connection with the OTC listing application. (2) Approved the preparation of financial forecast information for the review period in connection with the OTC listing application.	None	All attending committee members agreed unanimously upon inquiry by the chairman.	Submitted to the 6th meeting of the 8th Board of Directors for resolution and handled in accordance with the board’s decision.
2025.11.06 4th Session, 5th Meeting	(1) Approved the review of the execution of the internal audit plan for Q3 2025. (2) Approved the financial report for Q3 2025. (3) Approved partial amendments to the Company’s “Sustainable Development Best Practice Principles.”	None	All attending committee members agreed unanimously upon inquiry by the chairman.	Submitted to the 7th meeting of the 8th Board of Directors for resolution and handled in accordance with the board’s decision.
2025.12.01 4th Session, 6th Meeting	(1) Approved the Company’s budget for 2026. (2) Approved the Company’s audit plan for 2026. (3) Approved amendments to the “Procedures for Application for Suspension and Resumption of Trading.” (4) Approved the proposed cash capital increase for the issuance of new shares for public underwriting prior to the initial OTC listing application.	None	All attending committee members agreed unanimously upon inquiry by the chairman.	Submitted to the 8th meeting of the 8th Board of Directors for resolution and handled in accordance with the board’s decision.

Note 1: If a director or supervisor resigns before the end of the fiscal year, the resignation date should be noted in the remarks column. The actual attendance rate (%) is calculated based on the number of Board meetings held during their tenure and the number of meetings they actually attended.

Note 2: If there is a change in directors or supervisors before the end of the fiscal year, both the outgoing and incoming directors or supervisors should be listed, and the remarks column should specify whether they are outgoing, incoming, or re-elected, along with the election date. The actual attendance rate (%) is calculated based on the number of Board meetings held during their tenure and the number of meetings they actually attended.

(3) Corporate Governance Implementation Status and Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons:

Evaluation Item	Implementation Status (Note)			Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Y	N	Abstract Explanation	
1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”?	V		Formulated in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and publicly disclosed on the Company’s corporate website and the Market Observation Post System (MOPS) following approval by the Board of Directors.	None.
2. Shareholding structure & shareholders’ rights (1) Does the Company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure? (2) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares? (3) Does the Company establish and execute the risk management and firewall system within its conglomerate structure? (4) Does the Company establish internal rules against insiders trading with undisclosed information?	V V V V		(1) To protect shareholder interests, the Company has appointed spokespersons and deputy spokespersons to represent the Company in public communications, assisting with shareholder suggestions or disputes. (2) The major shareholders of the Company are predominantly its directors and management team, who report shareholding changes monthly as required by law. (3) The Company has established and implemented “Transaction Procedures with Specific Companies, Corporate Groups, and Related Parties” and “Subsidiary Supervision and Management Systems.” (4) The Company has established a “Operational Procedures for Insider Trading Management,” which regulates insiders from exploiting undisclosed information for profit.	None.
3. Composition and responsibilities of the Board of Directors (1) Does the Board develop and implement a diversified policy and specific objectives of management for the composition of its members? (2) Does the Company voluntarily establish other functional committees in addition to the Compensation Committee and the Audit Committee? (3) Does the Company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the compensation of individual directors and nominations for reelection? (4) Does the Company regularly evaluate the independence of CPAs?	V V V V		(1) To enhance corporate governance and improve the effectiveness of the board’s operations, the Company has appointed four independent directors. Each member of the Board of Directors possesses professional backgrounds in industries such as manufacturing and accounting. For details, please refer to the “Board Diversity” section of this Annual Report. (2) The Company currently has a Compensation Committee and an Audit Committee as required by law and will establish additional functional committees as needed based on legal requirements. (3) The Company has established relevant procedures for regular performance evaluations, the results of which are reported to the directors and used as a reference for individual director compensation and nominations for reappointment. (4) The Company evaluates the independence of the certifying CPAs on a regular basis each year through the Audit Committee and the Board of Directors, approves the appointment of the CPAs, and obtains a declaration of independence from the accounting firm.	None.

Evaluation Item	Implementation Status (Note)			Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Abstract Explanation	
4. Does the Company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders’ meetings, and producing minutes of board meetings and shareholders’ meetings)?	V		The Company has appointed the Assistant Manager of the Administrative Management Department, as designated by the Board, to be the highest executive in charge of corporate governance. This role promotes corporate governance and effectively enhances the board’s functions. The scope of responsibilities and key focus areas for the year are as follows: 1. Legally managing the affairs of the board and shareholder meetings. 2. Preparing minutes for board and shareholder meetings. 3. Assisting directors with ongoing education. 4. Providing directors with the necessary information for executing their duties. 5. Assisting directors in complying with legal requirements.	None.
5. Does the Company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		The Company has designated spokespersons and acting spokespersons to handle relevant matters. On the Company’s corporate website, an “Stakeholders” section has been set up under the Investor Relations page to disclose management objectives, identification, key concerns, communication status, and contact information for stakeholders (including investors, customers, employees, suppliers, and government agencies), enabling the Company to better understand and respond to the concerns of stakeholders.	None.
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company has commissioned the Stock Affairs Agency Department of Yuanta Securities Co., Ltd. to handle matters related to shareholder meetings and stock affairs.	None.
7. Information disclosure (1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance? (2) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)? (3) Does the Company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?	V V		(1) The Company has established a website and continuously works to enhance its content. Additionally, information related to the Company’s financial operations and corporate governance is disclosed on the Public Information Observation Station as per regulations. (2) The Company has designated personnel responsible for regularly and irregularly reporting various financial operation information on the Market Observation Post System, following the regulations for information disclosure. A spokesperson system has been established and implemented as required. (3) The Company announces and reports its annual financial statements, quarterly financial statements (Q1, Q2, and Q3), and monthly operating results within the prescribed deadlines in accordance with applicable regulations.	None.

Evaluation Item	Implementation Status (Note)			Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Y	N	Abstract Explanation	
8. Is there any other important information to facilitate a better understanding of the company’s corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	V		<p>Other important information that facilitates a better understanding of the Company’s corporate governance practices is as follows:</p> <p>1. Employee Rights: In addition to establishing an Employee Welfare Committee and implementing a labor pension system, the Company provides group insurance and annual health examinations for employees, and encourages active participation in education and training programs. In accordance with the Labor Standards Act and the Gender Equality in Employment Act, the Company has established and complies with various management regulations to safeguard employee rights.</p> <p>2. Employee Care: The Company’s management policies prioritize employee interests, with a focus on employee well-being and welfare, and provide reasonable compensation packages.</p> <p>3. Investor Relations: The Company has designated a spokesperson and an acting spokesperson responsible for external communications, maintaining good relationships with investors.</p> <p>4. Supplier Relations: The Company maintains sound supply chain relationships with suppliers to optimize overall production costs.</p> <p>5. Rights of Stakeholders: The Company maintains effective communication channels with stakeholders and respects and protects their legitimate rights and interests.</p> <p>6. Directors’ Continuing Education: The Company encourages directors to participate in continuing education programs. In 2025, 100% of directors met the continuing education requirements. Details are provided in Note 1.</p> <p>7. Implementation of Risk Management Policies and Risk Evaluation Measures: The Company has established internal regulations and internal control systems in accordance with applicable laws to conduct risk management and evaluation. The internal audit unit performs periodic and ad hoc audits to assess the effectiveness of internal controls. The Company has obtained ISO 9001 certification and understands both internal and external operating environments, as well as stakeholder needs and expectations. Through this framework, the Company regularly evaluates risks and opportunities related to quality management, formulates risk management measures, and develops corresponding responses to systematically manage product quality.</p> <p>8. Implementation of Customer Policies: The Company provides services to customers in accordance with its internal management policies, maintains close cooperation with customers to build mutually beneficial relationships, and is committed to delivering advanced technologies, optimal cost-performance solutions, and tailored solutions to meet specific customer needs.</p> <p>9. Directors’ and Supervisors’ Liability Insurance: The Company has procured liability insurance for its directors and managerial officers through Cathay Century Insurance Co., Ltd. The coverage period for the current policy is from June 1, 2025 to June 1, 2026, with an insured amount of USD 3 million (covering directors, supervisors, and key officers). The exchange rate is based on NT\$29.905 per USD as of May 29, 2025 (adjusted due to the June 1 holiday).</p>	None.
9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures (not applicable for companies not evaluated): The Company participated in the 12th Corporate Governance Evaluation (2025) for the first time. As of the date of publication of this annual report, the evaluation results have not yet been announced.				

Note: Whether “Yes” or “No” is checked for Implementation Status, an explanation must be provided.

Note 1: Continuing Education/Training of Directors and Independent Directors in 2025

Title	Name	Date	Host by	Course	Hrs
Chairperson	HUANG, WEN-CHIEN	2025/07/09	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit Forum	6
Director	CHEN, HUNG-WEN	2025/07/31	Taiwan Stock Exchange Corporation	2025 Taiwan Capital Market Development Summit	3
		2025/12/10	Taiwan Corporate Governance Association	Corporate Control Contests and Directors' Duties	3
		2025/12/16		Trade Secret Protection and Non-Compete Restrictions	3
Director	CHEN, YUNG-HUA	2025/07/09	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit Forum	6
Director	WEI, YA-AN	2025/07/09	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit Forum	6
Director	CHENG, YUEH-SHU	2025/07/09	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit Forum	6
Independent Director	PAN, YEN-MIN	2025/09/09	Securities and Futures Institute	AI Development and Cybersecurity Risks	3
				Trump 2.0 and the Reshaping of the Global Economic Order – Impacts and Response Strategies	3
Independent Director	WU, CHING-YI	2025/07/29	Securities and Futures Institute	Ethical Management, Employee Fraud, and Whistleblowing Systems (Including Gender Equality)	2
				Analysis of Fraud Schemes and Case Studies on Anti-Money Laundering Regulations (Including Insider Trading Awareness)	2
				AI Development and Cybersecurity Risks	2
Independent Director	LIN, YUEH-HSIA	2025/04/01	CPA Associations of the R.O.C.	Carbon Credit Trading and Assurance Processes	3
		2025/07/04		Comparative Analysis of Enterprise Accounting Standards and IFRSs Approved by the Financial Supervisory Commission	3
Independent Director	LI, CHAN-NAN	2025/07/09	Taiwan Stock Exchange Corporation	2025 Cathay Sustainable Finance and Climate Change Summit Forum	6

(4) If the Company has established a Compensation Committee, the composition, responsibilities, and operational status should be disclosed:

1) Committee Member Information

Position	Criteria	Professional Qualifications and Experiences	Independence	Number of members of other public companies' Compensation Committees
	Name			
Independent Director (Convenor)	PAN, YEN-MIN	Refer to page 8, section 2, for disclosure of information regarding the professional qualifications of directors and the independence of independent directors.	(1) Not an employee of the Company or its associates. (2) Not a director or supervisor of the Company or any of its associates. (3) Not a natural person shareholder who, either by oneself or one's spouse, underage children, or in another person's name, holds over 1% of the total issued shares of the Company or is among the top ten shareholders. (4) Not a manager listed under (1), or a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of the persons listed in (2) or (3).	0
Independent Director	WU, CHING-YI		(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds over 5% of the total issued shares of the Company, is among the top five shareholders, or is appointed as a director or supervisor of the Company under Article 27, paragraphs 1 or 2 of the Company Act.	1
Independent Director	LIN, YUEH-HSIA		(6) Not a director, supervisor, or employee of any other company where more than half of the shares with voting rights are controlled by the same person who controls the Company. (7) Not a director, supervisor, or employee of another company or institution where the chairman, president, or equivalent position of the Company is the same person or their spouse.	0
Independent Director	LI, CHAN-NAN		(8) Not a director, supervisor, manager, or shareholder holding more than 5% of shares in any specific company or institution that has financial or business transactions with the Company. (9) Not a professional who has provided audit, legal, financial, or accounting services to the Company or its associates for compensation within the last two years, nor an owner, partner, director, supervisor, manager, or their spouse of a sole proprietorship, partnership, company, or institution that has provided such services. (10) Does not have a spouse or relative within the second degree of kinship among other directors. (11) Not elected as a director under Article 27 of the Company Act by the government, a legal entity, or their representatives.	0

2) Information on the operation of the Compensation Committee

1. There are three 4 members of the Compensation Committee of the Company.
2. The term of office of the current members: from May 13, 2025 to May 12, 2028, the 2025 Compensation Committee met 3 times (A) with the following members present:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance (B/A)	Remark
Convener	PAN, YEN-MIN	3	0	100.00%	Re-elected on May 13, 2025
Member	WU, CHING-YI	3	0	100.00%	Re-elected on May 13, 2025
Member	LIN, YUEH-HSIA	3	0	100.00%	Re-elected on May 13, 2025
Member	LI, CHAN-NAN	3	0	100.00%	Re-elected on May 13, 2025

Other mentionable items:

1. If the Board does not adopt or resolve to amend the recommendation of the Compensation Committee, it shall state the date of the Board meeting, the session of the meeting, the content of the motion, the Board resolution and the Company's handling of the recommendation of the Committee (if the compensation approved by the Board is higher than the recommendation of the Committee, it shall state the difference and the reasons for the difference): None.
2. If the members of the Compensation Committee have any objections or reservations to a resolution, and such objections or reservations are recorded or stated in writing, the date and date of the resolution, the content of the resolution, the opinions of all members of the Compensation Committee and the treatment of the opinions of the members of the Compensation Committee shall be stated: None.

Note: The scope of authority of the Company's Compensation Committee is as follows:

1. Establish and regularly review the policies, systems, standards, and structures for the performance evaluation and compensation of directors and managers.
2. Regularly assess and determine the compensation for directors and managers.

(5) Information on the members and operational status of the Nomination Committee: Not applicable.

(6) Implementation of Sustainable Development and Deviations from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons:

Promotional Items	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Y	N	Abstract Explanation	
1. Does the Company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?	V		The Company has established a part-time Sustainable Development Promotion Group, with the President serving as the convener. The Company has adopted the Sustainable Development Best Practice Principles and Ethical Corporate Management Best Practice Principles as guidelines for all employees, directors, and managerial officers, and reports regularly to the Board of Directors on the implementation plans and progress.	None.
2. Does the Company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	V		Upholding the core values of integrity, quality, service, and innovation and the principle of materiality, the Company is committed to sustainable development while pursuing long-term business success and profitability. We respect the rights and interests of stakeholders and emphasize environmental, social, and governance (ESG) issues. The Company has also formulated a corporate risk management policy and procedures, incorporating them into business strategies and daily operations to achieve the goal of sustainable operations.	None.
3. Environmental issues (1) Does the Company establish proper environmental management systems based on the characteristic of its industry? (2) Does the Company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment? (3) Does the Company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues? (4) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?	V V V V		(1) The Company’s primary business is the licensing of non-volatile memory intellectual property and does not involve manufacturing processes; therefore, it has no significant environmental impact. (2) The Company is committed to resource recycling and reuse, such as setting up dedicated areas for recycling photocopy paper and encouraging employees to use emails to reduce paper use and environmental impact. (3) The Company assesses the potential risks and opportunities of climate change on its operations and has adopted corresponding measures to address climate-related issues. Details are available on the Company’s website. (4) As the Company’s primary business is the licensing of non-volatile memory intellectual property, it has compiled statistics on greenhouse gas emissions, water usage, and total waste volume for the past one to two years. Details are disclosed on the Company’s website and in its Sustainability Report.	None.

Promotional Items	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Y	N	Abstract Explanation	
<p>4. Social issues</p> <p>(1) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p> <p>(2) Does the Company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?</p> <p>(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?</p> <p>(4) Does the Company provide its employees with career development and training sessions?</p> <p>(5) Do the Company’s products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?</p> <p>(6) Does the Company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.</p>	V		<p>(1) The Company adheres to all labor laws and is committed to improving employee welfare. Under humane and rational management, employee feedback is thoroughly considered and acted upon.</p> <p>(2) The Company has established work rules and related personnel management regulations covering basic wages, working hours, vacations, pension payments, labor and health insurance benefits, and occupational accident compensation, all in accordance with the Labor Standards Act. It has a welfare committee formed through employee elections to handle various welfare matters. The Company’s compensation policy is positively correlated with individual capabilities, contributions to the Company, performance, and operational outcomes.</p> <p>(3) The Company provides a safe and healthy working environment for employees, ensures health and safety at work, has appointed occupational safety and health personnel, and has established relevant work codes to prevent occupational accidents. It regularly conducts health checks for all employees and complies with labor insurance, national health insurance, and group insurance laws to protect employees’ rights and support their holistic development. As of the date of publication of this annual report, the Company has not experienced any occupational accidents or fire incidents.</p> <p>(4) The Company prioritizes long-term talent development and plans various internal and external training programs based on organizational needs, departmental needs, and individual employee needs to enhance and update employees’ skills and knowledge.</p> <p>(5) As the Company’s primary business is the licensing of non-volatile memory intellectual property, product labeling is not applicable. The Company has obtained ISO 9001 quality management certification and complies with government regulations and relevant industry standards to ensure the quality of its products and services. The Company also maintains effective communication channels with customers and provides transparent and efficient complaint handling procedures for products and services. It respects customer privacy according to confidentiality agreements and personal data protection laws and has customer service units and stakeholder areas to protect consumer rights and provide complaint channels.</p> <p>(6) To fulfill its commitment to sustainable operations and achieve sustainable development goals, the Company has established a supplier management policy to</p>	None.

Promotional Items	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Y	N	Abstract Explanation	
			monitor suppliers’ implementation of sustainability practices. The Company continues to encourage suppliers to uphold business ethics, safeguard labor rights, and emphasize workplace safety and health.	
5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?	V		The Company prepares its Sustainability Report in accordance with the GRI Sustainability Reporting Standards and discloses it on the Market Observation Post System (MOPS) and the Company’s website upon approval by the Board of Directors. This report has not yet obtained assurance or verification opinions from a third-party assurance provider.	None.
6. Describe the difference, if any, between actual practice and the sustainable development principles, if the Company has implemented such principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies: The Company has established the “Sustainable Development Best Practice Principles,” which are generally implemented in accordance with the “Sustainable Development Best Practice Principles for Listed Companies.” The relevant regulations are revised as necessary. The Company has established a Sustainable Development Promotion Group, and its actual operations are not materially different from the prescribed guidelines.				
7. Other significant information for explaining the implementation status of sustainable development practices: <ol style="list-style-type: none"> 1. The Company holds regular investor conferences to timely disclose relevant issues and maintain effective communication with investors. 2. Continuous improvement of product energy efficiency to reduce power consumption. 3. In response to environmental protection, the Company encourages employees to use electronic files in place of paper and reuse the blank sides of discarded documents. 4. The Company ensures that all employees, regardless of their race, gender, or age, have equal employment rights and opportunities for personal expression and development. 				

(VII) Climate-Related Information for TWSE/TPEX Listed Companies:

1. Status of Climate-Related Information Implementation

Item	Implementation Status			
1. Description of the Board of Directors and management's oversight and governance regarding climate-related risks and opportunities.	The Company has established the Sustainable Development Best Practice Principles, with a dedicated Sustainable Development Task Force led by the President as convener. The task force is responsible for setting sustainable development policies, systems, or relevant management guidelines and concrete implementation plans. It identifies the risks and opportunities associated with sustainable development to determine responsive strategies and related investments, and regularly reviews the goals and performance, reporting the implementation status to the Board of Directors.			
2. Description of how identified climate-related risks and opportunities impact the Company's business, strategy, and financial planning (short-, medium-, and long-term).	Climate Risks	Potential Impact/ Timeline	Opportunities and Mitigation Measures	Impacts on Business, Strategy, and Finance
	Water shortages	Short-term: Unexpected water outages or restrictions may reduce operational efficiency	Promote water conservation.	The Company's water usage is limited to domestic use, thus the impact is minor.
	Power outages	Short-term: Sudden power failures could disrupt operations, damage equipment, or cause hazardous situations, resulting in company losses.	Regularly maintain and replace aging electrical equipment, such as UPS systems, to allow for quicker response during incidents.	Regular equipment maintenance and the adoption of energy-saving devices minimize the risk of power disruptions.
	Climate change	Mid-/long-term: Market structures and consumer behavior may shift.	Reassess technology investments and market positioning, including continuous development of low-power, energy-saving IP and allocating additional capital for risk management evaluations.	Additional expenditures may be needed due to climate-induced cost increases and other negative effects.
3. Description of the financial impact of extreme weather events and transition actions.	Transition Actions: The Company annually insures its buildings and equipment against fire to transfer property damage risk. It conducts regular disaster drills and awareness campaigns to ensure staff are prepared for emergencies. In line with its sustainability roadmap, the Company has completed GHG inventories			

	<p>and baseline verification and aims to achieve net zero through equipment upgrades and operational efficiency improvements.</p> <p>Financial Impact: Disaster preparedness activities can effectively reduce financial losses caused by unexpected events. Insurance helps transfer property damage risks, thus minimizing financial impact. However, extreme climate events could damage property (e.g., offices, equipment), and the need for third-party consulting and external verification for GHG reporting may increase operational costs.</p>
4. Description of how the processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management framework.	The Company has established a Corporate Risk Management Policy and Procedures to fulfill its corporate governance responsibilities and maintain sustainable operations. It identifies potential internal and external economic, social, and environmental risks, monitors emerging risks, and implements preventive measures to strengthen risk management, enhance systematic responsiveness, protect shareholder interests, and build a solid foundation for corporate sustainability and competitiveness.
5. If scenario analysis is used to assess climate change resilience, please describe the scenarios, parameters, assumptions, analysis factors, and major financial impacts.	The Company has not yet conducted further analysis using scenario analysis. Future consideration will depend on the extent of climate change impact on the Company's operations.
6. If there are transition plans to manage climate-related risks, describe the plan and the indicators and targets used to identify and manage physical and transition risks.	The Company has assessed that current climate-related risks do not pose material threats to its business. Therefore, no transition plans have been developed at this stage.
7. If internal carbon pricing is used as a planning tool, please explain the basis for setting the carbon price.	The Company does not currently use internal carbon pricing as a planning tool.
8. If climate-related targets have been set, please explain the activities covered, the GHG emission scopes, the planning timeframe, and annual progress. If carbon offsets or Renewable Energy Certificates (RECs) are used to meet the targets, please specify the source and amount of carbon reduction or RECs.	The Company follows a designated sustainable development roadmap and relevant regulations. The base year is planned to be set as 2025, with greenhouse gas inventory for that year to be disclosed in 2026. Third-party assurance is scheduled for completion in 2027, and verified data for 2027 will be disclosed in 2028.
9. Greenhouse gas inventory and assurance status, along with reduction targets, strategies, and specific action	In accordance with the "Sustainable Development Roadmap for TWSE/TPEX Listed Companies" issued by the Financial Supervisory Commission, companies with paid-in capital below NT\$5 billion are required to complete individual greenhouse gas (GHG) inventories by 2025 and disclose the

plans (to be reported separately in Sections 1-1 and 1-2).	inventory information in 2026. The Company will complete the required disclosures and verification in accordance with the guidelines and relevant regulations issued by the competent authorities.
--	--

1-1 GHG Inventory and Assurance Status for the Most Recent Two Years

1-1-1 GHG Inventory Information: For this inventory, the organizational boundary is defined using the operational control approach. The boundary covers the Company only, as the Company has no subsidiaries.

Item	2024 (Note)	2025
Scope 1: Direct GHG emissions (metric tons CO ₂ e)	Not yet inventoried	24.9641
Scope 2: Indirect GHG emissions (metric tons CO ₂ e)	290.432	329.9790
Total emissions = Scope 1 + Scope 2 (metric tons CO ₂ e)	290.432	354.943
GHG emission intensity (metric tons CO ₂ e / revenue (NT\$ million))	1.2925	1.5435

Note: In 2024, the Company conducted an internal data-based inventory for Scope 2 emissions. In 2025, the Company will conduct internal data-based inventories for both Scope 1 and Scope 2 emissions in accordance with ISO/CNS 14064-1:2018. In 2024, the Company conducted an internal data-based inventory for Scope 2 emissions. In 2025, the Company will conduct internal data-based inventories for both Scope 1 and Scope 2 emissions in accordance with ISO/CNS 14064-1:2018.

1-1-2 GHG Assurance Status:

The Company will proceed in accordance with the Sustainable Development Roadmap and relevant regulatory requirements. It plans to adopt 2025 as the base year, disclose the 2025 GHG inventory information in 2026, continue annual disclosures thereafter, and complete third-party assurance by 2027.

1-2 GHG Reduction Targets, Strategies, and Action Plans:

The Company will formulate and implement its GHG reduction targets, strategies, and action plans in accordance with the Sustainable Development Roadmap and relevant regulatory requirements.

(8) Fulfillment of Ethical Corporate Management and Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Y	N	Abstract Explanation	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>1) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?</p> <p>2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p> <p>3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?</p>	V		<p>(1) The Company upholds principles of integrity, transparency, and responsibility to establish sound corporate governance and risk management mechanisms. We comply with the Company Law, Securities and Exchange Act, Business Accounting Act, regulations related to listed and over-the-counter companies, and other commercial laws. These compliance efforts underpin the Company’s commitment to ethical management, as outlined in our Ethical Corporate Management Best Practice Principles. These principles are rigorously implemented within our internal management and external business activities.</p> <p>(2) Our Ethical Corporate Management Best Practice Principles for listed and OTC companies explicitly prohibit directors, managers, and all employees from engaging in business activities identified under Article 7, Section 2 of the principles, or other activities within our scope of business that carry a high risk of unethical behavior. This is to prevent occurrences of dishonest conduct.</p> <p>(3) The Company has established specific preventive measures in accordance with the provisions of Article 7, Paragraph 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.” In addition, the Company has adopted relevant policies, including the “Codes of Ethical Conduct” and the “Procedures for Prevention of Insider Trading.” Furthermore, the Company has clearly stipulated whistleblowing mechanisms for unethical conduct, as well as disciplinary and grievance procedures for violations, in its “Work Rules” and “Procedures for Ethical Management and Guidelines for Conduct.” These measures are effectively implemented through the internal control system to reduce the risk of unethical conduct and achieve preventive effectiveness.</p>	<p>None.</p> <p>None.</p> <p>None.</p>

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Y	N	Abstract Explanation	
<p>2. Fulfill operations integrity policy</p> <p>1) Does the company evaluate business partners’ ethical records and include ethIC-related clauses in business contracts?</p> <p>2) Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?</p> <p>3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?</p> <p>4) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?</p> <p>5) Does the company regularly hold internal and external educational trainings on operational integrity?</p>	V		<p>(1) The Company has adopted the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and, in accordance with internal control-related policies, has established relevant procedures for credit evaluation and transactions with counterparties.</p> <p>(2) The Company has adopted the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.” To ensure sound ethical management, the corporate governance officer regularly reports to the Board of Directors. In addition, the Company has established an internal audit unit to periodically supervise and execute internal control audits, and any irregularities are reported to the Board of Directors.</p> <p>((3) The Company’s “Ethical Corporate Management Best Practice Principles” and “Rules of Procedure for Board of Directors Meetings” specify measures to prevent conflicts of interest and avoid related issues to ensure compliance. The Company has also established channels for stakeholders to file complaints.</p> <p>(4) The Company has established effective accounting systems and internal controls, with a dedicated audit unit that regularly conducts internal control audits and reports to the board of directors.</p> <p>(5) The Company periodically conducts educational training and advocacy for directors, independent directors, managers, employees, and those with substantial control, inviting business counterparts to participate. This ensures they fully understand the Company’s commitment to ethical management, policies, prevention plans, and the consequences of unethical conduct.</p>	None.

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Y	N	Abstract Explanation	
<p>3. Operation of the integrity channel</p> <p>1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?</p> <p>2) Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?</p> <p>3) Does the company provide proper whistleblower protection?</p>	<p>V</p> <p>V</p> <p>V</p>		<p>(1) The Company’s Ethical Corporate Management Best Practice Principles have established a whistleblowing channel. For incidents of unethical behavior that have occurred, the responsible units are tasked with reviewing the relevant internal controls and operational procedures and proposing improvements to prevent the recurrence of such behaviors. The dedicated unit should report the unethical behavior, handling methods, and subsequent review and improvement measures to the board of directors.</p> <p>(2) The Company has established the “Procedures for Ethical Management and Guidelines for Conduct,” which clearly define whistleblowing procedures and reporting channels.</p> <p>(3) The Company has designated personnel to handle whistleblower reports, ensuring that whistleblowers are protected from inappropriate treatment as a result of their reports.</p>	None.
<p>4. Strengthening information disclosure</p> <p>1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?</p>	V		The Company timely discloses information related to ethical management through the Market Observation Post System (MOPS), annual reports, and other mediums. In addition, we enhance the investor relations content on our website to facilitate the full disclosure and accessibility of information.	None.
<p>5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation: None.</p>				
<p>6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (such as the review and revision of the Company’s Ethical Corporate Management Best Practice Principles): None.</p>				

(7) Inquiry Method for the Corporate Governance Best Practice Principles and Related Regulations Established by the Company:

The Company’s Corporate Governance Best Practice Principles and related regulations are available on the Market Observation Post System (MOPS) or the Company’s corporate website.

(8) Other Significant Information That Enhances Understanding of the Company's Corporate Governance Practices:

Information regarding the Company’s corporate governance practices can be accessed via the Market Observation Post System (MOPS) or the Company’s corporate website.

(9) Disclosure of the execution status of internal control systems should include the following:

1. Statement of Internal Control System:

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

The access path is as follows:

Market Observation Post System (MOPS) > Individual Company > Corporate Governance
> Company Regulations/Internal Control > Internal Control Statement Announcement

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

2. If an accountant is appointed to review the internal control system, the accountant's review report shall be disclosed: None.

(10) Major Resolutions of the Shareholders' Meeting and the Board of Directors in the Most Recent Year and up to the Date of Printing of the Annual Report:

Major Resolutions of Shareholder's Meetings

Date	Major Resolutions	Implementation																							
2025.05.13 (Regular Meeting)	<p>Reports:</p> <p>(1) 2024 Business Report.</p> <p>(2) Audit Committee's review report on the 2024 financial statements.</p> <p>(3) Report on the distribution of employee and director remuneration for 2024.</p> <p>(4) Report on the distribution of cash dividends for 2024.</p>																								
	<p>Matters for Approval:</p> <p>(1) Approved the 2024 Business Report and Financial Statements.</p> <p>(2) Approved the 2024 Earnings Distribution Proposal.</p>	All resolutions have been fully implemented according to the results of the decisions.																							
	<p>Matters for Discussion:</p> <p>(1) Approved the amendments to certain provisions of the Company's Articles of Incorporation.</p> <p>(2) Approved the issuance of new shares through capitalization of capital surplus.</p> <p>(3) Approved, in connection with the Company's application for listing on the Main Board / OTC market, the cash capital increase for the issuance of new shares for public underwriting, with all existing shareholders waiving their preemptive subscription rights.</p>	All resolutions have been fully implemented according to the results of the decisions.																							
	<p>Election Matters:</p> <p>The list of elected directors and independent directors is as follows:</p> <table border="1" data-bbox="395 1093 1110 1630"> <thead> <tr> <th>Category</th> <th>Name</th> <th>Voting Rights Received</th> </tr> </thead> <tbody> <tr> <td rowspan="5">Director</td> <td>HUANG, WEN-CHIEN</td> <td>36,353,645</td> </tr> <tr> <td>CHEN, HUNG-WEN</td> <td>11,247,627</td> </tr> <tr> <td>CHEN, YUNG-HUA</td> <td>11,793,852</td> </tr> <tr> <td>WEI, YA-AN</td> <td>11,238,602</td> </tr> <tr> <td>CHENG, YUEH-SHU</td> <td>11,240,855</td> </tr> <tr> <td rowspan="4">Independent Director</td> <td>PAN, YEN-MIN</td> <td>12,099,639</td> </tr> <tr> <td>WU, CHING-YI</td> <td>11,873,786</td> </tr> <tr> <td>LIN, YUEH-HSIA</td> <td>11,866,132</td> </tr> <tr> <td>LI, CHAN-NAN</td> <td>10,423,508</td> </tr> </tbody> </table>	Category	Name	Voting Rights Received	Director	HUANG, WEN-CHIEN	36,353,645	CHEN, HUNG-WEN	11,247,627	CHEN, YUNG-HUA	11,793,852	WEI, YA-AN	11,238,602	CHENG, YUEH-SHU	11,240,855	Independent Director	PAN, YEN-MIN	12,099,639	WU, CHING-YI	11,873,786	LIN, YUEH-HSIA	11,866,132	LI, CHAN-NAN	10,423,508	All resolutions have been fully implemented according to the results of the decisions.
	Category	Name	Voting Rights Received																						
Director	HUANG, WEN-CHIEN	36,353,645																							
	CHEN, HUNG-WEN	11,247,627																							
	CHEN, YUNG-HUA	11,793,852																							
	WEI, YA-AN	11,238,602																							
	CHENG, YUEH-SHU	11,240,855																							
Independent Director	PAN, YEN-MIN	12,099,639																							
	WU, CHING-YI	11,873,786																							
	LIN, YUEH-HSIA	11,866,132																							
	LI, CHAN-NAN	10,423,508																							
<p>Other Proposals:</p> <p>Approved the lifting of non-compete restrictions for newly elected directors of the Company.</p>	All resolutions have been fully implemented according to the results of the decisions.																								

Important Resolutions of the Board of Directors

Date	Meeting Information	Major Resolutions
2025.02.25	1st Meeting in 2025 (7th Term, 13th Meeting)	<ol style="list-style-type: none"> (1) Approved the Company's 2024 Business Report and Financial Statements. (2) Approved the Company's 2024 earnings distribution proposal. (3) Approved the review of audit fees for 2024 and the evaluation of the independence and qualifications of the signing auditors. (4) Approved the assessment of the effectiveness of the Company's internal control system for 2024 and the issuance of the Statement on Internal Control System. (5) Approved the issuance of new shares through capitalization of capital surplus. (6) Approved the Company's plan to apply for listing on the Main Board / OTC market. (7) Approved the proposed cash capital increase for the issuance of new shares for public underwriting prior to listing on the Main Board / OTC market, including the waiver by all existing shareholders of their preemptive subscription rights. (8) Approved the establishment of the Company's policy defining the scope of non-executive employees in accordance with Article 14-6 of the Securities and Exchange Act. (9) Approved the distribution of directors' and employees' remuneration for 2024. (10) Approved the distribution of directors' and managerial officers' remuneration for 2024. (11) Approved amendments to certain provisions of the Company's Articles of Incorporation. (12) Approved the comprehensive re-election of the Board of Directors. (13) Approved the lifting of non-compete restrictions for newly elected directors. (14) Approved the nomination and review of candidates for directors (including independent directors). (15) Approved matters related to shareholders' proposal rights at the Annual General Meeting. (16) Approved matters regarding whether shareholder nominations shall be included in the list of candidates. (17) Approved matters related to convening the 2025 Annual General Meeting on May 13, 2025.
2025.05.07	2nd Meeting in 2025 (7th Term, 14th Meeting)	<ol style="list-style-type: none"> (1) Approved the financial report for Q1 2025. (2) Approved the adoption of the Company's "Procedures for Treasury Stock Repurchase." (3) Approved amendments to the Company's "Labor and Wage Cycle–Attendance, Leave, and Annual Performance Evaluation Procedures." (4) Approved amendments to the Company's "Employee Handbook." (5) Approved amendments to the Company's "Regulations Governing Employee Performance Evaluation." (6) Approved amendments to the Company's "Implementation Rules for Internal Audit." (7) Approved the adoption of the Company's "Regulations Governing Share Repurchase and Transfer to Employees." (8) Approved the Company's share repurchase plan.
2025.05.13	3rd Meeting in 2025 (8th Term, 1st Meeting)	<ol style="list-style-type: none"> (1) Approved the election of the Chairman. (2) Approved the appointment of members of the 5th Compensation Committee.

Date	Meeting Information	Major Resolutions
2025.05.21	4th Meeting in 2025 (8th Term, 2nd Meeting)	<ul style="list-style-type: none"> (1) Approved the determination of the capital increase record date for the issuance of new shares through capitalization of capital surplus. (2) Approved amendments to the Company’s “Regulations Governing Share Repurchase and Transfer to Employees.”
2025.06.03	5th Meeting in 2025 (8th Term, 3rd Meeting)	<ul style="list-style-type: none"> (1) Approved the issuance of the “Statement on Internal Control System” in connection with the OTC listing application. (2) Approved the preparation of financial forecast information for the review period in connection with the OTC listing application.
2025.08.05	6th Meeting in 2025 (8th Term, 4th Meeting)	<ul style="list-style-type: none"> (1) Approved the Company’s financial report for Q2 2025. (2) Approved the completion of the Company’s 2024 Sustainability Report. (3) Approved the review of audit fees for 2025. (4) Approved the annual salary adjustment for managerial officers for 2025.
2025.08.21	7th Meeting in 2025 (8th Term, 5th Meeting)	<ul style="list-style-type: none"> (1) Approved the proposed acquisition of real estate. (2) Approved the application for credit facilities.
2025.10.08	8th Meeting in 2025 (8th Term, 6th Meeting)	<ul style="list-style-type: none"> (1) Approved the issuance of the “Statement on Internal Control System” in connection with the OTC listing application. (2) Approved the preparation of financial forecast information for the review period in connection with the OTC listing application. (3) Approved matters relating to overallotment and voluntary share deposit (lock-up) by specific shareholders.
2025.11.06	9th Meeting in 2025 (8th Term, 7th Meeting)	<ul style="list-style-type: none"> (1) Approved the financial report for Q3 2025. (2) Approved partial amendments to the Company’s “Sustainable Development Best Practice Principles.”
2025.12.01	10th Meeting in 2025 (8th Term, 8th Meeting)	<ul style="list-style-type: none"> (1) Approved the Company’s budget for 2026. (2) Approved the Company’s audit plan for 2026. (3) Approved amendments to the “Procedures for Application for Suspension and Resumption of Trading.” (4) Approved the proposed cash capital increase for the issuance of new shares for public underwriting prior to the initial OTC listing application. (5) Approved the subscription status of shares by managerial officers in the pre-IPO cash capital increase.
2026.03.04	1st Meeting in 2026 (8th Term, 9th Meeting)	<ul style="list-style-type: none"> (1) Approved the Company’s 2025 Business Report and Financial Statements. (2) Approved the Company’s 2025 earnings distribution proposal. (3) Approved the distribution of cash from capital surplus. (4) Approved the evaluation of the independence and qualifications of the signing auditors for 2026; audit fees will be reported and discussed at the next meeting. (5) Approved the assessment of the effectiveness of the Company’s internal control system for 2025 and the issuance of the Statement on Internal Control System. (6) Approved amendments to certain provisions of the Company’s “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.” (7) Approved the periodic evaluation of the scope of non-executive employees. (8) Approved the distribution of directors’ and employees’ remuneration for 2025. (9) Approved the distribution of directors’ and managerial officers’

Date	Meeting Information	Major Resolutions
		remuneration for 2025. (10) Approved matters related to shareholders' proposal rights at the Annual General Meeting. (11) Approved matters related to convening the 2026 Annual General Meeting on May 26, 2026.

(11) Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors: None.

4. Information Regarding the Company's Audit Fee and Independence

(1) Amounts paid for audit and non-audit fees to the CPAs, their firms, and related entities, and the nature of non-audit services:

Unit: NT\$ thousands

Name of Accounting Firm	Name of CPA	Period Covered by CPAs' Audit	Audit Fee	Non-audit Fee	Total	Note
Deloitte & Touche	LIN, HSIN-TUNG LIN, ZHENG-ZHI	2025.1.1~ 2025.12.31	1,800	1,910	3,710	Non-audit fees include: (1) Non-supervisor salary verification: NT\$20 thousand; (2) Tax certification services: NT\$280 thousand; (3) Internal control special review for regulatory filing: NT\$960 thousand; (4) Review of submission materials: NT\$600 thousand; (5) Capitalization of capital surplus: NT\$50 thousand.

(2) If the audit fee paid in the year of change of accounting firm is less than the audit fee paid in the year before the change, the amount of audit fee before and after the change and the reasons for the change should be disclosed: Not applicable.

(3) If the audit fee has decreased by 10% or more from the previous year, the amount, percentage and reason for the decrease should be disclosed: None.

5. Replacement of CPA: None.

6. Where the company's chairperson, president, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its CPAs or at an affiliated enterprise of such accounting firm: None.

7. Any transfer of equity interests and pledge and change in equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than five percent. If the counterparty to the share transfer or pledge is a related party, disclose the name of the counterparty, their relationship with the Company, directors, supervisors, managers, and shareholders holding more than ten percent of the shares, and the number of shares acquired or pledged:

(1) Net Change in Shareholding by Directors, Management and Shareholders with 10% Shareholdings or More

A. Please refer to the Chinese version of Market Observation Post System (MOPS).

The access path is as follows:

Market Observation Post System (MOPS) > Single Company > Equity Changes/Securities Issuance > Equity Transfer Information Inquiry > Post-Insider Shareholding Change Report Form.

https://mopsov.twse.com.tw/mops/web/query6_1

B.Share Pledge Change Status: None.

(2) Information on transfer of shareholdings: None.

(3) Information on pledge of equity interest: None.

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

Related Party Relationship among Top 10 Shareholders

Mar. 28, 2026

Name	Current Shareholding		Spouse's/ minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remark
	Shares	%	Shares	%	Shares	%	Name	Relationship	
CHEN, YUNG- HUA	2,004,503	6.46	-	-	-	-	-	-	-
LIN, SHIH- CHENG	1,818,000	5.86	14,000	0.05	-	-	-	-	-
CHEN, HAI- YUAN	1,511,000	4.87	-	-	-	-	-	-	-
HUANG, WEN- CHIEN	1,085,997	3.50	-	-	-	-	-	-	-
CHEN, HUNG- WEN	928,009	2.99	-	-	-	-	-	-	-
LI, YU-QI	814,214	2.63	-	-	-	-	-	-	-
XU, SHI- JIA	721,007	2.32	-	-	-	-	-	-	-
WANG, ZI- YUE	718,288	2.32	-	-	-	-	-	-	-
WEI, YA- AN	718,275	2.32	-	-	-	-	-	-	-
CHENG, YUEH- SHU	693,781	2.24	-	-	-	-	-	-	-

9. The number of shares held by the Company, its directors, supervisors, managers, and businesses directly or indirectly controlled by the Company in the same invested business, and the calculation of the combined shareholding percentage:

Investment Ownership

Dec. 31, 2025

Unit: 1,000 shares; %

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Favepc Inc.	2,350	12.79	4,965	27.02	7,315	39.81

Note: Refers to financial assets measured at fair value through profit or loss - non-current financial assets.

III. Capital Overview

1. Capital and Shares

(1) Source of Capital

Date: March 28, 2026

1. Share capital formation

Unit: NT\$ thousands; 1,000 shares

Month/ Year	Par-Value	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Others
2001.09	NT\$10	500	5,000	500	5,000	Initial capital (Note)	None	Effective (Approval) Date: September 4, 2001 Jing-(90)-Zhong-Zi No.09032751380
2001.12	NT\$10	18,000	180,000	5,200	52,000	Cash capital increase of NT\$47,000 thousands	None	Effective (Approval) Date: December 10, 2001 Jing-(90)-Zhong-Zi No.09033173260
2004.11	NT\$12.5	18,000	180,000	7,200	72,000	Cash capital increase of NT\$20,000 thousands	None	Effective (Approval) Date: November 2, 2004 Jing-Shou-Zhong-Zi No.09332956400
2005.01	NT\$12.5	18,000	180,000	9,112	91,120	Cash capital increase of NT\$19,120 thousands	None	Effective (Approval) Date: January 11, 2005 Jing-Shou-Zhong-Zi No.09431519320
2006.11	NT\$13	18,000	180,000	13,112	131,120	Cash capital increase of NT\$40,000 thousands	None	Effective (Approval) Date: November 7, 2006 Jing-Shou-Zhong-Zi No.09533100370
2008.11	NT\$16	18,000	180,000	15,112	151,120	Cash capital increase of NT\$20,000 thousands	None	Effective (Approval) Date: November 24, 2008 Jing-Shou-Zhong-Zi No.09733490000
2009.11	NT\$16 NT\$10	30,000	300,000	17,306	173,060	Cash capital increase of NT\$15,000 thousands Conversion of employee stock options: NT\$6,940,000 thousands	None	Effective (Approval) Date: November 2, 2009 Jing-Shou-Zhong-Zi No.09833329090
2010.11	NT\$50 NT\$10	30,000	300,000	18,787	187,870	Cash capital increase of NT\$7,000 Conversion of employee stock options: NT\$7,810,000 thousands	None	Effective (Approval) Date: November 30, 2010 Jing-Shou-Zhong-Zi No.09932895470
2011.12	NT\$10	30,000	300,000	19,910	199,100	Conversion of employee stock options: NT\$11,230,000 thousands	None	Effective (Approval) Date: December 19, 2011 Jing-Shou-Zhong-Zi No.10032887860

Month/ Year	Par-Value	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Others
2012.07	NT\$10	30,000	300,000	20,310	203,100	Conversion of employee stock options: NT\$4,000,000 thousands	None	Effective (Approval) Date: July 9, 2012 Jing-Shou-Zhong-Zi No.10132224900
2012.12	NT\$30	30,000	300,000	21,310	213,100	Cash capital increase of NT\$10,000 thousands	None	Effective (Approval) Date: December 24, 2012 Jing-Shou-Zhong-Zi No.10132835580
2014.05	NT\$30	30,000	300,000	23,310	233,100	Cash capital increase of NT\$20,000 thousands	None	Effective (Approval) Date: May 19, 2014 Jing-Shou-Zhong-Zi No.10333346610
2014.09	NT\$50	30,000	300,000	24,810	248,100	Cash capital increase of NT\$15,000 thousands	None	Effective (Approval) Date: September 24, 2014 Jing-Shou-Zhong-Zi No.10333711550
2017.07	NT\$50	30,000	300,000	26,810	268,100	Cash capital increase of NT\$20,000 thousands	None	Effective (Approval) Date: July 20, 2017 Jing-Shou-Zhong-Zi No.10633411570
2024.05	NT\$75	30,000	300,000	29,426	294,260	Cash capital increase of NT\$26,160 thousands	None	Effective (Approval) Date: May 27, 2024 Jing-Shou-Zhong-Zi No.11330586590
2025.06	NT\$10	40,000	400,000	30,015	300,145	Capital increase from capital surplus of NT\$5,885 thousands	None	Effective (Approval) Date: June 23, 2025 Jing-Shou-Zhong-Zi No.11430596160
2026.02	NT\$60	40,000	400,000	31,016	310,160	Cash capital increase of NT\$10,015 thousands	None	Effective (Approval) Date: February 9, 2026 Jing-Shou-Zhong-Zi No.11530327790

Note: Established with cash.

(2) List of major shareholders: Shareholders holding more than 5% of total shares or ranking among the top ten shareholders by shareholding percentage.

Date: March 28, 2026

Shareholder's Name	Shares	Shares Held	%
CHEN, YUNG-HUA		2,004,503	6.46
LIN, SHIH-CHENG		1,818,000	5.86
CHEN, HAI-YUAN		1,511,000	4.87
HUANG, WEN-CHIEN		1,085,997	3.50
CHEN, HUNG-WEN		928,009	2.99
LI, YU-QI		814,214	2.63
XU, SHI-JIA		721,007	2.32
WANG, ZI-YUE		718,288	2.32
WEI, YA-AN		718,275	2.32
CHENG, YUEH-SHU		693,781	2.24

(3) Dividend Policy and Implementation Status:

1. The Company's Dividend Policy

If there is a net profit after tax upon the Company's final annual accounting, the profit shall first be used to offset prior years' losses (including adjustments to undistributed earnings). Ten percent of the remaining earnings shall be appropriated as legal reserve; however, if the legal reserve has accumulated to an amount equal to the Company's total capital, this requirement may be waived. Thereafter, special reserves shall be appropriated or reversed in accordance with relevant laws or regulatory requirements. The remaining earnings, together with undistributed earnings at the beginning of the period (including adjustments), shall be proposed by the Board of Directors as a distribution plan and submitted to the shareholders' meeting for approval of dividend distribution.

The Board of Directors is authorized, with the attendance of more than two-thirds of directors and approval by more than half of the attending directors, to distribute all or part of dividends and bonuses in the form of cash dividends, and such distribution shall be reported to the shareholders' meeting.

The Board of Directors is also authorized, with the attendance of more than two-thirds of directors and approval by more than half of the attending directors, to distribute all or part of the legal reserve and capital reserve in the form of cash, and such distribution shall be reported to the shareholders' meeting.

2. Implementation Status

(1) Cash Dividends for Common Shares:

The Company's Board of Directors resolved on March 4, 2026, to distribute

shareholders' dividends in cash at NT\$0.53 per share. This proposal will be reported at the Annual General Meeting on May 26, 2026, and handled in accordance with the relevant regulations.

(2) Cash Distribution from Capital Surplus:

The Company's Board of Directors resolved on March 4, 2026, to distribute cash from capital surplus at NT\$0.47 per share. This proposal will be reported at the Annual General Meeting on May 26, 2026, and handled in accordance with the relevant regulations.

3. Expected Changes in Future Dividend Policy: None.

(4) Impact of This Share Distribution Without Consideration on Company Operating Performance and EPS:

The Company has not published financial forecasts; therefore, this item is not applicable.

(5) Remuneration of Employees, Directors, and Supervisors:

1. Percentage or Range of Remuneration as Stipulated in the Articles of Incorporation:

If the Company records a profit for the year (profit refers to profit before tax prior to the distribution of employee compensation and director remuneration), allocations shall be made as follows:

(1) Director remuneration: Not exceeding 5%.

(2) Employee compensation: 5%–15%, of which not less than 0.1% shall be allocated to employees who are currently employed by the Company and qualify as base-level employees.

However, if the Company has accumulated losses (including adjustments to undistributed earnings), such losses shall be covered first.

Employee remuneration may be distributed in the form of shares or cash, and may include employees of the Company's subsidiaries who meet criteria established by the Board of Directors. Directors' remuneration shall only be distributed in cash.

2. Basis for Accrual of Employee, Director, and Supervisor Remuneration for the Current Period; Basis for Calculating the Number of Shares for Stock Dividend Distribution; and Accounting Treatment in Case of Discrepancy Between Accrued and Actual Amounts: Not applicable.

3. Board Resolution on Distribution of Remuneration:

(1) Distribution of remuneration to employees in the form of cash or shares, and directors/supervisors in the form of cash. If there is any difference between the amount recognized as expense in the financial statements and the actual distributed amount, the variance, reasons, and accounting treatment shall be disclosed:

A. The Company's 9th meeting of the 8th Board of Directors held on March 4, 2026, approved the distribution of employee compensation and director remuneration for 2025. Employee compensation amounted to NT\$4,747,926, of which 4.49% was

allocated to base-level employees. Director remuneration amounted to NT\$1,582,642. All amounts were distributed in cash.

B. The actual distribution of employee and director remuneration matched the amounts recognized in the 2025 financial statements, with no discrepancies.

(2) Proportion of employee remuneration distributed in shares as a percentage of total net income after tax and total employee remuneration: Not applicable.

4. Actual distribution of employee, director, and supervisor remuneration in the previous year (2024), including number of shares distributed, amount, and share price; and any differences from the amounts recognized in the financial statements, with explanations of the differences and their treatment:

	Board Resolution (February 25, 2025)	Actual distribution amount
	Amount (NT\$)	Amount (NT\$)
Employees' Remuneration	6,487,453	6,487,453
Directors' Remuneration	2,162,484	2,162,484
Total	8,649,937	8,649,937

Note: The amounts recorded for director and employee compensation match the amounts resolved by the board of directors.

(6) Buyback of Treasury Stock:

The Company's execution of share repurchase is as follows:

Repurchase round	First
Board resolution date	May 7, 2025
Purpose of repurchase	Transfer of shares to employees
Repurchase period	May 9, 2025 to July 7, 2025
Repurchase price range	NT\$77.03–99.04 per share
Type and number of shares repurchased	744,000 common shares
Total amount repurchased	NT\$69,714,960
Percentage of shares repurchased to planned quantity	74.40%
Number of shares cancelled or transferred	0 shares
Average repurchase price per share	NT\$93.70
Cumulative shares held as a percentage of total issued shares (Note)	2.40%
Reason for incomplete execution	The Company repurchased shares in batches within the price range based on stock price movements. Considering employee subscription willingness and capital utilization efficiency, the repurchase plan was not fully executed.

Note: The percentage is calculated based on the total number of shares issued by the Company as of the reporting date.

2. Corporate Bonds:

None.

3. Preferred Shares:

None.

4. Global Depository Receipts:

None.

5. Employee Stock Options:

- (1) Handling of employee stock options: None.
- (2) Accumulated details as of the annual report printing date, including managers who have acquired employee stock options and the top ten employees in terms of options acquired, their names, and acquisition and subscription details: None.

6. Restricted Stock Awards:

- (1) Disclosure is required for restricted stock awards that have not fully met the vesting conditions as of the annual report printing date, including handling status and impact on shareholders' equity: None.
- (2) Accumulated details as of the annual report printing date regarding managers who have acquired restricted stock awards and the top ten employees by number of shares acquired, their names, and acquisition status: None.

7. Status of New Shares Issuance in Connection with Mergers and Acquisitions:

None.

8. Financing Plans and Implementation

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

The access path is as follows:

Market Observation Post System (MOPS) > Single Company > Equity Changes / Securities Issuance > Fundraising > Execution of Fundraising Plans

(https://mopsov.twse.com.tw/mops/web/bfhtm_q2)

IV. Operations Overview

1. Business Activities

(1) Scope of Business

1. The Company is a leading provider of embedded non-volatile memory (eNVM) silicon intellectual property (SIP), focusing on the development of eNVM technologies compatible with various logic process technologies and offering comprehensive solutions supporting both one-time and multiple-time programming. With core technologies centered on non-volatile memory cells (NVM cells) and array architectures, the Company develops related silicon IP products. Its principal business activities are as follows:

No.	Code	Business Types
1	CC01080	Electronic Parts and Components Manufacturing
2	F119010	Wholesale of Electronic Materials
3	F219010	Retail Sale of Electronic Materials
4	I501010	Product Designing
5	F401010	International Trade
6	F601010	Intellectual Property Rights
7	ZZ99999	All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Business Proportions:

Unit: NT\$ thousand;

Main Product Types	2025		2024	
	Revenue	%	Revenue	%
Technical Service Revenue	55,902	24.31	50,724	22.57
Technology Royalties	174,055	75.69	173,982	77.43
Total	229,957	100.00	224,706	100.00

3. Current Product Line:

The Company was established in September 2001 and is a professional design house specializing in logic process embedded non-volatile memory (NVM) silicon intellectual property (SIP). The Company's product offerings and services include the following:

(1) Technical Service Fees

This includes License Fees, Usage Fees, and Non-Recurring Engineering (NRE) fees.

a. License Fee:

The Company mainly licenses its technologies to semiconductor foundries. These licenses typically cover basic memory cells and individual process technologies. Foundries are authorized to use the licensed basic memory cells to

independently design NVM SIPs, which can then be provided to their IC design clients for subsequent production. Upon contract signing, both parties agree to milestone-based payments. When development reaches certain milestones, a proportionate license fee is payable.

b. Usage Fee:

The Company has pre-developed a series of standard SIP macros with foundries and integrated device manufacturers (IDMs). A usage fee is charged when a foundry, IDM, or IC design house adopts a standard SIP macro. The fee is based on the number of uses—i.e., if a SIP macro is used in one product, a usage fee is paid once; if used in two products, the fee is paid twice, and so on.

c. Non-Recurring Engineering (NRE):

NRE fees are charged when the Company customizes non-standard SIP macros based on specifications requested by foundries, IDMs, or IC design houses. The fees vary depending on the complexity and difficulty of the specifications. Contracts also include milestone-based payment structures, with a percentage of the NRE fee payable upon the achievement of each development milestone.

(2) Royalty

For NVM SIP products that have been validated by foundries or IDMs and entered mass production, the Company charges a royalty based on either the wafer selling price from the foundry to its customers, or the internal wafer production cost at the IDM. The royalty rate typically ranges from 2% to 5%. Foundries and IDMs are required to provide the Company with a quarterly quantity report detailing the production volume of customer products, which is then used to calculate the royalty amount payable.

4. New Products Planned for Development:

The Company continues to focus on the research, development, and promotion of embedded non-volatile memory (NVM) silicon intellectual property (SIP) for logic processes, covering product design, market applications, and business marketing. The Company has established comprehensive process technology platforms across production lines of more than ten foundries and integrated device manufacturers (IDMs), spanning multiple generations of process nodes from 0.5 micron to 65 nanometers, providing customers with diverse and flexible implementation options. The Company's NVM SIP has been adopted by numerous international IC design companies, with validation completed across multiple process platforms, and successful customer product integration and mass production. Applications cover display drivers (TFT-LCD driver ICs, LED driver ICs), power management (Power ICs), microcontrollers (MCUs), automotive electronics, and Internet of Things (IoT) applications.

In terms of product technology development, the Company continues to advance the scaling technology of floating-gate memory cells. The fifth-generation floating-gate memory cell-based IP products, including MTP, FTP, OTP Plus, and EEPROM, have entered mass production. At the same time, the Company is actively developing next-

generation eFlash IP featuring high capacity, low voltage, low power consumption, and high-speed performance to strengthen its competitive advantages.

The key focuses of new product development are as follows:

(1) Advancement of Advanced Process Deployment

Continuously expand applications in 55nm and 40nm process technologies, and progressively extend into more advanced process nodes in response to customers' diversified product requirements.

(2) Enhancement of Process Platform Completeness

Existing process platforms cover LG (Logic), HV (High Voltage), BCD, and MM processes, while actively developing CIS processes to broaden product application scope.

(3) Improvement of Product Performance and Density

Continue to develop higher-speed and higher-density NVM SIP products on existing process platforms to meet diverse application requirements.

(4) Optimization of IP Area and Cost Competitiveness

Continuously promote memory cell scaling design to reduce IP area, enhance customer design flexibility, and effectively reduce customers' die size to lower production costs, thereby further strengthening the market competitiveness of YMC NVM IP.

(5) Development of High-Performance, Low-Power Products

Actively develop differentiated NVM SIP products featuring high-speed access, lower operating voltage, and low power consumption to meet high-performance and energy-efficient application needs.

(6) Expansion of Product Lines and Application Fields

In addition to existing MTP products, continue to expand the OTP product line and actively deploy IP solutions for low-power IoT applications to explore new market opportunities.

(2) Industry Overview:

The Company is dedicated to the research, development, and sales of embedded non-volatile memory (NVM) silicon intellectual property (SIP) for logic processes, and is a professional NVM SIP design company and supplier.

Silicon Intellectual Property (SIP) refers to functional modules used in integrated circuit (IC) design. These are pre-designed, verified, and reusable circuit units that enable IC design companies to rapidly complete specific functional designs, thereby improving development efficiency, shortening product development cycles, and accelerating time-to-market. Depending on their design characteristics, some SIP modules are standardized with fixed functions, while others allow a certain degree of customization to meet diverse application requirements.

1. Upstream, Midstream, and Downstream Industry Relationships:

Taiwan's semiconductor industry is highly mature and has formed a complete

industrial value chain with a high degree of specialization and division of labor, featuring well-defined upstream, midstream, and downstream structures along with strong integration capabilities. Supported by government policies and industrial clustering effects, Taiwan plays a critical role in the global semiconductor industry and maintains leading advantages in IC design, wafer fabrication, and packaging and testing.

The overall industry value chain can be categorized as follows:

(1) Upstream Industry:

Primarily responsible for material preparation, circuit design, and related support services, including:

- Wafer manufacturing: Production and supply of silicon wafer materials.
- Mask fabrication: Conversion of circuit designs into photomask layouts used in wafer processing.
- IC design companies (Design Houses): Define chip specifications and perform circuit design based on market demand.
- SIP providers: Supply silicon IP modules required for IC design. The Company falls into this category, focusing on the development of embedded NVM SIP for logic processes.
- IC design service companies: Provide outsourcing services for partial or full IC design processes, design integration services, customized functional design, turnkey solutions, and SIP solutions for system companies and IC design companies.
- EDA tool providers: Offer electronic design automation (EDA) software tools required for IC design.

(2) Midstream Industry:

- Foundries: Conduct wafer fabrication based on circuit designs provided by IC design companies and serve as the core manufacturing segment of the semiconductor industry value chain.

(3) Downstream Industry:

- Packaging and testing: Responsible for chip packaging and functional testing.
- IC sales and application channels: Introduce chip products into end-use application markets.

2. Product Development Trends and Competitive Landscape:

As the complexity of integrated circuit (IC) design continues to increase and system integration requirements grow, silicon intellectual property (SIP) has become increasingly critical in the IC design process. By incorporating pre-verified and reusable SIP modules, IC design companies can shorten development cycles, reduce design costs, and accelerate time-to-market, thereby enhancing overall market competitiveness. With the semiconductor industry becoming more specialized, the role of SIP providers within the industry value chain has become increasingly important.

In terms of industry development, IC design service companies are expanding their service scope by offering proprietary SIP products, resulting in more diversified service offerings. Some companies have developed their own SIP products, while others have obtained licenses from leading international SIP providers and integrated them into their design platforms. IC design service companies have gradually extended their capabilities from back-end design support (such as layout and routing) to front-end design services (such as RTL design, functional simulation, and logic synthesis), while integrating

proprietary or licensed SIP products. Their collaboration with foundries has also become increasingly close, driving sustained growth in overall SIP market demand.

The Company focuses on the development and sales of embedded non-volatile memory (NVM) SIP for logic processes. Compared with embedded Flash SIP that requires additional specialized process steps, the Company's products can be implemented using standard logic processes, offering advantages in both cost efficiency and integration flexibility. In terms of product performance, the Company's MTP SIP provides endurance ranging from 10K to 100K program/erase cycles, placing it among industry leaders. It also supports in-system programming, allowing direct programming without the need for additional RAM buffers or erase operations, thereby enhancing usability and system performance. These features make it suitable for applications such as parameter and configuration settings, system program code storage and logging, digital rights management, and secure identification management.

In addition, compared with embedded Flash technologies, which require more complex processes involving an additional 7 to 11 photomask layers and result in wafer costs approximately 30% to 50% higher than standard processes, the Company's NVM SIP can deliver competitive performance under standard process conditions, enabling customers to achieve an optimal balance between cost and performance.

From an industry environment perspective, driven by the continued growth in AI-related applications, the global foundry industry is expected to maintain growth momentum in 2026, primarily supported by demand for AI main chips and related peripheral ICs. In advanced process nodes, strong demand for AI chips has led to high capacity utilization rates and increased process pricing. In contrast, mature process nodes exhibit divergent demand conditions, with certain applications providing support, but overall capacity utilization recovery remains limited.

According to analysis by Yole Group, following significant expansion in foundry capacity over the past few years, supply of mature process capacity is expected to remain relatively abundant. Overall capacity utilization is anticipated to stabilize within a certain range, reflecting a structural adjustment in the industry cycle.



Overall, with the continued development of AI, the Internet of Things (IoT), and various intelligent applications, demand for IC design is expected to grow steadily, thereby expanding the SIP market. The SIP industry operates primarily under licensing and royalty-based business models, characterized by relatively low capital expenditure requirements and high gross margins, making it an increasingly important and promising segment within the semiconductor industry.

The Company has long been committed to the development of MTP SIP technologies and has established a diversified process platform portfolio, enabling it to provide customers with flexible options across multiple foundries and process nodes. The Company will continue to strengthen its product competitiveness to capitalize on industry growth opportunities.

(3) Technology and Research and Development Overview:

1. Research and Development Expenditures:

Unit: NT\$ thousands

Expense \ Year	2025	2024
Amount	140,318	135,611

2. Technologies or Products Successfully Developed in 2025

Period	Item
June 2025	First-version verification of 7th-generation MTP IP completed
August 2025	First-version verification of 2nd-generation Anti-Fuse IP completed
November 2025	Development of memory cell for 1st-generation Fuse OTP completed
November 2025	Development of memory cell for 3rd-generation Anti-Fuse OTP completed
November 2025	Memory cell testing of 1st-generation HKMG MTP completed

3. Future R&D Development Plans

The Company is a professional provider of embedded non-volatile memory (NVM) silicon intellectual property (SIP) for logic processes, focusing on the research, design, and market development of programmable NVM SIP. The Company has established cooperative relationships with more than ten domestic and international foundries and integrated device manufacturers (IDMs), and has successfully introduced its products into multiple generations of process platforms, covering process nodes from 0.5 micron to 65 nanometers.

To meet diverse application requirements, the Company has established a comprehensive process platform portfolio, including Logic, Mixed Mode, High Voltage, and BCD processes, and offers NVM SIP products with capacities ranging from 4 bits to 512 kbits. These products have been widely adopted by customers across various applications and have entered the mass production and shipment stage.

In terms of technology development, the Company has long focused on multiple-time programmable (MTP) memory technologies and is committed to enhancing product performance and application flexibility. Compared with early one-time programmable (OTP) products, MTP supports repeated programming, significantly improving design flexibility and value-added potential for customers' products. To maintain its technological leadership, the Company is actively advancing development in 55nm and 40nm processes while continuously investing R&D resources to develop NVM SIP products featuring low cost, high performance, and high reliability.

The Company's future R&D priorities are as follows:

(1) SIP Area Scaling

Continuously optimize memory cell design to reduce IP area, enhance cost competitiveness, and expand into high-density (above 1 Mbit) multiple-time programmable NVM markets.

(2) Improvement of Read Access Time

Develop high-speed access architectures and optimize process design to reduce the number of photomask layers, thereby helping customers lower overall manufacturing costs and improve product competitiveness.

(3) Low Power Consumption

In response to the demand for low power consumption in consumer electronics, continue to develop low-voltage and low-current read/write technologies (including patented technologies) to enhance product performance and market applicability.

(4) Low Voltage Operation

Develop high-speed, low-current read non-volatile memory SIP solutions to meet the requirements of next-generation applications.

(4) Short-term and Long-term Business Development Plans:

To achieve the Company's objectives of sound operations and sustainable development,

the Company has formulated both short-term and long-term business development strategies based on its operational needs. Given the broad scope of its business, the short-term and long-term development plans are further categorized into three aspects as follows:

1. Short-term Business Development Plans

(1) R&D and Manufacturing Plans

- a. In response to diversified customer product requirements, continue to develop NVM SIP products applicable to MCUs, power management ICs, touch ICs, and other fields, and establish a more comprehensive product database and solution portfolio.
- b. Continue to advance the scaling of floating-gate memory cells. The fifth-generation floating-gate-based MTP, FTP, OTP Plus IP, and EEPROM products have entered mass production, while further investment is being made in the development of high-capacity, low-voltage, low-power, and high-speed eFlash IP.
- c. Actively expand cooperative relationships with foundries and integrated device manufacturers (IDMs) in Korea, Japan, and China to broaden process platform coverage and provide customers with more process technology options.
- d. Continuously optimize SIP design processes to enhance R&D efficiency and design capabilities, thereby accelerating product development and time-to-market.

(2) Marketing Plans

- a. While strengthening the Company's foundation in the Taiwan market, actively expand into the China market and deepen cooperation with local foundries and IDMs.
- b. In addition to existing application fields, continue to explore new application markets to expand the customer base and market coverage.
- c. Improve the quality and efficiency of customer services to strengthen existing customer relationships and enhance collaboration stickiness.
- d. Develop global marketing channels and distribution networks based on regional deployment, while maintaining close cooperation with foundries and IDMs.

(3) Financial and Administrative Plans

Establish a sound financial environment and ensure effective management and utilization of the Company's funds.

2. Long-term Business Development Plans

(1) R&D and Manufacturing Plans

- a. In response to diversified customer product requirements, continue to collaborate with partners in advancing process technologies at 55nm and below 40nm to expand into communication and high-end application markets.
- b. Continue to invest in the patent portfolio of NVM SIP technologies and establish a comprehensive intellectual property protection framework to enhance technological barriers and maintain the Company's competitive advantages.
- c. Focus on application areas such as smart power, display drivers, Internet of Things

(IoT), microcontrollers (MCUs), and sensors, and develop embedded multiple-time programmable NVM SIP products to capture long-term market growth opportunities.

(2) Marketing Plans

- a. Actively expand into markets in the United States, Korea, Japan, and Europe, while collaborating with foundries and IDMs in Southeast Asia and Europe on technology development.
- b. In alignment with the Company's globalization strategy, increase market share in the NVM SIP market and enhance corporate visibility, with the goal of becoming a leading global brand in the NVM SIP industry.
- c. Establish overseas marketing offices and distribution channels, develop international customers, maintain stable annual revenue growth, and enhance profitability.

(3) Financial and Administrative Plans

Leverage capital market resources to continuously optimize the capital structure and strengthen financial stability, thereby supporting the Company's long-term development.

2. Market and Sales Overview

(1) Market Analysis:

1. Major Sales Regions of the Company's Products/Services:

Unit: NT\$ thousand

Sales Region	2025	2024
China (including Hong Kong)	99,958	98,635
Korea	49,368	39,011
Taiwan	47,711	49,048
Singapore	24,919	30,131
United States	7,594	4,171
Others	407	3,710
Total	229,957	224,706

2. Market Share:

The Company's revenue in 2025 amounted to NT\$229,957 thousand, primarily derived from technical service fees and royalties. Compared to typical IC design service companies, whose revenues are mainly generated from design service fees, the Company adopts a business model centered on technical service fees, license fees, and royalties, forming a high value-added and sustainable revenue structure.

In the Taiwan market, the number of silicon intellectual property (IP) providers whose primary revenue sources are technical service fees and royalties is relatively limited. When further focusing on suppliers of embedded non-volatile memory (NVM) SIP for logic processes, the number of competitors with similar technological positioning is even smaller, indicating that the Company possesses a certain competitive advantage within this niche market.

With the continuous increase in demand for YMC SIP across various application fields, the Company's products have been successfully established and verified across multiple foundry process platforms, driving ongoing expansion of its customer base. As the number of product design-in projects increases, both technical service fees and royalty income are expected to grow in line with wafer shipment volumes, indicating strong revenue growth potential. The Company is well positioned to strengthen its leadership in the embedded NVM SIP market.

In addition, the Company maintains close collaboration with foundries to stay aligned with process technology development trends and to proactively deploy IP products that meet the specifications of various process platforms. As the coverage of process platforms expands and product specifications continue to improve, the Company's IP portfolio and application scope are also expanding accordingly.

According to the Global Embedded NVM (eNVM) IP Market Research Report published by ArstaResearch, the global embedded non-volatile memory (eNVM) IP market size was approximately US\$360 million in 2024 and is expected to grow at a

compound annual growth rate (CAGR) of approximately 10% from 2025 to 2031. The Company's market share in 2025 was approximately 2%, placing it among the leading players in the overall eNVM IP market.

3. Future Supply and Demand Conditions and Growth Potential of the Market:

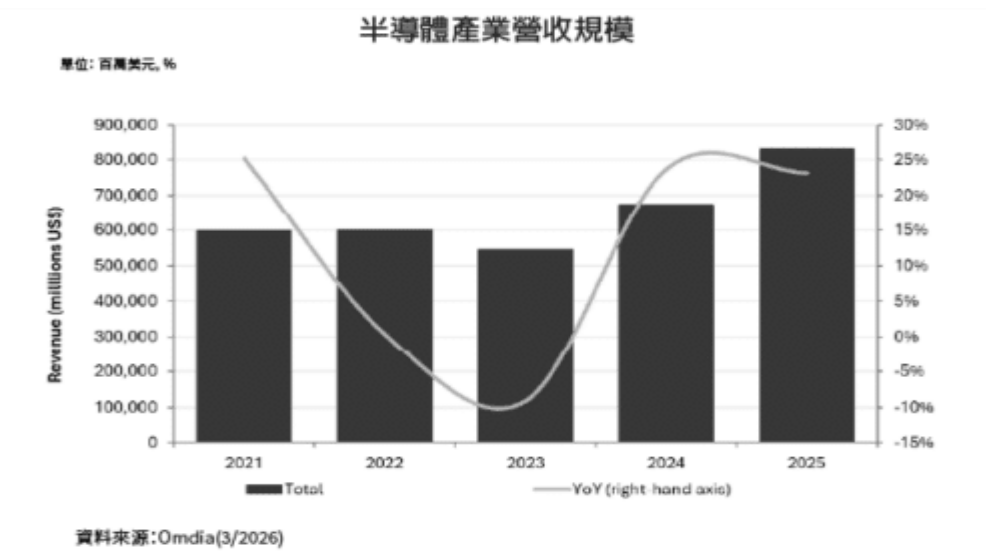
As the complexity of system-on-chip (SoC) design continues to increase, silicon intellectual property (SIP) has become increasingly important in the IC design process. By incorporating reusable and pre-verified SIP modules, IC design companies can reduce development manpower costs, shorten product development cycles, and accelerate time-to-market, thereby enhancing overall competitiveness.

In terms of industry development trends, the scope of services provided by IC design service companies has gradually expanded from traditional back-end design (such as layout and routing) to front-end design (such as RTL design, logic synthesis, and functional simulation), while forming closer collaboration with foundries. With the rapid advancement of process technologies, both design complexity and verification difficulty have increased, further elevating the critical role of SIP in process integration and system-level design.

As SoC architectures have been widely adopted across various electronic products (except for certain standalone memory and specific power devices), demand for SIP continues to grow. Based on technical attributes and application levels, SIP can be categorized into basic, standard, key, and platform types. Among these, basic SIP is highly process-dependent but relatively low-priced; standard SIP faces intense competition with broad application coverage but experiences rapid price erosion as new products are introduced; key and platform SIP possess higher technological barriers and added value, with relatively fewer market participants, and are primarily dominated by large international vendors. Domestic companies, on the other hand, tend to focus on providing SoC or ASIC design architecture, design services, design methodologies, and turnkey solutions, or on obtaining licenses for key SIP (such as ARM and MIPS core technologies) to support SoC design platforms.

In terms of market size, according to research by Omdia, the global semiconductor industry exceeded US\$830 billion in 2025, maintaining growth of over 20% for two consecutive years. The continued expansion of artificial intelligence (AI)-related applications has driven demand for high-performance computing and related ICs, becoming a major driver of overall semiconductor market growth.

In addition, while certain application markets (such as automotive, consumer electronics, and industrial sectors) experienced demand fluctuations in the past, major application segments showed growth in 2025, indicating that overall market demand has gradually stabilized and continues to demonstrate growth momentum.



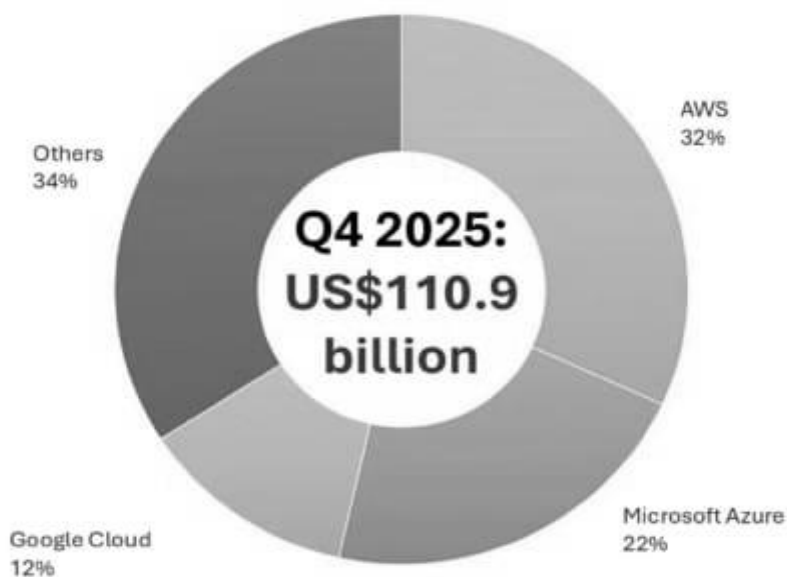
According to the latest research by Omdia, global cloud infrastructure service spending reached US\$110.9 billion in the fourth quarter of 2025, representing a year-over-year increase of 29%. This not only reflects an acceleration compared to the previous quarter but also marks the sixth consecutive quarter of growth exceeding 20%. This trend is primarily driven by enterprise AI applications transitioning from experimentation to large-scale deployment, prompting major cloud service providers (CSPs) to continue expanding infrastructure investments.

Looking ahead, Omdia forecasts that global cloud infrastructure service spending will grow by approximately 27% in 2026. As market competition intensifies, differentiation among cloud service providers will increasingly be reflected in infrastructure scale, capital efficiency, and capabilities related to AI agent platforms.

In the fourth quarter of 2025, major cloud service providers all demonstrated strong growth momentum. Amazon Web Services recorded a year-over-year growth rate of 24%, while Microsoft Azure and Google Cloud achieved strong year-over-year growth of 39% and 50%, respectively. This indicates that AI demand has expanded beyond standalone accelerated computing (such as GPUs) to broader infrastructure components, including CPUs, storage, and networking, thereby driving wider semiconductor-related demand.

Furthermore, as enterprise AI applications increasingly focus on agents, workflow automation, and data integration, demand for scalable and efficiently managed infrastructure has risen significantly. This further reinforces the role of cloud platforms as the core infrastructure for AI operations and continues to drive both existing and emerging workloads toward cloud migration.

4Q'25全球雲端基礎設施服務支出



資料來源：Omdia(3/2026)

According to the latest research by TrendForce, driven by the accelerating electrification and intelligent transformation of the automotive industry, the global automotive semiconductor market is projected to grow steadily from approximately US\$67.7 billion in 2024 to nearly US\$96.9 billion by 2029, representing a compound annual growth rate (CAGR) of approximately 7.4% from 2024 to 2029. This indicates strong long-term growth momentum for the automotive semiconductor market.

In terms of product structure, growth momentum varies across different types of automotive chips. High-performance computing (HPC) chips—represented by logic processors and advanced memory—are expected to grow significantly faster than traditional components such as microcontrollers (MCUs), reflecting a rapid shift in market value toward core technologies supporting vehicle intelligence and electrification.

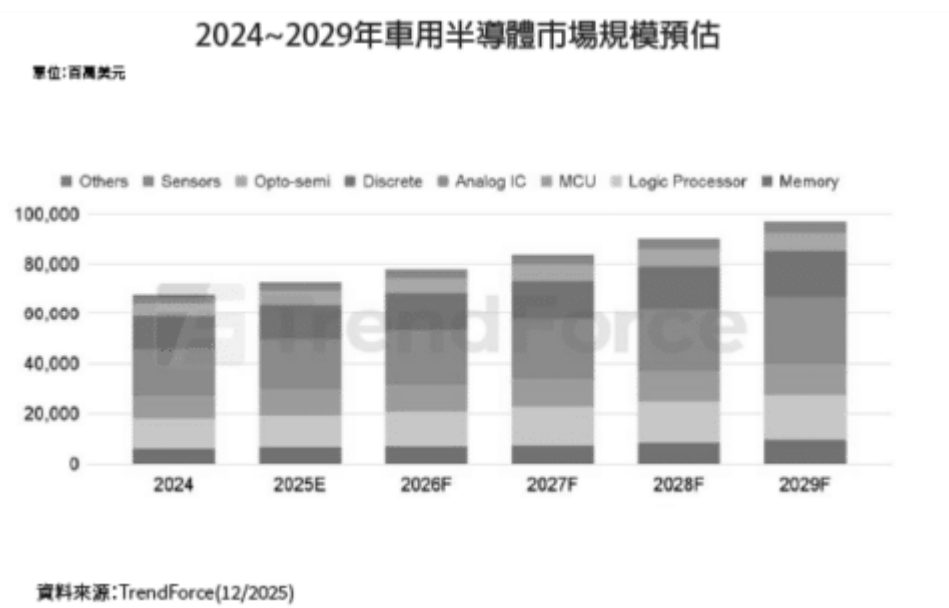
According to TrendForce, as electric vehicle penetration continues to increase, the global penetration rate of electric vehicles (including BEV, PHEV, FCV, and HEV) in the new vehicle market is expected to reach 29.5% in 2025. At the same time, the advancement of vehicle intelligence is driving increased demand for multi-sensor configurations, high-speed communications, and AI model applications, prompting the evolution of automotive electrical/electronic (E/E) architectures from distributed systems toward domain-centralized and centralized architectures. The substantial growth in data processing requirements and the increasing complexity of AI models are further driving exponential growth in computing power demand for automotive chips.

In addition, as automakers integrate functional domains such as body control, remote processing, intelligent driving, and smart cockpits, the development of cockpit/ADAS integrated system-on-chip (SoC) solutions has accelerated, entering the commercialization stage in 2025. These integrated solutions help reduce system costs, simplify architectural design, and improve overall performance, and are expected to

further promote the widespread adoption of intelligent vehicles. TrendForce also estimates that automotive logic processors will achieve a CAGR of approximately 8.6% from 2024 to 2029, exceeding the overall market average of 7.4%.

In terms of the competitive landscape, rapid market growth has intensified competition among chip vendors. Leading global players with strong high-performance computing capabilities and comprehensive hardware-software ecosystems are actively expanding into the automotive market, while emerging players are rising rapidly with policy support and technological advancements. Meanwhile, traditional automotive chip suppliers continue to maintain competitive advantages through product reliability and established customer relationships. Overall, the key competitive factors are expected to shift from standalone hardware performance to integrated hardware-software capabilities and the establishment of robust industry ecosystems.

Overall, the ongoing development of automotive electronics and intelligent systems will continue to drive demand for automotive SoCs and related semiconductors, further expanding the application scope of embedded non-volatile memory (eNVM). The Company will continue to focus on automotive and high-reliability application requirements, strengthen product performance, and enhance process platform deployment to improve its competitiveness and growth opportunities in the automotive market.



4. Competitive Advantages:

The Company focuses on the development and sales of embedded non-volatile memory (NVM) silicon intellectual property (SIP) for logic processes. Its core technologies cover in-house development capabilities ranging from fundamental memory bitcells to complete functional modules (macros). Through long-term technological accumulation, the Company has obtained dozens of related domestic and international patents, establishing a comprehensive intellectual property protection system that creates entry barriers and effectively safeguards its competitive advantages.

In terms of process platform deployment, the Company's products have been

successfully introduced into multiple generations of process nodes across various foundries and integrated device manufacturers (IDMs), spanning from 0.5 micron to 65 nanometers. These products support diverse platforms, including Logic, Mixed Mode, High Voltage, and BCD processes. Meanwhile, development of 55nm and 40nm processes is actively being advanced in collaboration with partners to expand coverage of advanced nodes and enhance market penetration.

In terms of product technology and cost advantages, the Company's embedded MTP SIP enables multiple-time programming under standard logic processes. Compared to embedded Flash solutions that require additional process steps and photomask layers, the Company's solutions offer superior cost efficiency and integration flexibility. Customers can obtain memory solutions that combine performance and ease of use without incurring additional process costs, thereby enhancing product design flexibility and market competitiveness.

Overall, leveraging its proprietary technologies, diversified process platform deployment, and cost-effective product characteristics, the Company has established differentiated competitive advantages in the embedded NVM SIP market and continues to expand its customer base and application scope.

5. Favorable and Unfavorable Factors for Future Development and Corresponding Strategies:

(1) Favorable Factors for Future Development

a. Strategic Position of the SIP Industry in the Semiconductor Value Chain

With the increasing specialization of the semiconductor industry, a highly professional and structured upstream, midstream, and downstream value chain has been established. The SIP industry is positioned in the upstream design segment. As chip design complexity continues to rise, SIP effectively reduces development burdens, shortens product development cycles, and accelerates time-to-market, thereby increasing its importance within the overall semiconductor value chain. As the industry continues to evolve, demand for SIP is expected to expand further, enabling SIP providers to broaden application areas and enhance technological value.

b. High Technological Barriers of SIP Contribute to Competitive Advantage

Embedded non-volatile memory (NVM) SIP is a highly knowledge-intensive field. The development process—from memory cell design and macro development to process validation and mass production introduction at foundries and IDMs—is lengthy and technically demanding. Products must pass multiple verification stages and be successfully integrated into process platforms before being included in SIP libraries for customer use. In addition, industry development relies heavily on long-term partnerships with foundries and IDMs to ensure smooth product commercialization. Due to high entry barriers and long development cycles, the number of capable competitors remains limited, contributing to a relatively stable competitive landscape.

c. Application Trends Shifting Toward Multiple-Time Programmable Solutions

As product functionality and application requirements continue to increase, demand for memory solutions with multiple-time programming capability is gradually rising. Compared to one-time programmable (OTP) products, which are limited in application flexibility, and embedded Flash solutions, which require additional process steps and photomask layers and thus increase overall costs, the Company's embedded MTP SIP for logic processes enables multiple-time programming under standard process conditions, offering both cost efficiency and application flexibility. The Company's products have been adopted by numerous well-known IC design companies and have been successfully introduced into and mass-produced across various application fields, including consumer electronics, information technology products, communications, and home appliances.

(2) Unfavorable Factors for Future Development and Countermeasures

a. Difficulty in Recruiting Talent in the NVM (Non-Volatile Memory) SIP Field

In Taiwan, memory IC development can be traced back to early companies such as Winbond Electronics, UMC, and Macronix, starting with Mask ROM, EPROM, and SRAM, later evolving into Flash and DRAM. Although Inotera Memories has been developing NAND Flash, Taiwan's overall DRAM scale still exceeds that of Flash. Compared to talent in analog ICs, logic components, and microcomponent ICs, professionals specialized in the NVM field remain relatively scarce.

Countermeasures:

- (i) Experienced and professional talent is difficult to recruit. The Company has established plans to provide long-term training for junior employees, including internal professional training as well as external training at semiconductor institutions or academic organizations.
- (ii) Recruit graduates from semiconductor-related disciplines through alternative military service programs for long-term training.
- (iii) Proceed with public issuance and OTC listing of shares to attract and retain talent.

b. Competitors Also Launching Logic-Process Embedded Multi-Time Programmable (MTP) NVM SIP

As the embedded OTP SIP market gradually declines, OTP SIP suppliers are accelerating their MTP SIP development. However, the advantages and disadvantages of logic-process embedded NVM SIP are closely tied to the architecture of its fundamental cell. Experience in developing embedded OTP SIPs does not necessarily translate to developing MTP SIPs. In addition, SIP macros must pass wafer foundry validation and be proven through actual customer usage. The Company has already established a leading position in the market and will continue to cautiously promote its MTP SIP products, developing new SIPs to meet customer needs.

Countermeasures:

- (i) Continue developing advanced-node MTP SIP products.
- (ii) Build a diverse portfolio of SIP products tailored to various applications.
- (iii) Expand technology platforms across different wafer foundries and IDMs.
- (iiii) Establish a professional technical support system to respond quickly to customer needs.
- (iiiii) Raise corporate visibility and expand adoption among international clients.

(2) Main Applications and Manufacturing Process of Core Products:

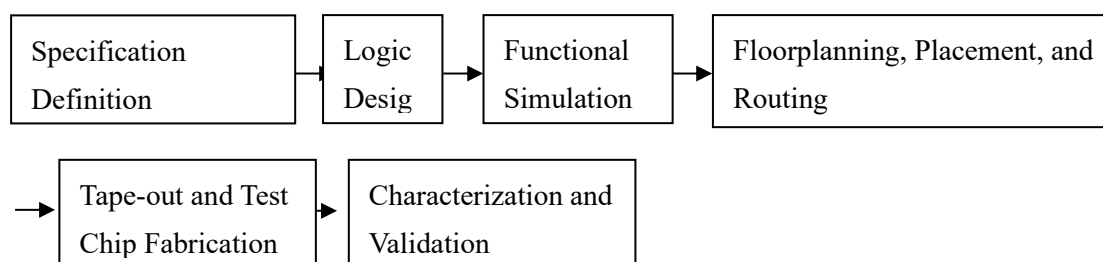
1. Key Products and Their Applications:

The Company specializes in the development and sales of logic-process embedded MTP non-volatile memory SIPs. These SIPs are widely applicable across various domains such as consumer electronics ICs, communication ICs, and computer and information ICs. Product applications include:

- (1) Power Management ICs (PMICs)
- (2) Microcontrollers (MCU / SoC)
- (3) LED Driver ICs
- (4) TFT LCD Driver ICs
- (5) Touch Controllers
- (6) In-Cell Touch Controllers
- (7) AMOLED Driver ICs

2. Main Product Manufacturing Process

The Company specializes in the research, development, and marketing of logic-process embedded non-volatile memory (NVM) SIPs. As SIPs are silicon intellectual property products rather than physical items, the development process of the Company's SIP products is as follows:



(3) Supply Status of Main Raw Materials

The Company only uses raw materials when engaged in wafer production services. In such cases, the Company directly accepts customer orders for wafer products, places orders with wafer foundries for the production of wafers embedded with the Company's NVM SIP, and delivers the finished wafers to customers. In these cases, the wafer is considered the raw material. As of now, the Company no longer provides wafer production services.

(4) Names, Transaction Amounts, and Ratios of Customers Accounting for More Than 10% of Total Purchases or Sales in Either of the Past Two Years, and Explanation of Changes

1. Names, purchase amounts, and ratios of customers accounting for more than 10% of total purchases in either of the past two years:

The Company is a professional design house for logic-process embedded non-volatile memory SIPs (Silicon Intellectual Property) and does not engage in physical manufacturing. Therefore, this evaluation item is not applicable.

2. A list of any customers accounting for 10 percent or more of the Company's total sales amount in either of the most recent 2 years

Unit: NT\$ thousands

Year	2025				2024			
No.	Name	Amount	Percentage of full year net purchase amount (%)	Relation with issuer	Name	Amount	Percentage of full year net purchase amount (%)	Relation with issuer
1	Customer A	48,901	21.27	None	Customer A	39,984	17.79	None
2	Customer B	48,612	21.14	None	Customer B	38,213	17.01	None
3	Customer C	31,564	13.73	None	Customer C	24,459	10.88	None
4	Customer D	23,217	10.10	None	Customer D	28,810	12.82	None
5	Others	77,663	33.76	None	Others	93,240	41.50	None
	Net Sales Revenue	229,957	100.00		Net Sales Revenue	224,706	100.00	

Explanation of Changes: The increase or decrease was primarily attributable to the growth in mass production by IC design companies and foundries.

3. Number of Employees, Average Years of Service, Average Age, and Educational Background Distribution Ratio for the Last Two Years up to the Date of the Annual Report Publication:

Item	Year	2024	2025	As of March 28, 2026
	Number of employees	Direct Employees	-	-
Indirect Employees		23	24	22
Research and Development Staff		50	49	48
Total		73	73	70
Average age		35.4	35.4	36.1
Average years of service		7.0	7.4	7.8
Percentage of employees at each education level	PhD	-	-	-
	Master	42	42	41
	Bachelor	58	58	59
	Below senior high school	-	-	-

4. Environmental Protection

- (1) Describing any losses (including compensation) suffered by the Company in the most recent fiscal year and during the current fiscal year up to the date of publication of the annual report as a result of environmental pollution incidents, and the total amount of penalties imposed: None.
- (2) Future responses (including improvement measures) and possible expenses, and disclosing an estimated amount thereof (including losses, penalties and compensation that may be incurred if no response is taken). If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

5. Labor Relations

- (1) Description of the Company's Employee Welfare Programs, Continuing Education, Training, Retirement System, Implementation Status, Labor-Management Agreements, and Measures to Protect Employee Rights:

1. Employee Welfare Measures:

- (1) Company Welfare:

In addition to implementing the Labor Standards Act and relevant regulations, the Company has arranged group insurance coverage for employees to supplement labor insurance, extending benefits to employees' dependents for more comprehensive protection. The Company also provides subsidies for fitness activities and allows time during work hours for physical exercise.

- (2) Employee Benefits:

The Company coordinates a range of welfare activities, including annual domestic and overseas trips, partnerships with designated stores, staff gatherings, year-end parties, holiday bonuses, and club events, ensuring that employees feel valued and supported.

2. Continuing Education and Training System:

In response to rapid technological advancements in the industry and to promote employee development, the Company provides employees with training opportunities and related expenses. This ensures that every employee can continue learning, refine their skills, and improve work quality, thereby contributing to company profitability. Training also supports career development in alignment with corporate goals.

3. Retirement System:

In accordance with the Labor Pension Act (New Pension Scheme), the Company makes monthly contributions to employees' individual pension accounts established with the Bureau of Labor Insurance.

4. Labor-Management Agreements and Measures to Protect Employee Rights:

To safeguard labor-management rights and maintain harmonious relations, the Company actively promotes open communication between labor and management, regularly convening labor-management administrative meetings. To date, the Company has maintained positive and stable labor relations without any major labor disputes.

- (2) Losses Incurred Due to Labor Disputes in the Most Recent Year and as of the Annual Report

Printing Date, Including Estimated Current and Future Costs and Response Measures (or an Explanation if Estimates Cannot Be Made): None.

6. IT Security Management

(1) Description of the Information Security Risk Management Framework, Information Security Policies, Specific Management Measures, and Resources Allocated for IT Security Management

1. Information Security Risk Management Framework:

- (1) The Company has established a cross-departmental Information Security Committee, chaired by the President as the chief convener.
- (2) Information security management objectives and policies, along with personal data management policies, have been formulated and are regularly reviewed and updated.
- (3) Periodic management review meetings are held to assess the implementation of the information security and personal data management systems.

2. Information Security Policies:

- (1) In accordance with the internal control system, firewalls are installed and logs are reviewed regularly.
- (2) All personal computers are equipped with antivirus software, which is regularly updated. The use of unauthorized software is prohibited.
- (3) The Company's information security policies and regulations are regularly communicated to employees.
- (4) System logs of various information security items are regularly reviewed to monitor for abnormalities.
- (5) Important data is regularly backed up according to internal control requirements, including off-site backup.
- (6) A secure computer server room has been established with access control. All entries and exits must be recorded in the "Server Room Work Log."
- (7) All operations on servers and network equipment must be accurately recorded in the "System Administration Work Log."
- (8) In accordance with the internal control system, hardware that is obsolete, damaged, or no longer usable must be collected and stored by the IT management department. The IT department is responsible for completing the "Asset Disposal Detail Sheet," and with the President's approval, completing the "IT Equipment Destruction Security Checklist" before data destruction.
- (9) Regular disaster recovery drills are conducted to prevent business interruptions due to damage to information systems caused by accidents.
- (10) Regular inventory of information assets and personal data registries is conducted. Risk assessments related to information security and personal data are used to implement appropriate control measures.
- (11) User accounts, passwords, and access permissions must be properly maintained and used by employees, with passwords updated regularly, per internal control requirements.
- (12) Annual internal audits are conducted to ensure the effectiveness of the information security and personal data protection management systems.
- (13) System development and program modifications must undergo thorough evaluation and be

approved by responsible supervisors according to internal control procedures.

- (14) Access to sensitive data is limited to designated personnel and specific devices, with two-factor authentication required for identity verification.
- (15) Periodic information security risk assessments are conducted by external third-party experts, and identified vulnerabilities are addressed and improved.
- (16) Social engineering drills are conducted regularly. These simulations mimic real cyberattack scenarios to test employee awareness of suspicious emails, links, or attachments. The results are used to strengthen cybersecurity training and enhance the Company's overall defense capabilities. Employees are encouraged to actively participate and jointly safeguard the Company's information security.

3. Specific Management Measures and Resources Invested in IT Security Management:

The Company places great emphasis on controlling and safeguarding information security risks. A restricted area has been established, and a multi-layered, in-depth defense framework has been implemented to form a robust cybersecurity protection network. Strict control measures are enforced, including the classification and grading of information assets, outbound data transfer controls (subject to application and approval), email system protection, output control for printing, copying, and faxing, network anomaly audits, access approval procedures for information equipment, a prohibition on personal storage devices, restrictions on unauthorized photo or video capture with personal devices, strengthened access control and entry restrictions, periodic review of user access permissions, and regular cybersecurity education and training through physical or online courses for all employees. Additionally, the Company regularly announces cybersecurity control protocols and raises awareness of major cybersecurity incidents. The Company's cybersecurity controls are continuously upgraded according to pre-established plans.

In recent years, cyberattacks have become increasingly frequent, particularly ransomware, which has caused widespread damage and posed significant threats to businesses. The Company conducts in-depth analyses of major domestic and international cybersecurity incidents to strengthen internal and external cyberattack defenses, raise awareness through training, and strictly implement firewall policy reviews, endpoint protection, intrusion detection systems, antivirus updates, patch management for hosts and network equipment, and data center management. System audits and improvements are regularly conducted through the Company's cybersecurity operations platform, aiming to create value for customers and shareholders while fulfilling social responsibility.

(2) Losses, Potential Impacts, and Response Measures Related to Major Cybersecurity Incidents in the Most Recent Fiscal Year and up to the Annual Report Publication Date:

As of the end of 2025 and up to the date of publication of this annual report, the Company has not experienced any major cybersecurity incidents, nor has it incurred any related losses or impacts.

7. Significant Contracts:

Nature of Contracts	Counterparty	Contract Period	Main Contents	Restrictive Clauses
Credit Facility Agreements	E.SUN Commercial Bank	2025.10.21-2045.10.21	Long-term loans (Note)	None
Credit Facility Agreements	E.SUN Commercial Bank	2026.01.09-2046.01.09	Long-term loans (Note)	None

Note: Loans for the purchase of owner-occupied office premises.

V. Review of Financial Conditions, Operating Results, and Risk Management

1. Review and Analysis of Financial Condition:

(1) Comparative Analysis of Financial Condition

Unit: NT\$ thousands

Item \ Year	2025	2024	Difference		Explanation
			Amount	%	
Current Assets	287,884	531,306	(243,422)	(45.82)	Note 1
Property, plant and equipment	226,415	39,231	187,184	477.13	Note 2
Right-of-use assets	0	25,270	(25,270)	(100.00)	Note 1
Intangible assets	47,438	43,164	4,274	9.90	
Other Assets	57,891	4,543	53,348	1,174.29	Note 2
Total Assets	619,628	643,514	(23,886)	(3.71)	
Current liabilities	55,858	64,061	(8,203)	(12.80)	
Non-current liabilities	92,453	26,938	65,515	243.21	Note 3
Total liabilities	148,311	90,999	57,312	62.98	Note 3
Share capital	300,145	294,260	5,885	2.00	
Capital surplus	206,283	212,168	(5,885)	(2.77)	
Retained earnings	34,604	46,087	(11,483)	(24.92)	Note 4
Treasury shares	(69,715)	0	(69,715)	100.00	Note 5
Total equity	471,317	552,515	(81,198)	(14.70)	

Explanation for changes exceeding 20% and NT\$10 million:
 Note 1: Decrease in current assets and right-of-use assets was mainly due to share repurchases and the purchase of owner-occupied office premises.
 Note 2: Increase in property, plant and equipment and other assets was mainly due to the purchase of owner-occupied office premises and prepayments for property acquisition.
 Note 3: Increase in non-current liabilities and total liabilities was mainly due to the purchase of owner-occupied office premises.
 Note 4: Decrease in retained earnings was mainly due to a decline in net profit.
 Note 5: Increase in treasury shares was mainly due to share repurchases in 2025.

2. Review and Analysis of Financial Performance:

(1) Comparative Analysis of Operating Results

Unit: NT\$ thousands

Item \ Year	Year		Difference	%	Explanation
	2025	2024			
Operating Income	229,957	224,706	5,251	2.34	
Operating Costs	3,912	1,182	2,730	230.96	
Gross profit	226,045	223,524	2,521	1.13	
Operating Expenses	204,603	192,824	11,779	6.11	
Net profit (loss)	21,442	30,700	(9,258)	(30.16)	
Non-operating income and expenses	3,880	3,900	(20)	(0.51)	
Net profit (loss) before tax	25,322	34,600	(9,278)	(26.82)	
Income tax expense	8,179	6,824	1,355	19.86	
Net profit (loss) for the period	17,143	27,776	(10,633)	(38.28)	Note 1
Total comprehensive income or loss for the period	17,649	27,743	(10,094)	(36.38)	Note 1
Explanation for changes exceeding 20% and NT\$10 million:					
Note 1: Decrease in net income and total comprehensive income for the current period was mainly due to increased operating expenses in 2025.					

(2) Projected Sales Volume for the Coming Year and Its Basis, Possible Impact on the Company's Future Financial and Business Operations, and Response Plans:

As the Company is a professional logic-process embedded non-volatile memory (NVM) Silicon Intellectual Property (SIP) design house, its products are not measured in unit quantities. The Company, based on industry trends, customer product demand, market supply and demand, market share, and industry forecast data, expects a stable growth in sales compared to the previous year. This is expected to have a positive impact on the Company's future financial performance.

3. Cash Flow

(1) Analysis of recent annual cash flow movements

Unit: NT\$ thousands

Item	Year	Net Cash Flow		Difference
		2025	2024	
Operating Activities		70,071	72,923	(2,852)
Investing Activities		(294,821)	(62,616)	(232,205)
Financing Activities		(15,726)	196,871	(212,597)
Effect of Exchange Rate Changes on Cash and Cash Equivalents		490	948	(458)
Analysis of changes in cash flows: 1. Decrease in net cash inflows from operating activities was mainly due to foreign exchange gains and an increase in prepayments in 2025. 2. Increase in net cash outflows from investing activities was mainly due to the purchase of property and R&D software in 2025. 3. Increase in net cash outflows from financing activities was mainly due to the purchase of property and the application for long-term bank loans in 2025. 4. Impact of exchange rate fluctuations on cash and cash equivalents was primarily due to the appreciation of the New Taiwan dollar against the U.S. dollar, resulting in the revaluation of foreign currency cash balances.				

(2) Plan for Improving Insufficient Cash Amounts: Based on the current cash position of the Company, there are no issues related to liquidity or cash shortages.

(3) Cash Liquidity Analysis for the Next Year:

Unit: NT\$ thousands

Beginning Cash Balance	Estimated Net Cash Flow from Operating Activities for the Year	Estimated Net Cash Flow from Investing Activities for the Year	Estimated Net Cash Flow from Financing Activities for the Year	Remaining Cash Balance	Remedial Measures for Cash Shortages	
					Investment Plans	Financial Management Plans
262,961	62,944	(132,443)	116,861	310,323	—	—
1. Analysis of expected cash flow changes for the coming year: (1) Net cash inflows from operating activities are mainly derived from revenue in 2026. (2) Net cash outflows from investing activities are mainly attributable to the purchase of owner-occupied office premises, various software, and testing equipment. (3) Net cash inflows from financing activities are mainly attributable to capital increases in cash, housing loans, repayment of loan principal, and the planned distribution of cash dividends of NT\$30,272 thousand. 2. Remedial Measures for Expected Cash Shortages and Liquidity Analysis: Not applicable.						

4. Recent Years Major Capital Expenditures and Impact on Financial and Business:

(1) Usage of Major Capital Expenditures and Sources of Capital: None.

(2) Impact on Financial and Business Operations: None.

5. Long-term Equity Investment Policy and Results: None.

6. Risk Management:

(1) The impact of interest rate changes, exchange rate fluctuations, and inflation on the Company's profits and future response measures:

1. Impact on the Company's profits:

Item	2025 (NT\$ thousands; %)
Net amount of interest received (paid)	4,120
Net exchange (loss) gain	(634)
Net amount of interest received (paid) as a percentage of net revenue	1.79%
Net amount of interest received (paid) as a percentage of pre-tax net profit	16.27%
Net exchange (loss) gain as a percentage of net revenue	(0.28)%
Net exchange (loss) gain as a percentage of pre-tax net profit	(2.50)%

(1) Interest rate changes: In 2025, due to sufficient operating capital, the Company generated interest income. As of now, the Company has interest expense on bank loans incurred due to the purchase of real estate. However, the Company continues to monitor changes in bank lending rates and maintains good relationships with financial institutions to secure more favorable interest rates, thereby mitigating the impact of rate fluctuations on the Company's financial performance.

(2) Exchange rate fluctuations: In addition to domestic sales, the Company exports its products to the United States and various Asian countries, with most export transactions denominated in U.S. dollars. As indicated above, the Company recorded a foreign exchange loss of NT\$634 thousand in 2025, primarily due to the appreciation of the New Taiwan dollar.

The Company manages foreign exchange with a principle of risk aversion, not for speculative trading. Financial staff continuously monitor financial news and foreign exchange market changes to fully grasp exchange rate trends. Additionally, the Company strengthens relationships with banks and considers advice from foreign exchange banks to make foreign exchange hedging more flexible.

(3) Inflation has no significant impact on the Company.

2. Future response measures: Not applicable.

(2) Policies on engaging in high-risk, high-leverage investments, lending funds to others,

endorsements and guarantees, and trading in derivative products, as well as the main reasons for profits or losses and future countermeasures:

The Company focuses on its core business and has not engaged in high-risk, high-leverage investments, lending funds to others, endorsements, guarantees, or trading in derivative products in the most recent fiscal year and up to the date of the annual report's publication. The Company has established "Procedures for Acquisition or Disposal of Assets," "Procedures for Endorsement and Guarantee," and "Procedures for Lending Funds to Other Parties," which have been approved by the shareholders' meeting. If the Company engages in related operations in the future, it will proceed according to the relevant operational procedures and will announce the information promptly and accurately in accordance with legal regulations.

(3) Future research and development plans and anticipated R&D expenses:

The Company's future R&D plans are focused on addressing customer demands for diversified applications by developing SIP products for various fields such as MCU applications, power ICs, and touch controller ICs, thereby building a more comprehensive MTP SIP library. The Company will continue its efforts to miniaturize floating-gate memory cells. The fifth-generation floating-gate memory cell designs for MTP, FTP, OTP plus IP, and EEPROM have already entered mass production. Subsequently, the Company will develop high-capacity, low-voltage, energy-efficient, high-speed eFlash IP.

The Company's R&D expenses are mainly invested in product development, which may not necessarily correlate proportionally with annual sales. The Company believes that active investment in R&D is essential to maintaining its competitive edge and existing advantages. Therefore, the Company's investment in various R&D expenses will not be affected by external conditions, and there are currently no anticipated significant R&D expenses.

(4) Impact of significant domestic and international policy and legal changes on the Company's financial operations and countermeasures:

The Company will continue to monitor relevant domestic and international policy and legal changes and respond promptly to any impacts arising from these changes. As of the most recent fiscal year and up to the date of publication of the annual report, there have been no significant domestic or international policy or legal changes that have had a major impact on the Company's financial operations.

(5) Impact of technological changes (including information security risks) and industry changes on the Company's financial operations and countermeasures:

The Company places great importance on investing in and developing R&D talent and product technology, continuously monitoring domestic and international technological or industry changes, and assessing the impacts of new trends. The management has a firm grasp on future market directions or technology development strategies and will respond

appropriately to any impacts. The Company has established information system management procedures and computer operation cycles to implement internal control systems and maintain information security policies, ensuring data integrity and security. Thus, as of the most recent fiscal year and up to the date of publication of the annual report, technological changes (including information security risks) and industry changes have not had any significant adverse effects on the Company's financial operations.

(6) Impact of changes in corporate image on crisis management and countermeasures:

In recent years, the Company has continually strengthened corporate governance to respond to various potential corporate crises. It has rapidly developed processes for handling crises and provides immediate responses to protect the Company's corporate image. As of the most recent fiscal year and up to the date of publication of the annual report, there have been no significant impacts on the Company due to changes in corporate image.

(7) Expected benefits, potential risks, and countermeasures for mergers and acquisitions:

As of the most recent fiscal year and up to the date of publication of the annual report, the Company has had no plans to merge with or acquire other companies. Should there be plans for mergers and acquisitions in the future, the Company will adopt a cautious evaluation approach, fully considering the synergies of the merger to effectively protect shareholders' rights.

(8) Expected benefits, potential risks, and countermeasures for expanding factory facilities:

As of the most recent fiscal year and up to the date of publication of the annual report, the Company has had no plans to expand its factory facilities.

(9) Risks associated with concentration in procurement or sales and countermeasures:

1. Procurement: The Company is a professional design company specializing in embedded non-volatile memory SIPs (Silicon Intellectual Property) in logic processes and does not engage in production and manufacturing, so this assessment does not apply.
2. Sales: Although some of the Company's existing sales customers account for more than 10% of sales revenue, all are reputable international companies. The relationship with these companies remains good, and payment collections are normal, so such risks are minor.

(10) Impact, risk, and countermeasures related to significant transfers of shares or changes in shareholders holding more than 10% of the shares among directors, supervisors, or major shareholders:

As of the most recent fiscal year and up to the date of publication of the annual report, there have been no significant transfers of shares among directors, supervisors, or shareholders holding more than 10% of the shares.

(11) Impact, risk, and countermeasures related to changes in management rights:

As of the most recent fiscal year and up to the date of publication of the annual report, there have been no changes in management rights.

(12) Litigation or non-litigation events that may significantly affect shareholders' rights or the price of securities should disclose the facts of the dispute, the amount involved, the start date of the litigation, the main parties involved in the litigation, and the situation up to the date of publication of the annual report: None.

(13) Other significant risks and countermeasures: None.

7. Other Important Matters:

None.

VI. SPECIAL DISCLOSURE

1. Summary of Associates: None.

2. Private Placement Securities in the Most Recent Years: None.

3. Other items of description which needs to be supplemented: None.

4. Any event that had a material impact on the rights of shareholders or the prices of securities provided in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act occurred: None.

Yield Microelectronics Corporation

Chairman: HUANG, WEN-CHIEN